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Brilliance Auto

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BRILLIANCE CHINA AUTOMOTIVE HOLDINGS LIMITED

(華 晨 中 國 汽 車 控 股 有 限 公 司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 1114)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2024

The board of directors (the “Board”) of Brilliance China Automotive Holdings Limited (the “Company”) announces the consolidated financial results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31st December, 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st December,

(Expressed in thousands of RMB except for earnings per share amounts)

	Note	2024 RMB'000	2023 RMB'000
Revenue	3	1,095,949	1,121,454
Cost of sales		(902,069)	(832,975)
Gross profit		193,880	288,479
Other income		23,578	39,821
Interest income		417,838	670,174
Selling expenses		(53,602)	(45,252)
General and administrative expenses		(528,637)	(432,269)
Net reversal (recognition) of expected credit loss (“ECL”) allowance on loans and receivables		109,159	(53,227)
Finance costs		(3,684)	(1,744)
Share of results of associates		4,361,370	7,796,829
Profit before income tax expense	4	4,519,902	8,262,811
Income tax expense	5	(1,474,278)	(526,360)
Profit for the year		3,045,624	7,736,451

* For identification purposes only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)*For the year ended 31st December,**(Expressed in thousands of RMB except for earnings per share amounts)*

	Note	2024 RMB'000	2023 RMB'000
Attributable to:			
Equity holders of the Company		3,101,075	7,734,993
Non-controlling interests		(55,451)	1,458
		3,045,624	7,736,451
Earnings per share			
	6		
- Basic		RMB0.61465	RMB1.53312
- Diluted		RMB0.61465	RMB1.53312

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December,

	2024 RMB'000	2023 RMB'000
Profit for the year	3,045,624	7,736,451
Other comprehensive (expense) income that will be subsequently reclassified to consolidated statement of profit or loss, net of tax		
Share of other comprehensive (expense) income of associates	(947,404)	563,920
Fair value gain (loss) on notes receivable at fair value through other comprehensive income ("FVOCI")	39	(206)
	(947,365)	563,714
Other comprehensive income (expense) that will not be subsequently reclassified to consolidated statement of profit or loss, net of tax		
Change in fair value of equity investments	68	(4,015)
Total comprehensive income for the year	2,098,327	8,296,150
Attributable to:		
Equity holders of the Company	2,153,778	8,294,692
Non-controlling interests	(55,451)	1,458
	2,098,327	8,296,150

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December,

	Note	2024 RMB'000	2023 RMB'000
Non-current assets			
Intangible assets		131,425	32,084
Property, plant and equipment		1,297,242	401,627
Land lease prepayments		71,792	73,911
Interests in associates		12,450,008	16,690,022
Equity investments		1,839	5,909
Long-term loan receivables		1,602,089	2,237,756
Prepayment for investment		–	282,557
Other non-current assets		131,707	128,074
Total non-current assets		15,686,102	19,851,940
Current assets			
Cash and cash equivalents		10,539,550	30,845,795
Statutory deposit reserves at central bank		42,500	57,500
Pledged and restricted short-term bank deposits	7	582,115	2,500,975
Inventories		260,658	127,438
Accounts receivable	8	403,551	344,050
Notes receivable		82,498	99,918
Short-term loan receivables		942,521	1,192,100
Other current assets		566,220	134,904
Total current assets		13,419,613	35,302,680
Current liabilities			
Accounts payable	9	260,379	297,280
Notes payable		279,853	219,330
Other current liabilities		408,187	264,670
Short-term bank borrowings		330,000	924,500
Income tax payable		3,031	2,940
Provision for loss	11	554,199	1,469,944
Total current liabilities		1,835,649	3,178,664
Net current assets		11,583,964	32,124,016
Total assets less current liabilities		27,270,066	51,975,956

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 31st December,*

	2024 RMB'000	2023 RMB'000
Non-current liabilities		
Other non-current liabilities	172,185	84,821
NET ASSETS	27,097,881	51,891,135
Capital and reserves		
Share capital	397,176	397,176
Reserves	25,663,802	50,720,928
Total equity attributable to equity holders of the Company	26,060,978	51,118,104
Non-controlling interests	1,036,903	773,031
TOTAL EQUITY	27,097,881	51,891,135

NOTES:

1. CORPORATE INFORMATION

Brilliance China Automotive Holdings Limited (the “**Company**”) was incorporated in Bermuda on 9th June, 1992 with limited liability. The Company’s shares are traded on the main board of The Stock Exchange of Hong Kong Limited (the “**SEHK**”). The address of the registered office of the Company is at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The principal place of business of the subsidiaries are in the People’s Republic of China (the “**PRC**”).

During the year, Shenyang Automobile Co., Ltd. (“**Shenyang Automobile**”) acquired 100% equity interest of Huachen Automotive Group Holdings Company Limited (“**Huachen**”) of which its wholly-owned subsidiary, Shenyang Sanshi Automotive Industry Development Co. Ltd. has acquired on 26th June, 2024 all 29.99% of the issued share capital of the Company from Huachen’s another wholly-owned subsidiary, Liaoning Xinrui Automotive Industry Development Co., Ltd. Accordingly, Shenyang Automobile also indirectly holds 29.99% of the shares in the Company and is considered as the single largest shareholder of the Company.

The Company is an investment holding company. The principal activities of the Group are the manufacture and sale of BMW vehicles and components in the PRC through its major associate, BMW Brilliance Automotive Ltd. (“**BBA**”), the manufacture and sale of non-BMW vehicles and automotive components through its subsidiaries, Jinbei (Shenyang) Automotive Co., Ltd. (“**JSA**”) (formerly known as Renault Brilliance Jinbei Automotive Company Limited (“**RBJAC**”)), Ningbo Yumin Machinery Industrial Co., Ltd (“**Ningbo Yumin**”) and Mianyang Brilliance Ruian Automotive Components Co., Ltd. (“**Mianyang Ruian**”), and the provision of auto financing service through its subsidiary, Brilliance-BEA Auto Finance Co., Ltd. (“**BBAFC**”).

2. PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), collective terms of which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), and the accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the SEHK (the “**Listing Rules**”).

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Statement of compliance (Continued)

These consolidated financial statements have been prepared on the basis consistent with the accounting policies adopted in the 2023 financial statements, except for the adoption for the first time the following amended HKFRSs (collectively “**Amended HKFRSs**”) issued by the HKICPA, which are relevant to and effective for the annual consolidated financial statements for the annual period beginning on or after 1st January, 2024.

Amendments to HKAS 1	Non-current Liabilities with Covenants (the “ 2022 Amendments ”)
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

The impact of the adoption of the Amended HKFRSs are discussed below in note (b). Other than as noted below, the adoption of the Amended HKFRSs has no material impact on the Group’s consolidated financial statements.

(b) Adoption of Amended HKFRSs

(i) 2022 Amendments and Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” (the “**2020 Amendments**”)

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 “Financial Instruments: Presentation”.
- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Adoption of Amended HKFRSs (Continued)

(i) *2022 Amendments and Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” (the “2020 Amendments”) (Continued)*

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity’s right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1st January, 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1st January, 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group’s outstanding liabilities as at 31st December, 2024, the application of the Amendments does not result in the reclassification of the Group’s liabilities.

(ii) *Amendments to HKAS 7 and HKFRS 7 “Supplier Finance Arrangement”*

Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures.

The application of the amendments does not have any significant impact on the Group’s financial statements.

(iii) *Amendments to HKFRS 16 “Lease Liability in a Sale and Leaseback”*

Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The application of the amendments does not have any significant impact on the Group’s financial statements.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(c) Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is historical cost, except for financial instruments classified as finance assets which are measured at FVOCI and fair value through profit or loss (“FVTPL”).

(d) Future changes in HKFRSs

As at the date of authorisation of these consolidated financial statements, the HKICPA has issued certain new and amended HKFRSs which are relevant to the Group and not yet effective.

Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-Dependent Electricity ²
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁴
Amendments to HKAS 21	Lack of Exchangeability ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵

¹ Effective for annual periods beginning on or after 1st January, 2025

² Effective for annual periods beginning on or after 1st January, 2026

³ Effective for annual periods beginning on or after 1st January, 2027

⁴ Effective for reporting periods beginning on or after 1st January, 2027

⁵ No mandatory effective date determined yet but available for adoption

The directors of the Group anticipate that all of the pronouncements will be adopted in the Group’s accounting policy for the first period beginning on or after the effective date of the pronouncement. The directors expect that the new and amended HKFRSs have no material impact on the Group’s consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue earned during the year represents:

	2024 RMB'000	2023 RMB'000
Sale of non-BMW vehicles and automotive components, net of discounts and return	893,092	842,240
Interest and service charge income from provision of auto financing service, net of other indirect taxes	202,857	279,214
	1,095,949	1,121,454

Sale of non-BMW vehicles and automotive components are recognised at a point of time.

During the year, the Group had one largest customer with aggregate revenue of approximately RMB106,063,000 or 10% of the Group's revenue (2023: one largest customer with aggregate revenue of approximately RMB156,535,000 or 14% of the Group's revenue). Other than the largest customer, no other customer had aggregate revenue reaching or exceeding 10% of the Group's revenue during the year (2023: same).

Although the Group's products are primarily sold in the PRC, the Group also has sale to the overseas markets and the sales by location of customers are as follows:

	2024 RMB'000	2023 RMB'000
PRC	751,784	714,091
Other Asian countries	7,466	6,524
Latin America and Caribbean Sea	46,099	44,988
Europe	81,434	72,548
Others	6,309	4,089
	893,092	842,240

All interest and service charge income from provision of auto financing service is derived in the PRC.

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the directors and the chief operating decision makers for their decisions about resource allocation to the Group's business segments, which are determined by the Group's different brands of vehicles or different nature of business, and their respective performances.

3. REVENUE AND SEGMENT INFORMATION (Continued)

The Group has identified the following reportable segments:

- (1) the manufacture and sale of non-BMW vehicles and automotive components;
- (2) the manufacture and sale of BMW vehicles and components; and
- (3) the provision of auto financing services.

The measurement policies the Group adopts for reporting segment results under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs, except that the following items are not included in arriving at the segment results of the operating segments:

- expenses related to share-based payments;
- share of results of associates;
- interest income;
- finance costs;
- corporate income and expenses which are not directly attributable to the business activities of any operating segment; and
- income tax expense.

In addition, the operating results of the operating segments include completed segment results of the manufacture and sale of BMW vehicles and components, which are currently reported on the basis of the Group's share of equity interests in BBA and included in the consolidated financial statements prepared under HKFRSs.

Segment assets include all assets other than interests in associates, equity investments and prepayment for investment. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

Segment liabilities include all liabilities other than corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

In addition, segment assets and segment liabilities include assets and liabilities of the "manufacture and sale of BMW vehicles and components" segment, which are currently reported on the basis of the Group's share of equity interests in BBA included in the consolidated financial statements prepared under HKFRSs.

All segment assets are located in the PRC.

3. REVENUE AND SEGMENT INFORMATION (Continued)

Operating segments – 2024

	Manufacture and sale of non-BMW vehicles and automotive components RMB'000	Manufacture and sale of BMW vehicles and components RMB'000	Provision of auto financing service RMB'000	Reconciliation to the Group's consolidated statement of profit or loss and intersegment elimination RMB'000	Total RMB'000
Segment sales	893,092	205,064,858	202,857	(205,064,858)	1,095,949
Segment results	(107,314)	17,450,301	(7,475)	(17,419,950)	(84,438)
Unallocated costs net of unallocated income					(171,184)
Interest income					417,838
Finance costs					(3,684)
Share of results of associates	(1,205)	4,362,575	-	-	4,361,370
Profit before income tax expense					4,519,902

3. REVENUE AND SEGMENT INFORMATION (Continued)

Operating segments – 2023

	Manufacture and sale of non-BMW vehicles and automotive components RMB'000	Manufacture and sale of BMW vehicles and components RMB'000	Provision of auto financing service RMB'000	Reconciliation to the Group's consolidated statement of profit or loss and intersegment elimination RMB'000	Total RMB'000
Segment sales	842,240	253,484,512	279,214	(253,484,512)	1,121,454
Segment results	(13,924)	31,177,207	4,730	(31,144,542)	23,471
Unallocated costs net of unallocated income					(225,919)
Interest income					670,174
Finance costs					(1,744)
Share of results of associates	2,527	7,794,302	–	–	7,796,829
Profit before income tax expense					8,262,811

3. REVENUE AND SEGMENT INFORMATION (Continued)

Operating segments – 2024

	Manufacture and sale of non-BMW vehicles and automotive components RMB'000	Manufacture and sale of BMW vehicles and components RMB'000	Provision for auto financing service RMB'000	Reconciliation to the Group's consolidated statement of financial position and intersegment elimination RMB'000	Total RMB'000
Segment assets	13,634,934	127,448,121	2,885,501	(128,298,970)	15,669,586
Interests in associates	917,318	11,532,690	-	-	12,450,008
Equity investments					1,839
Unallocated assets					984,282
Total assets					29,105,715
Segment liabilities	1,588,906	81,317,360	1,205,790	(82,168,208)	1,943,848
Unallocated liabilities					63,986
Total liabilities					2,007,834
Other disclosures:					
Capital expenditures					
- Owned assets	139,572	18,827,637	2,965	(18,827,637)	142,537
- Right-of-use assets	117,093	186,845	-	(186,845)	117,093
- Investment in JSA	1,054,355	-	-	-	1,054,355
Depreciation of property, plant and equipment					
- Owned assets	136,613	5,924,411	984	(5,924,411)	137,597
- Right-of-use assets	21,419	393,336	3,488	(393,336)	24,907
Amortisation of land lease prepayments					
	2,119	84,196	-	(84,196)	2,119
Amortisation of intangible assets					
	15,781	255,921	8,103	(255,921)	23,884
Provision for inventories					
	5,693	3,249,173	-	(3,249,173)	5,693
Reversal of provision for inventories sold					
	6,489	2,299,923	-	(2,299,923)	6,489
Net reversal of ECL allowance					
	159,556	531	(50,397)	(531)	109,159
Impairment loss on property, plant and equipment					
	1,285	-	-	-	1,285
Income tax expense					
	278	5,735,846	-	(4,261,846)	1,474,278

3. REVENUE AND SEGMENT INFORMATION (Continued)

Operating segments – 2023

	Manufacture and sale of non-BMW vehicles and automotive components RMB'000	Manufacture and sale of BMW vehicles and components RMB'000	Provision for auto financing service RMB'000	Reconciliation to the Group's consolidated statement of financial position and intersegment elimination RMB'000	Total RMB'000
Segment assets	35,270,836	159,021,777	3,833,968	(160,173,716)	37,952,865
Interests in associates	918,534	15,771,488	–	–	16,690,022
Prepayment for investment					282,557
Equity investments					5,909
Unallocated assets					223,267
Total assets					55,154,620
Segment liabilities	2,287,997	95,935,823	2,116,121	(97,087,763)	3,252,178
Unallocated liabilities					11,307
Total liabilities					3,263,485
Other disclosures:					
Capital expenditures					
– Owned assets	19,351	13,444,559	6,443	(13,444,559)	25,794
– Right-of-use assets	1,910	278,798	11,778	(278,798)	13,688
– Investment in JSA	282,557	–	–	–	282,557
Depreciation of property, plant and equipment					
– Owned assets	50,107	6,199,158	786	(6,199,158)	50,893
– Right-of-use assets	17,197	397,815	4,230	(397,815)	21,427
Amortisation of land lease prepayments	2,118	83,033	–	(83,033)	2,118
Amortisation of intangible assets	2,376	228,663	7,797	(228,663)	10,173
Provision for inventories	21,037	2,979,620	–	(2,979,620)	21,037
Reversal of provision for inventories sold	1,341	1,648,580	–	(1,648,580)	1,341
Net provision of ECL allowance	3,586	–	49,641	–	53,227
Income tax expense	49,270	10,041,559	1,090	(9,565,559)	526,360

4. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is stated after charging and crediting the following:

	2024 RMB'000	2023 RMB'000
Charging:		
ECL allowance on:		
– Accounts receivable	4,269	422
– Accounts receivable from affiliated companies	–	3,616
– Loan receivables	56,262	49,641
– Amounts due from affiliated companies	–	213
Loss on disposal of equity investments (b)	2,574	–
Staff costs (including directors' emoluments)	258,311	238,119
Amortisation of intangible assets (a)	23,884	10,173
Amortisation of land lease prepayments	2,119	2,118
Impairment loss on owned property, plant and equipment	1,285	–
Loss on disposal/write-off of property, plant and equipment:		
– Owned assets	7,114	3,641
– Right-of-use assets	824	897
Depreciation of property, plant and equipment:		
– Owned assets	137,597	50,893
– Right-of-use assets	24,907	21,427
Cost of inventories	838,989	743,421
Cost of provision for auto financing service	63,080	69,859
Exchange loss, net (b)	111,782	165,546
Provision for inventories	5,693	21,037
Auditors' remuneration (b)	3,879	3,008
Research and development costs (b)	55,250	31,590
Warranty provision	2,748	2,223
Lease charges:		
– Short-term leases with lease terms of 12 months or shorter	3,205	4,837
– Low value items	94	145
Crediting:		
Reversal of provision for inventories sold	6,489	1,341
Rental income from land and buildings	1,031	1,060
Reversal of ECL allowance on:		
– Accounts receivable from affiliated companies	8,580	–
– Amounts due from affiliated companies	143,417	–
– Dividend receivable from an affiliated company	–	619
– Other receivables grouped under:		
– Current assets	17,693	41
– Non-current assets	–	5

(a) Amortisation of intangible assets in relation to production was included in cost of sales; amortisation of intangible assets for other purposes was included in general and administrative expenses.

(b) Included in general and administrative expenses.

5. INCOME TAX EXPENSE

The income tax expense recognised in the consolidated statement of profit or loss represents:

	2024 RMB'000	2023 RMB'000
<i>Current tax</i>		
PRC corporate income tax		
– Current year	254	1,216
– Under provision in prior years	24	49,144
PRC withholding tax on dividend	1,474,000	476,000
Total income tax expense	1,474,278	526,360

(a) Bermuda tax

The Company was incorporated under the laws of Bermuda and has received an undertaking from the Ministry of Finance in Bermuda pursuant to the provisions of the Exempted Undertakings Tax Protection Act, 1966, which exempts the Company and its shareholders, other than shareholders ordinarily residing in Bermuda, from any Bermuda taxes computed on profit, income or any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, at least until year 2035.

(b) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year (2023: nil).

(c) PRC corporate income tax

The Group's subsidiaries incorporated in the PRC are subject to Corporate Income Tax. The Corporate Income Tax for the subsidiaries, except Mianyang Ruian, is calculated at 25% on their estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof.

Mianyang Ruian received official designation by the local tax authority as a foreign-invested enterprise engaged in manufacturing activities and was also designated as an entity under "the encouraged industries under Catalogue for the Guidance of Foreign Investment Industries" and with its location in the Western region of the PRC, the applicable income tax rate for Mianyang Ruian is 15%.

With effect from 1st January, 2008, all profits of the PRC subsidiaries arising since that date that are distributed and remitted as dividend to the overseas parents are subject to 5% or 10% withholding tax on the amount remitted. For the profits generated by the Group's subsidiaries in the PRC, as it is the intention of the management that the Group would mainly reinvest these profits in the respective subsidiaries, no deferred tax is provided in respect of this withholding tax on profits of these PRC subsidiaries.

5. INCOME TAX EXPENSE (Continued)

Reconciliation between tax expense and accounting profit using the weighted average taxation rate of the companies within the Group is as follows:

	2024 RMB'000	2023 RMB'000
Profit before income tax expense	4,519,902	8,262,811
Calculated at a weighted average statutory taxation rate in the PRC of 25.46% (2023: 25.67%)	1,150,705	2,120,774
Effect of tax holiday	(1,021)	(2,291)
Tax effect of non-taxable income	(111,152)	(163,194)
Tax effect of non-deductible expenses	79,431	2,330
Profits attributable to associates	(1,089,321)	(1,949,207)
PRC withholding tax on dividend	1,474,000	476,000
Unrecognised temporary differences	(94,814)	(228,878)
Unrecognised tax losses net of utilisation of previously unrecognised tax losses	66,426	221,682
Under provision in prior years	24	49,144
Tax expense for the year	1,474,278	526,360

6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company of approximately RMB3,101,075,000 (2023: approximately RMB7,734,993,000) by the weighted average number of ordinary shares of 5,045,269,000 shares (2023: 5,045,269,000 shares).

Diluted earnings per share is the same as basic earnings per share for the year ended 31st December, 2024 (2023: same) as there was no potential dilutive ordinary share in issue during the year (2023: same).

7. PLEDGED AND RESTRICTED SHORT-TERM BANK DEPOSITS

Details of pledged and restricted short-term bank deposits as at 31st December, 2024 are as follows:

	2024 RMB'000	2023 RMB'000
Restricted short-term deposits (Note i)	347,200	2,324,385
Pledged short-term deposits for bank guaranteed notes issued by the Group (Note ii)	234,915	176,590
	582,115	2,500,975

Note i: As detailed in note 11 of this announcement, during the year the Group has made accumulated settlements of approximately RMB915,745,000 (2023: approximately RMB447,118,000) directly out of the restricted short-term deposits according to the order of the PRC courts due to the lawsuits of the unauthorised guarantees events. The respective restricted short-term deposits were reduced to approximately RMB347,200,000 at 31st December, 2024 (2023: approximately RMB2,324,385,000).

As set out in note 11, the directors of the Company considered that the respective liabilities and provision have been adequately provided for in the consolidated financial statements.

Note ii: As at 31st December, 2024, in addition to short-term deposits pledged, the Group had also pledged bank guaranteed notes receivable from third parties and related parties of approximately RMB45.6 million (2023: approximately RMB33.2 million) to secure the issue of bank guaranteed notes.

8. ACCOUNTS RECEIVABLE

	2024 RMB'000	2023 RMB'000
Accounts receivable	402,189	341,626
Accounts receivable from affiliated companies	1,362	2,424
	403,551	344,050

8. ACCOUNTS RECEIVABLE (Continued)

(a) An aging analysis of accounts receivable based on invoice date is set out below:

	2024 RMB'000	2023 RMB'000
Less than six months	407,906	344,840
Six months to one year	1,323	1,863
Above one year to two years	883	485
Above two years but less than five years	20,629	18,721
Five years or above	17,957	17,957
	448,698	383,866
Less: ECL allowance	(46,509)	(42,240)
	402,189	341,626

As at 31st December, 2024, accounts receivable from third parties of approximately RMB14 million (2023: approximately RMB14 million) are substantially denominated in U.S. Dollar or Euro and the rest are denominated in Renminbi. In order to minimise credit risk, credit history and background of new customers and debtors are checked. Credit limits with credit terms of 30 to 90 days are set for customers. Customers considered to be high risk are traded on cash basis or upon receipt of bank guaranteed notes. Designated staff monitors accounts receivable and follow-up collection with customers.

9. ACCOUNTS PAYABLE

	2024 RMB'000	2023 RMB'000
Accounts payable	249,835	283,622
Accounts payable to affiliated companies	10,544	13,658
	260,379	297,280

(a) An aging analysis of accounts payable based on the invoice date is set out below:

	2024 RMB'000	2023 RMB'000
Less than six months	178,048	201,158
Six months to one year	9,828	11,073
Above one year but less than two years	13,255	17,142
Two years or above	48,704	54,249
	249,835	283,622

Accounts payable with balances denominated in currencies other than Renminbi are considered not significant. All these amounts are payable within one year.

10. DIVIDENDS

	2024 RMB'000	2023 RMB'000
First special dividends (Note i)	7,013,177	4,178,452
Second special dividends (Note ii)	20,197,727	4,443,390
Dividends declared before 31st December,	27,210,904	8,621,842

Note i: On 15th April, 2024, the directors of the Company declared a special dividend of HK\$1.5 per share (2023: HK\$0.96 per share declared on 13th January, 2023) totalling approximately HK\$7,567,904,000 or RMB7,013,177,000 (2023: approximately HK\$4,843,458,000 or RMB4,178,452,000).

Note ii: On 14th June, 2024, the Company further declared the second special dividend of HK\$4.30 per share (2023: HK\$0.96 per share declared on 18th July, 2023) totalling approximately HK\$21,694,658,000 or RMB20,197,727,000 (2023: approximately HK\$4,843,458,000 or RMB4,443,390,000).

Note iii: On 3rd March, 2025, the directors of the Company declared a dividend of HK\$1 per share (2023: nil) totalling approximately HK\$5,045,269,000 (2023: nil). The dividends were declared after 31st December, 2024 and therefore were not recognised in the consolidated financial statements for the year.

The directors of the Company did not recommend any further dividend payment at the Board meeting held on 21st March, 2025 in respect of the Group's results for the year ended 31st December, 2024 (2023: nil).

11. PROVISION FOR LOSS

	2024 RMB'000	2023 RMB'000
As at 1st January, Settlements	1,469,944 (915,745)	1,917,062 (447,118)
As at 31st December,	554,199	1,469,944

The provision for loss represents the estimated loss from the events of unauthorised guarantees provided by Shenyang JinBei Automotive Industry Holdings Co., Ltd. ("SJAI"), a subsidiary of the Group, to four creditors banks as security for the bank borrowings of Huachen after its default on repayment to the creditor banks.

Based on the court judgements, SJAI has to bear 50% of the undischarged bank borrowings under the unauthorised guarantees that Huachen eventually fails to repay. Although restructuring plan of Huachen was announced, it is in the process of realising its assets and settling its debts to its creditors as required by the restructuring plan, it is still uncertain whether Huachen will be able to settle all of these bank borrowings under these unauthorised guarantees. Accordingly, the Group recognised the provision of RMB1,917,062,000 in prior years for the respective losses which is 50% of the bank facilities utilised under these unauthorised guarantees plus the respective legal costs.

The Group has accumulatively settled debts and related legal costs in aggregate of approximately RMB1,362,863,000 up to 31st December, 2024 to four creditor banks based on the assumption that Huachen will be able to settle the remaining 20% of the guaranteed bank borrowing portion. The management considered the provision is sufficient and necessary until the future completion of Huachen's financial restructuring process.

OVERVIEW AND PROSPECTS

The economy of China continued its recovery trajectory in 2024, China's GDP grew by 5.3% for the full year, slightly surpassing the 2023 growth rate. According to the China Association of Automobile Manufacturers, total vehicle production and sales in China reached 31.5 million units each, marking an increase of 4.6% and 4.7%, respectively, compared to 2023. This achievement firmly secured China's position as the world's largest automotive market for the 16th consecutive year, with 2024 marking the second consecutive peak in sales since 2014.

The passenger vehicle segment remained the backbone of China's automotive industry, accounting for approximately 87% of total vehicle sales. Passenger car sales grew by 5.2% to 27.4 million units, reflecting steady demand in the domestic market. Sedans and sports utility vehicles ("SUVs") continued to dominate the passenger vehicle market, with SUVs maintaining their popularity due to versatility and spaciousness. Compact and mid-size SUVs, in particular, saw strong demand, especially among young consumers and families. Meanwhile, sedans retained their appeal in cities due to fuel efficiency and ease of maneuverability.

The market also witnessed a shift in consumer preferences toward smarter, more connected vehicles. Features such as advanced driver-assistance systems ("ADAS"), in-car entertainment, and seamless smartphone integration became critical considerations for many buyers. The new energy vehicle ("NEV") segment, which includes battery electric vehicles ("BEVs"), plug-in hybrid electric vehicles, and fuel cell vehicles, continued to expand rapidly. NEV sales surged to 11.8 million units, a 24.2% increase from 2023, driven by advancements in technology, enhancement in charging infrastructure, and sustained government incentives. NEVs accounted for approximately 43% of total passenger vehicle sales, underscoring their growing importance in the market.

BEVs remained the dominant force within the NEV segment, representing 70% of total NEV sales. Plug-in hybrids also gained traction, particularly among consumers seeking a balance between electric driving and the convenience of traditional fuel engines. The Chinese government has adopted various ways to continue support for NEVs, playing a crucial role in the popularisation of NEVs.

The premium passenger vehicle segment demonstrated robust growth, with sales rising by 12.8% to 5.1 million units, outperforming the overall market. This growth was fueled by strong consumer demand for high-end features, innovative technologies, and the ongoing support of government policies aimed at promoting the popularisation of premium vehicles.

Despite the positive trends, the passenger vehicle market faced challenges in 2024, including supply chain disruptions, rising raw material costs, and intensifying competition. However, these challenges also presented opportunities for innovation and collaboration. Automakers increasingly focused on localising production, optimising supply chains, and developing cost-effective solutions to maintain competitiveness.

In 2024, China's passenger vehicle market demonstrated resilience and adaptability, driven by technological advancements, evolving consumer preferences, and strong government support. The continued growth of NEVs and the premium segment highlighted the market's dynamic nature, while challenges such as supply chain disruptions underscored the need for innovation and strategic planning. As China solidifies its position as a global automotive leader, the passenger vehicle market is poised for further transformation in the years to come.

In spite of various external uncertainties and intensive market competition in 2024, BBA continued to deliver solid results for the year and committed to the long-term approach for its development in China. BBA continued its momentum in meeting customer demands and demonstrated the brand's essence of "Sheer driving pleasure" with premium-quality products through continued efforts and determination of the teams and working closely with other entities within the BMW Group. BBA is also continuously enhancing its supplier network in China and consistently implementing its "local for local" approach.

On 8th May, 2024, BBA marked a milestone with the rolling off of its 6 millionth car, a Frozen Pure Grey BMW i5, from the Dadong Plant assembly line in Shenyang. The plant, BMW Group's globally largest single production base, showcases smart manufacturing, integrating artificial intelligence and digital tech for precision quality control.

Under the principle of "technology openness", BBA remains committed to the Chinese market by introducing more new BMW models of both internal combustion engine and BEVs over the next few years. Currently, BBA Shenyang production base is moving quickly in preparation for the commencement of production of the "Neue Klasse" model in 2026. Local production of the Neue Klasse will begin from 2026. The 10 billion RMB Sixth-Generation Battery Project is progressing on schedule. The BMW iFactory production strategy is being implemented in BBA's Shenyang production base. It applies data science, artificial intelligence and virtualisation technologies to improve production efficiency and quality, as well as saving energy and emissions reduction.

JSA is in the process of resuming its operations and production. On 5th December, 2024, the Jiyun (吉運) product series in collaboration with Zhejiang Geely Farizon New Energy Commercial Vehicles Group Co., Ltd. ("**Geely Farizon**") rolled off the production line at the Shenyang factory. With the upgrade and refinement works already underway, the production line is expected to be ready for full production in the second quarter of 2025. The production of Haise, Haise King, Grand Haise and other fuel and electric vehicle models is scheduled to gradually resume in the second quarter. Improvement in production processes and its products quality will follow. On the marketing front, the company will start restoring the network of domestic dealership and overseas clientele expansion.

In 2024, BBAFC, our auto financing subsidiary in China, successfully engaged a leading new manufacturer of complete NEV which has shown exponential growth over the past 12 months. This diversification strategy reduces the reliance on individual brand partners concentration risk and also supports customer diversity and risk mitigation. The fierce competition and slowing global economic development have led to increasing costs for client acquisition as well as the need for more relevant and dynamic risk controls. The impact of these will lead to shrinking margins in the short term.

In 2024, Ningbo Yumin accelerated the implementation of product transformation and upgrading, with a focus on expanding the aluminium alloy lightweight industry chain. New markets and innovative product research and development achieved new progress, and various aluminium alloy anti-collision beams have been put into mass production. With the development of new products and further improvement in techniques and technology, Ningbo Yumin has applied for 12 innovative patent technologies and passed the national intellectual property standardisation system certification.

Mianyang Ruian, a wholly-owned subsidiary of the Company, continues to engage in the research, development and manufacturing of camshafts for gasoline and electric vehicle engines. In the face of fierce market competition, Mianyang Ruian needed to meet customers' requirements for cost reductions in order to maintain its market share and secure new orders.

Other than its remarkable achievements in automotive manufacturing, the Company has been actively identifying investment opportunities in related high-tech fields. A prominent initiative is the formation of a joint venture with TCL regarding intelligent cockpits as announced on 31st December, 2024.

The Company identified TCL's leading edge in display technology and intelligent system integration, which are crucial elements for modern intelligent cockpits. By investing in this area, the Company aims to enhance the technological capabilities of its vehicle cockpits. The intelligent cockpit, as the core interactive area for drivers and passengers, demands advanced display screens, intuitive control systems, and seamless connectivity. TCL's expertise in high-resolution displays, touch-sensitive interfaces, and software-defined display solutions aligns perfectly with the Company's aspirations to upgrade in-car experience.

This investment is not only a strategic move to diversify the Company's investment portfolio but also a forward-looking step to integrate cutting-edge technology into its automotive products.

BUSINESS DISCUSSION & ANALYSIS

The consolidated revenues of the Group (which comprised primarily net sales derived from the businesses operated by our major operating subsidiaries including JSA, Ningbo Yumin, Mianyang Ruian and BBAFC) for the year ended 31st December, 2024 was RMB1,095.9 million, representing a slight decrease of 2.3% from the RMB1,121.5 million generated during the year ended 31st December, 2023. There was an increase in revenue from sales of automotive components due to stable increasing orders from electric and hybrid motor vehicle manufacturers. In addition, the Group also started having sale of non-BMW vehicles. However, the increase was more than offset by the decrease in revenue from motor vehicle financing due to increasing market competition.

Cost of sales increased by 8.3% from RMB833.0 million in 2023 to RMB902.1 million in 2024. The gross profit of the Group decreased by 32.8% from RMB288.5 million in 2023 to RMB193.9 million in 2024. Consequently, the gross profit margin of the Group reduced to 17.7% in 2024 when compared to 25.7% in 2023. The decrease was mainly due to increase in cost of raw materials such as aluminium during the year and the decrease in margin for the motor vehicle financing due to keen market competition.

Other income decreased by 40.7% from RMB39.8 million in 2023 to RMB23.6 million in 2024. The decrease was mainly due to the adjustment to overprovision of expenses in 2023.

Interest income decreased by 37.7% from RMB670.2 million in 2023 to RMB417.8 million in 2024 due to the decrease in bank deposit interest rates, short-term deposits and cash and cash equivalents.

Selling expenses increased by 18.3% from RMB45.3 million in 2023 to RMB53.6 million in 2024. The increase in selling expenses was mainly due to increase in costs of advertising and promotion for the launch of new non-BMW vehicles of the Group by JSA.

General and administrative expenses for 2024 (excluding net reversal of ECL allowance on loans and receivables) increased by 22.3% to RMB528.6 million in 2024 from RMB432.3 million in 2023 (excluding net provision of ECL allowance on loans and receivables). As a result, the general and administrative expenses as a percentage of revenue increased from 38.5% in 2023 to 48.2% in 2024. The increase was mainly due to increase of general and administrative expenses as a result of reconsolidation of JSA.

Net reversal of ECL allowance on loans and receivables of RMB109.2 million was recognised in 2024 as compared to net ECL allowance of RMB53.2 million recognised in 2023. Net reversal of ECL allowance recognised in the year as the previously provided ECL allowance was no longer required for the amounts settled by the debtors in the year particularly from an associate of the Group.

Finance costs which represents only interest on lease liabilities increased by 1.18 times from RMB1.7 million in 2023 to RMB3.7 million in 2024, mainly due to new leases entered in the year. As the Group only had bank borrowings for the motor vehicle financing business in both 2023 and 2024, the interest expense so derived was recognised as the cost of the respective business.

The Group's share of results of associates, which includes the recognition of BBA contribution as the Group's associate, decreased by 44.1% from RMB7,796.8 million in 2023 to RMB4,361.4 million in 2024. The decrease was mainly a result of the drop of performance of BBA due to decrease in sales volume and increase in dealer support fees.

BBA achieved local sales of 603,807 units (including BEVs of 95,083 units) in 2024, a decrease of 15.0% as compared to 709,954 units (including BEVs of 95,550 units) sold in 2023. The local sales volumes of BBA by models are listed in the table below:

BMW Models	2024	2023	% Change
1-series	86	14,638	-99.5%
3-series	192,412	203,688	-5.5%
5-series	94,841	142,322	-33.4%
X1	92,068	83,010	10.9%
X2	307	17,230	-98.2%
X3	136,461	155,343	-12.2%
X5	87,632	93,723	-6.5%
Total	603,807	709,954	-15.0%
Of which BEVs	95,083	95,550	-0.5%

In addition, BBA exported 21,284 units, mainly X3 BEV models in 2024, a decrease of 37.3% from 33,931 units sold overseas in 2023.

During 2024, the Group has fulfilled the requirements of the restructuring of JSA by making capital contribution in aggregate of RMB1.34 billion into JSA and regained the control of JSA by holding 80.72% of its paid-up registered capital. As a result, JSA's financial statements were reconsolidated into the Group's financial statements. As announced on 17th July, 2024, JSA also reached an agreement with the Dadong Government that for a monetary compensation of RMB451.4 million covering the relocation and set-up costs of its office and factory, including the loss of disposal of property, plant and equipment for the reason of relocation, The expropriation compensation has been fully settled on 3rd March, 2025. JSA was relocated to a new factory and office premises under a 10-year lease with a rent-fee period for the initial 3 years.

The Group's profit before income tax decreased by 45.3% from RMB8,262.8 million in 2023 to RMB4,519.9 million in 2024. Income tax expense was RMB1,474.3 million in 2024 which was mainly due to the increase of withholding tax on higher dividend from a subsidiary for the year as compared to an income tax expense of RMB526.4 million in 2023.

As a result of the above, the Group recorded net profit attributable to equity holders of the Company of RMB3,101.1 million for the year 2024, representing a decrease of 60.0% from the RMB7,735.0 million realised in 2023. Basic earnings per share in 2024 amounted to RMB0.61465, compared to RMB1.53312 in 2023. In addition, return on capital employed (as defined by the EBITDA ÷ average capital employed) for 2024 was 12.2%, compared to 16.0% for 2023.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2024, the Group had RMB10,539.6 million in cash and cash equivalents (As at 31st December, 2023: RMB30,845.8 million), RMB42.5 million in statutory deposit reserves at central bank (As at 31st December, 2023: RMB57.5 million), and RMB582.1 million in pledged and restricted short-term bank deposits (As at 31st December, 2023: RMB2,501.0 million).

As at 31st December, 2024, the Group had notes payable in the amount of RMB279.9 million (As at 31st December, 2023: RMB219.3 million).

As at 31st December, 2024, the Group had outstanding short-term bank borrowings of RMB330.0 million (As at 31st December, 2023: RMB924.5 million). As at 31st December, 2024, the Group did not have long-term bank borrowings due within or over one year (As at 31st December, 2023: nil).

All short-term bank borrowings as at 31st December, 2024 were due within one year, being repayable from 7th January, 2025 to 5th March, 2025 (As at 31st December, 2023: repayable from 19th January, 2024 to 6th December, 2024). As at 31st December, 2024, these borrowings were interest-bearing at rates ranging from 2.85% to 4.75% per annum, and were denominated in Renminbi (As at 31st December, 2023: 3.80% to 5.50% per annum, Renminbi).

With an aim to improving its liquidity, the Group regularly monitors its accounts receivable turnover and inventory turnover. For the year ended 31st December, 2024, the Group's accounts receivable turnover days was approximately 123 days, compared to approximately 101 days for 2023. Inventory turnover days was approximately 77 days in 2024, compared to approximately 76 days in 2023.

CAPITAL STRUCTURE AND FUNDING POLICIES

As at 31st December, 2024, the Group's total assets was approximately RMB29,105.7 million (As at 31st December, 2023: RMB55,154.6 million), which was funded by the following: (a) share capital of RMB397.2 million (As at 31st December, 2023: RMB397.2 million), (b) reserves of RMB25,663.8 million (As at 31st December, 2023: RMB50,720.9 million), (c) total liabilities of RMB2,007.8 million (As at 31st December, 2023: RMB3,263.5 million) and (d) contribution from non-controlling interests of RMB1,036.9 million (As at 31st December, 2023: RMB773.0 million).

As at 31st December, 2024, 91.0% (As at 31st December, 2023: 99.3%) of the Group's cash and cash equivalents (comprising cash on hand, bank balances and demand deposits within 3 months of maturity when acquired) were denominated in Renminbi, whereas 9.0% were denominated in other currencies (As at 31st December, 2023: 0.7%). Apart from the bank borrowings mentioned above, as at 31st December, 2024, the Group did not have any committed banking facilities.

The Group funds its short-term working capital requirement mainly through its own operational cash flow, short-term bank borrowings, issue of bank guaranteed notes and payment credit from its suppliers. The Group monitors and maintains a level of cash and cash equivalents considered adequate by the management to finance the Group's operations, expected expansion and product developments. Management also monitors the utilisation of bank borrowings and ensures compliance with loan covenants. For long-term capital expenditures, the Group's strategy is to fund these long-term capital commitments by a combination of operational cash flow, bank borrowings, dividends from joint ventures and associates, if any, and fund raising exercises in the capital market, if and when necessary.

CAPITAL EXPENDITURES AND COMMITMENTS

In 2024, the Group incurred capital expenditures of RMB259.6 million (2023: RMB39.5 million) mainly for acquisition of both owned and right-of-use assets of tools and moulds, machinery and equipment, and construction-in-progress. The Group also had capital expenditure of RMB1,054.4 million (2023: RMB282.6 million) for the investment in JSA.

As at 31st December, 2024, the Group's contracted capital commitments amounted to RMB164.9 million (As at 31st December, 2023: RMB17.5 million), which were mainly related to the capital expenditures in respect of acquisition of plant and machinery and intangible assets. The Group also had contracted capital commitments of RMB700 million for investment in a new joint venture (2023: RMB1,054.4 million for investment in JSA).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

New Investments made during the reporting year

TCL Joint Venture

Reference is made to the announcement of the Company dated 31st December, 2024.

On 31st December, 2024, SJA I entered into a joint venture agreement (the "**TCL JV Agreement**") with TCL Hengshi Tianrui Investment (Ningbo) Co., Ltd. (TCL恒時天瑞投資(寧波)有限公司) ("**TCL Ningbo**") in relation to the formation of a joint venture, 馭新智行科技(瀋陽)有限公司, (the "**TCL Joint Venture**") to engage in the development and manufacturing of intelligent cockpit and display assembly business in the PRC. Pursuant to the TCL JV Agreement, the TCL Joint Venture will be held as to 50% and 50% by SJA I and TCL Ningbo, respectively, with RMB700.0 million to be contributed by SJA I in cash and RMB700.0 million to be contributed by TCL Ningbo partly in cash and partly by injection of assets. As at 31st December, 2024, the TCL Joint Venture was still in the progress of establishment. As the RMB700.0 million will be funded by the Group's internal funds, it will account for 2.4% of the Group's total assets if the RMB700.0 million were already invested as at 31st December, 2024.

RBJAC

References are made to the announcements of the Company dated 17th May, 2023 (the “**17th May Announcement**”) and 25th May, 2023.

As part of the restructuring of RBJAC (now known as JSA), the Group completed its cash contribution in an amount of approximately RMB282.6 million in September 2023 and RMB1,054.4 million in February 2024 into RBJAC and the Group regained its control in RBJAC in May 2024 with 80.72% shareholding and its financial results have been consolidated into the financial statements of the Group since then. In August 2024, the Group injected a further RMB300 million into capital of RBJAC and upon completion of the change in industrial and commercial registration, the Group’s shareholding in it is anticipated to increase from 80.72% to 83.89%. RBJAC was renamed to JSA in September 2024. The principal businesses of JSA is the manufacture and sale of minibuses and multi-purpose vehicles in the PRC. With the upgrade and refinement works of production facilities already underway, the production line of JSA is expected to be ready for full production in the second quarter of 2025. The total assets of JSA attributed to approximately 6.83% of the total assets of the Group as at 31st December, 2024.

JSA has a profound industrial heritage, its historical brand resources, good production bases and facilities, technological reserves and the capabilities in the production of new energy vehicles product. It still possesses potential value in facing the industrial and market challenges.

For more details, please refer to the sections headed “Overview and Prospects” and “Business Discussion & Analysis” of the announcement.

Existing Investments

BBA

As at 31st December, 2024, the Group held 25% shares in BBA, with an investment cost of RMB344 million. The principal businesses of BBA is the manufacture and sale of BMW vehicles and components in the PRC. The carrying value of the shares held by the Group in BBA was RMB1,153.3 million, accounting for 39.6% of the Group’s total assets. During the financial year 2024, the Group’s share of profit from BBA was RMB4,362.6 million, representing a year-on-year decrease of 44%. The Group received RMB7,654.0 million as dividend from BBA for the financial year ended 31st December, 2024. For the Company’s investment strategy in BBA and its performance of BBA during the year ended 31st December, 2024, please refer to the sections headed “Overview and Prospects” and “Business Discussion & Analysis” in this announcement.

Save as aforesaid, there were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31st December, 2024.

NEW BUSINESS AND NEW PRODUCTS

The Company is devoted to capture valuable investment opportunities in order to enhance the Company’s profitability and create value for its shareholders. The Company is in the course of studying and exploring various investment opportunities, including but not limited to cooperation with BMW with respect to supply of components for BMW vehicles, possible expansion into NEV manufacturing, components supply and digitalisation business, spanning across the entire value chain of the automotive industry.

On 31st December, 2024, the Group's wholly-owned subsidiary has announced to enter into a joint venture agreement with TCL Lingbo in relation to the formation of a joint venture to engage in the development and manufacturing of intelligent cockpit and display assembly business. The TCL Joint Venture will principally focus on the development of artificial intelligence software, provision of cloud computing equipment technical services, information system integration services, technology consulting services, software outsourcing services and sales of intelligent manufacturing solutions, automotive software, hardware and electronic components, etc.

BBA is set to introduce significant updates to its lineup. The all-new X3 comes with a long wheelbase exclusively for Chinese customers, and is more than ever focused on the wishes of Chinese customer. The all-new BMW 2 Series Gran Coupe is the first locally produced Gran Coupe model from BMW. The all new BMW M235L Gran Coupe is the first locally produced M performance sedan and the youngest and newest member of the M family. These new models will further enhance the BMW local production lineup.

BBA is coordinating with BMW Group to accelerate the speed for the arrival of a completely new technological platform for future BMW vehicles, which is known as the "Neue Klasse" which will start its local production in 2026. The first locally produced Neue Klasse model will be rolled off the production line from Lydia site of its Shenyang production base and the first model will be a sport activity vehicle. With the "Neue Klasse", the BMW brand is going to redefine standards for digitalisation, innovation and design.

In 2025, Mianyang Ruian will ensure sustainable and steady sales by continuing its principle of "stabilising old markets and capturing new markets". The focuses of market development will still be ensuring the stable delivery to Li Auto, FAW and SAIC and the in-depth participation in their related pre-research and new product development projects; actively facilitating the smooth progress of mass production of its customers SAIC, Geely, BYD and other new projects to guarantee new sales in 2025; and maintaining communication with Chery Commercial Vehicles (奇瑞商用車) to strive for opportunities to make pitches for projects.

Ningbo Yumin continues to develop lightweight products related to aluminium alloy products. It has received 24 orders for new products, including all-aluminium alloy body structural components for BYD Denza and other models, window guiderails for Lada and parts for Rieter Textile Instruments (立達紡織機械), and has also secured three new customers.

BBAFC continues to improve its operational efficiency by slimming the organizational structure and optimizing its cost structure whilst we continue to invest in the future, for instance, digitization, to enhance the company's long-term sustainability.

JSA is in the process of resuming to normal production following completion of the restructuring. It has maximised the use of existing resources to restore Jinbei's fuel vehicle models and stepped up the transformation into electrification, and continued its efforts in the light commercial vehicle market. Following replacement and modification works, the installation of the production lines at the general assembly and vehicle body workshops was basically completed for joint commissioning. It promoted the co-operation with the leading automotive manufacturer in China, Geely Farizon, and the first product from the partnership, the Jiyun series, has been successfully rolled out.

Looking forward, JSA will continue to focus on resuming the production of vehicle models under the Jinbei brand, so that Jinbei products will form a perfect layout for intercity and intra-city logistics vehicles by extending to the light commercial vehicle market, and actively develop overseas markets. It will continue to enhance the co-operation with Geely Farizon by promoting the introduction and application of technology for methanol-powered vehicle models, in order to enrich the product mix of Jinbei Jiyun (金杯吉運) and offering solutions for the unresolved issues of commercial vehicle electrification in the northern region with methanol fuel. The feasibility study of a joint venture partnership with Geely Farizon is underway, with a view to enhancing the core competitiveness of methanol-powered vehicles in the commercial vehicle market and facilitating the green transformation of the industry.

EMPLOYEES, REMUNERATION POLICY AND TRAINING PROGRAMMES

The Group employed approximately 1,600 employees as of 31st December, 2024 (As of 31st December, 2023: approximately 1,200). Employee costs amounted to RMB258.3 million for the year ended 31st December, 2024 (For the year ended 31st December, 2023: RMB238.1 million). The Group will endeavour to ensure that the salary levels of its employees are in line with industry practices and prevailing market conditions, and that employees' remuneration is based on performance.

In order to improve the overall quality and professional technical level of all employees, the Group provides online or offline trainings on, among other things, professional skills, quality enhancements, business and product knowledge, occupational ethics and safety, ESG issues, anti-corruption, rules and regulations, management skills, leadership and teamwork cooperation to its directors/employees from time to time. Ningbo Yumin and Mianyang Ruian have formulated and implemented administrative measures for education and training, and have established a set of training systems and workflows including new employee induction training, special post personnel training, management training, professional technical training and quality training. The course contents are extensive, covering basic/middle-level management, new product development, quality management, financial management, lean production, teamwork, and professionalism. Training demand research are conducted and training plans are formulated on an annual basis. BBAFC has specifically arranged compliance training, business training, new hire training, paired with online courses, meeting the learning needs of the employees. It has even developed its own online training platform, allowing its employees to browse training and financial product knowledge materials, reducing the travel needs for sales and training teams. BBAFC has also developed a succession plan which lays a solid foundation of talent for its long-term development.

CHARGE ON ASSETS

As at 31st December, 2024, short-term bank borrowings of RMB100.0 million (As at 31st December, 2023: RMB344.5 million) were secured by the Group's loan receivables of approximately RMB126.2 million (As at 31st December, 2023: RMB443.7 million).

There were no long-term bank borrowings as at 31st December, 2024 (As at 31st December, 2023: nil).

As detailed in note 11 of this announcement, the Group made accumulated settlements of approximately RMB915,745,000 during the year (2023: approximately RMB447,118,000) for certain lawsuits in respect of unauthorised guarantees directly out of the restricted short-term deposits by the PRC courts. After the settlements, the respective restricted short-term deposits were reduced to approximately RMB347,200,000 at 31st December, 2024 (2023: approximately RMB2,324,385,000).

The directors of the Company considered that the respective liabilities and provision and liabilities have been adequately provided for in the consolidated financial statements.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR ADDITIONS OF CAPITAL ASSETS

Save as disclosed, the Group does not have future plans for material investments or additions of capital assets as at the date of this announcement.

GEARING RATIO

As at 31st December, 2024, the gearing ratio, computed by dividing total liabilities by total equity attributable to equity holders of the Company, was approximately 0.07 (As at 31st December, 2023: approximately 0.06). The increase in the gearing ratio was primarily due to the significant dividend payment to shareholder during the year.

FOREIGN EXCHANGE RISKS

Due to the depreciation of Renminbi in the year, exchange loss was recognised for the distribution of special dividends denominated in Hong Kong Dollar in this year. Other than this, as the Group's substantial transactions during the year were denominated in Renminbi, the Group considers that exchange rate fluctuations do not have significant effect on the overall financial performance of the Group. The Group has increased cash and cash equivalents in Hong Kong Dollars to hedge the potential exchange loss for dividend distribution. The Group will continue to monitor transactions and monetary assets and liabilities denominated in foreign currencies to minimise foreign exchange risks. There were no outstanding hedging transactions as at 31st December, 2024 (As at 31st December, 2023: nil).

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 31st December, 2024.

DIVIDENDS

As announced by the Company, special dividends of HK\$1.5 and HK\$4.3 per ordinary share of the Company were declared by the directors of the Company on 15th April, 2024 and 14th June, 2024, respectively. The respective special dividends were paid to the shareholders on 17th May, 2024 and 25th July, 2024.

Further in 2025, the Company announced the declaration and payment of a special dividend of HK\$1.0 per ordinary share of the Company on 3rd March, 2025. The special dividend will be paid to the shareholders on around 28th March, 2025.

The directors of the Company did not recommend any dividend payment at the Board meeting held on 21st March, 2025 in respect of the Group's 2024 annual results.

CLOSURE OF REGISTER OF MEMBERS

The Company's forthcoming annual general meeting will be held on Friday, 20th June, 2025 at 9:00 a.m. (the "**2025 AGM**"). The register of members of the Company will be closed from Monday, 16th June, 2025 to Friday, 20th June, 2025, both days inclusive, during which period no transfer of shares will be registered. The record date for the 2025 AGM is Monday, 16th June, 2025. Only shareholders of the Company whose names appear on the register of members of the Company on Monday, 16th June, 2025 or their proxies or duly authorised corporate representatives are entitled to attend and vote at the 2025 AGM. In order to qualify for attending and voting at the 2025 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m., Hong Kong time, on Friday, 13th June, 2025.

PROXY LODGMENT DEADLINE DATE AND TIME

Whether or not a shareholder is able to attend the 2025 AGM, he/she is requested to complete the proxy form in accordance with the instructions printed thereon and return it to the office of the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 9:00 a.m., Hong Kong time, on Wednesday, 18th June, 2025, or not less than 48 hours before the time appointed for holding of any adjourned meeting of the 2025 AGM. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the 2025 AGM or any adjourned meeting thereof if they so wish and in such event, the form of proxy will be deemed to be revoked.

IMPORTANT EVENTS AFFECTING THE GROUP THAT HAVE OCCURRED SINCE THE END OF THE FINANCIAL YEAR

Save as disclosed below, to the knowledge of the directors of the Company, there is no other important event affecting the Group since the end of the financial year and up to the date of this announcement:

(a) Litigations against the Group

References are made to (i) the announcements issued by the Company dated 14th April, 2021, 10th June, 2021, 30th September, 2021, 15th December, 2021, 30th December, 2021, 14th February, 2022, 4th March, 2022, 30th March, 2022, 28th April, 2022, 30th June, 2022 and 30th September, 2022; (ii) the annual reports of the Company for the years ended 31st December, 2021, 2022 and 2023 (the "Annual Reports"); and (iii) the interim report of the Company for the six months ended 30th June, 2024. Capitalised terms used below shall have the same meaning as those defined in the Annual Reports.

In February 2025, the Supreme People's Court of the People's Republic of China (中華人民共和國最高人民法院) has issued a notification to SJAI accepting SJAI's application for an action of enforcement supervision (執行監督) against the decision made by the Shenyang Intermediate People's Court (瀋陽市中級人民法院) (the "Court") in relation to the CEB RMB1,818 million Proceeding Trial Judgment, the CEB RMB156 million Proceeding Trial Judgment, and the CEB RMB208 million Proceeding Trial Judgment, by which the Court required payment of approximately RMB39 million by SJAI to the Court's account.

(b) Expropriation of Land

As announced by the Company on 17th July, 2024, on 16th July, 2024, the Dadong Government signed an expropriation compensation agreement with RBJAC (now known as JSA) in respect of the expropriation of the land where the office and factory operated by RBJAC is located. Pursuant to the expropriation compensation agreement, the Dadong Government has agreed to a total monetary compensation of RMB451.4 million, which was fully settled as at 3rd March, 2025.

(c) Capital contribution

Reference is made to the announcement issued by the Company on 20th March, 2025 in relation to further capital contribution to JSA. On 20th March, 2025, the Board has approved to make a capital contribution to JSA in the amount of RMB500 million in cash. Upon completion of the change in industrial and commercial registration in respect of the RMB500 million capital contribution, together with the RMB300 million capital contribution made in August 2024, the Group's interest in JSA is anticipated to increase from 80.72% to approximately 87.34% (subject to adjustment).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities in 2024.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all directors, each director of the Company has confirmed that he/she has complied with the standards set out in the Model Code during the year ended 31st December, 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining the highest standards of corporate governance consistent with the needs and requirements of the business and its shareholders, ensuring that its affairs are conducted in accordance with applicable laws and regulations and consistent with the “Corporate Governance Code” set out in Appendix C1 to the Listing Rules which was prevailing in 2024 (the “**CG Code**”). The Group has considered the principles of good corporate governance set out in the CG Code, and has put in place corporate governance practices to meet the code provisions. Throughout the financial year ended 31st December, 2024, the Group has complied with all code provisions set out in Part 2 of Appendix C1 to the Listing Rules except the following:

- Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company has segregated the roles of chairman of the Board and chief executive officer until the resignation of Mr. Wu Xiao An (also known as Mr. Ng Siu On) on 11th September, 2024. Mr. Zhang Yue was appointed as the chief executive officer of the Company on 11th April, 2024, and was further appointed as the chairman of the Board on 4th November, 2024 to fill the casual vacancy left by Mr. Wu Xiao An. The Board believes that Mr. Zhang Yue is familiar with the Company's business operation, his performing the roles of both chairman of the Board and chief executive officer has the benefit of consistent leadership within the Company and enables more effective and efficient overall strategic planning for the Company. In addition, the Board currently comprises three executive directors and four independent non-executive directors which reflects a balance of power to provide sufficient checks to protect the interests of the Company and the shareholders of the Company.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the consolidated financial statements of the Group for the year ended 31st December, 2024.

At present, the audit committee comprises Mr. Song Jian, Mr. Jiang Bo and Mr. Dong Yang, all of whom are independent non-executive directors of the Company. Mr. Jiang Bo is the chairman of the audit committee.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December, 2024 have been agreed by Grant Thornton Hong Kong Limited, the Company's auditor (the “**Auditor**”), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Auditor on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The 2024 annual report of the Company containing the information required by the Listing Rules will be published on the websites of the SEHK (www.hkexnews.hk) and the Company (www.brillianceauto.com) in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises three executive directors, Mr. Zhang Yue (*Chairman and Chief Executive Officer*), Mr. Zhang Wei and Mr. Guo Hongbo; and four independent non-executive directors, Mr. Song Jian, Mr. Jiang Bo, Mr. Dong Yang and Dr. Lam Kit Lan, Cynthia.

By Order of the Board
Brilliance China Automotive Holdings Limited
Zhang Yue
Chairman and Chief Executive Officer

Hong Kong, 21st March, 2025