中国重汽
SINOTRUK

SINOTRUK (HONG KONG) LIMITED
中國重汽(香港)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 03808)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

RESULTS

The Board is pleased to announce the consolidated financial results of Sinotruk (Hong Kong) Limited for the year ended 31 December 2024 together with the comparative figures for the Previous Period as follows:

Consolidated statement of profit or loss

For the year ended 31 December 2024

(All amounts in RMB thousands unless otherwise stated)

	Notes	2024	2023 (restated)
Revenue	4	**95,061,587**	85,498,035
Cost of sales	13	**(80,196,093)**	(71,959,543)
Gross profit		**14,865,494**	13,538,492
Other income and gains		**1,436,740**	816,951
Selling and distribution expenses	13	**(3,440,974)**	(3,304,863)
Administrative expenses		**(4,973,522)**	(4,669,217)
(Impairment losses)/reversal of impairment losses on financial assets, net		**(256,152)**	170,652
Other expenses		**(173,591)**	(64,914)
Operating profit		**7,457,995**	6,487,101

Consolidated statement of profit or loss (continued)

For the year ended 31 December 2024

(All amounts in RMB thousands unless otherwise stated)

	Notes	2024	2023 (restated)
Finance income		**331,484**	313,874
Finance costs		**(138,752)**	(29,413)
Finance income, net		**192,732**	284,461
Share of profits and losses of associates		**129,601**	111,119
Profit before tax	5	**7,780,328**	6,882,681
Income tax expense	6	**(1,092,053)**	(1,055,830)
Profit for the year		**6,688,275**	5,826,851
Attributable to:			
Equity shareholders of the Company		**5,858,394**	5,318,107
Non-controlling interests		**829,881**	508,744
		6,688,275	5,826,851
Earnings per share	7		
(expressed in RMB per share)			
Basic		**2.14**	1.93
Diluted		**2.13**	1.93

Consolidated statement of comprehensive income

For the year ended 31 December 2024

(All amounts in RMB thousands unless otherwise stated)

	2024	2023
Profit for the year	**6,688,275**	5,826,851
Other comprehensive income (after tax)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Changes in fair value of financial assets at fair value through other comprehensive income ("FVOCI")	**17,835**	(15,397)
Exchange differences on translation of foreign operations	**4,499**	(2,884)
Share of other comprehensive income of associates	**863**	563
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**23,197**	(17,718)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Remeasurements of termination and post-employment benefit obligations	**(55,758)**	(30,493)
Changes in fair value of equity investments designated at FVOCI	**(14,479)**	—
Revaluation gains arising from transfer of property, plant and equipment and land use rights to investment properties	**—**	16,333
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(70,237)**	(14,160)
Other comprehensive loss for the year, net of tax	**(47,040)**	(31,878)
Total comprehensive income for the year	**6,641,235**	5,794,973
Attributable to:		
Equity shareholders of the Company	**5,814,442**	5,285,271
Non-controlling interests	**826,793**	509,702
	6,641,235	5,794,973

Consolidated statement of financial position

As at 31 December 2024

(All amounts in RMB thousands unless otherwise stated)

	Notes	2024	2023
Non-current assets			
Property, plant and equipment		**15,424,218**	15,823,031
Investment properties		**959,931**	1,060,721
Right-of-use assets		**2,254,683**	2,260,256
Goodwill		**68,933**	68,933
Intangible assets		**131,464**	152,072
Investments in associates		**1,571,718**	2,017,567
Equity investments designated at FVOCI		**17,446**	31,925
Trade and financing receivables	9	**5,671,189**	5,032,516
Prepayments, other receivables and other assets		**11,102,862**	6,113,115
Deferred tax assets		**2,147,381**	2,158,585
Total non-current assets		**39,349,825**	34,718,721
Current assets			
Inventories		**11,639,705**	13,338,401
Trade, financing and bills receivables	9	**27,296,320**	17,078,156
Prepayments, other receivables and other assets		**17,089,452**	17,018,790
Financial assets at FVOCI	10	**5,176,003**	8,924,104
Financial assets at fair value through profit or loss ("FVPL")		**10,145,642**	10,521,843
Cash and cash equivalents and restricted cash		**19,080,075**	20,185,473
Total current assets		**90,427,197**	87,066,767
Current liabilities			
Trade and bills payables	11	**53,071,538**	46,624,080
Other payables and accruals		**18,831,147**	19,062,656
Borrowings		**5,232,139**	4,907,134
Lease liabilities		**3,413**	1,709
Tax payable		**312,730**	216,189
Provisions		**1,603,683**	1,718,293
Total current liabilities		**79,054,650**	72,530,061
Net current assets		**11,372,547**	14,536,706
Total assets less current liabilities		**50,722,372**	49,255,427

Consolidated statement of financial position (continued)

As at 31 December 2024

(All amounts in RMB thousands unless otherwise stated)

	Notes	2024	2023
Non-current liabilities			
Borrowings		**465,682**	141,533
Lease liabilities		**3,779**	1,195
Deferred tax liabilities		**38,835**	98,900
Termination and post-employment benefit obligations		**450,503**	410,374
Deferred income		**611,173**	642,894
Total non-current liabilities		**1,569,972**	1,294,896
Net assets		**49,152,400**	47,960,531
Equity			
Equity attributable to equity shareholders of the Company			
Share capital		**16,717,024**	16,717,024
Other reserves		**3,762,445**	3,603,118
Retained earnings		**20,681,047**	19,952,019
		41,160,516	40,272,161
Non-controlling interests		**7,991,884**	7,688,370
Total equity		**49,152,400**	47,960,531

Notes to the consolidated financial information

(All amounts in RMB thousands unless otherwise stated)

1. General information

The Company was incorporated in Hong Kong on 31 January 2007 as a limited liability company as a result of a group reorganisation of CNHTC. The address of the Company's registered office is Units 2102-03, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. The Company's shares are listed on the Main Board of the Stock Exchange.

The Group is principally engaged in the research, development and manufacturing of heavy duty trucks, medium-heavy duty trucks, light duty trucks, etc. and related key parts and components including engines, cabins, axles, steel frames and gearbox, and the provision of financial services.

2. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Section 436 of the Companies Ordinance

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of the annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with Section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

The Company's auditor has reported on the financial statements of the Group for the years ended 31 December 2024 and 2023. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under Sections 406(2), 407(2) or (3) of the Companies Ordinance.

3. New and amended standards adopted by the Group

The Group has applied the following new and amended HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, Presentation of financial statements – Classification of liabilities as current or non-current ("2020 amendments") and amendments to HKAS 1, Presentation of financial statements – Non-current liabilities with covenants ("2022 amendments")

- Amendments to HKFRS 16, Leases – Lease liability in a sale and leaseback

- Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

4. Operating segment information

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

(i) Heavy duty trucks – Manufacture and sale of heavy duty trucks, medium-heavy duty trucks and related components;

(ii) Light duty trucks and others – Manufacture and sale of light duty trucks, buses, other vehicles and related components;

(iii) Engines – Manufacture and sale of engines, gearboxes and related parts; and

(iv) Finance – Provision of deposit taking, borrowings, bills discounting, issue of bills and entrustment loans to the members of the Group and members of CNHTC and its subsidiaries excluding the Group ("CNHTC Group") as well as the provision of auto and supply chain financing services to the public.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources among segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of prepaid income tax, deferred tax assets and other corporate assets. Segment liabilities are those operating liabilities that result from the operating activities of a segment. Segment liabilities do not include borrowings and other liabilities that are incurred for financing rather than operating purposes unless the segment is engaged in financing activities. Segment liabilities exclude deferred tax liabilities, income tax payable, dividend payable and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Notes to the consolidated financial information (continued)

(All amounts in RMB thousands unless otherwise stated)

4. Operating segment information (continued)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

The segment results for the year ended 31 December 2024 are as follows:

	Heavy duty trucks	Light duty trucks and others	Engines	Finance	Elimination	Total
External revenue						
Sales of goods	82,577,127	9,819,817	681,972	—	—	93,078,916
Rendering of services	575,181	20,269	33,059	—	—	628,509
Provision of financing services	—	—	—	1,354,162	—	1,354,162
Total external revenue	83,152,308	9,840,086	715,031	1,354,162	—	95,061,587
Inter-segment revenue	998,081	1,321,734	13,209,753	124,833	(15,654,401)	—
Total segment revenue	84,150,389	11,161,820	13,924,784	1,478,995	(15,654,401)	95,061,587
Operating profit/(loss) before unallocated expenses	4,411,520	(215,388)	1,972,006	807,154	534,429	7,509,721
Unallocated expenses						(51,726)
Operating profit						7,457,995
Finance income, net						192,732
Share of profits and losses of associates						129,601
Profit before tax						7,780,328

(All amounts in RMB thousands unless otherwise stated)

4. Operating segment information (continued)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities (continued)

The segment results for the year ended 31 December 2023 are as follows:

	Heavy duty trucks	Light duty trucks and others	Engines	Finance	Elimination	Total
External revenue						
Sales of goods	74,255,696	8,809,918	587,679	—	—	83,653,293
Rendering of services	575,242	17,757	31,953	—	—	624,952
Provision of financing services	—	—	—	1,219,790	—	1,219,790
Total external revenue	74,830,938	8,827,675	619,632	1,219,790	—	85,498,035
Inter-segment revenue	457,168	1,485,979	13,934,607	167,644	(16,045,398)	—
Total segment revenue	75,288,106	10,313,654	14,554,239	1,387,434	(16,045,398)	85,498,035
Operating profit/(loss) before unallocated expenses	4,351,977	(623,466)	2,070,110	771,212	(60,391)	6,509,442
Unallocated expenses						(22,341)
Operating profit						6,487,101
Finance income, net						284,461
Share of profits and losses of associates						111,119
Profit before tax						6,882,681

Notes to the consolidated financial information (continued)

(All amounts in RMB thousands unless otherwise stated)

4. Operating segment information (continued)

Other segment items included in profit or loss for the year ended 31 December 2024 are as follows:

	Heavy duty trucks	Light duty trucks and others	Engines	Finance	Unallocated	Total
Depreciation of property, plant and equipment	**701,750**	**348,434**	**610,755**	**2,254**	**9**	**1,663,202**
Depreciation of right-of-use assets	**60,817**	**21,941**	**14,235**	**—**	**—**	**96,993**
Amortisation of other intangible assets	**15,931**	**6,079**	**14,751**	**1,457**	**—**	**38,218**

Other segment items included in profit or loss for the year ended 31 December 2023 are as follows:

	Heavy duty trucks	Light duty trucks and others	Engines	Finance	Unallocated	Total
Depreciation of property, plant and equipment	593,791	235,232	577,073	2,123	10	1,408,229
Depreciation of right-of-use assets	58,048	16,525	24,162	—	—	98,735
Amortisation of other intangible assets	23,080	12,094	28,910	1,445	—	65,529

Notes to the consolidated financial information (continued)

(All amounts in RMB thousands unless otherwise stated)

4. Operating segment information (continued)

The segment assets and liabilities as at 31 December 2024 and addition to non-current assets of the segments for the year then ended are as follows:

	Heavy duty trucks	Light duty trucks and others	Engines	Finance	Unallocated	Total
Segment assets	**88,340,510**	**15,792,338**	**20,842,659**	**53,860,683**	**3,438,075**	**182,274,265**
Elimination						**(52,497,243)**
Total assets						**129,777,022**
Segment liabilities	**61,824,941**	**14,980,254**	**10,086,472**	**44,934,858**	**555,249**	**132,381,774**
Elimination						**(51,757,152)**
Total liabilities						**80,624,622**
Addition to non-current assets	**457,585**	**1,330,195**	**389,249**	**928**	**—**	**2,177,957**

A reconciliation for entity assets and liabilities is as follows:

	Assets	Liabilities
Segment assets/liabilities after elimination	**126,338,947**	**80,069,373**
Unallocated:		
Deferred tax assets/liabilities	**2,147,381**	**38,835**
Prepaid income tax/tax payable	**103,451**	**312,730**
Other assets/liabilities	**1,187,243**	**203,684**
	3,438,075	**555,249**
Total	**129,777,022**	**80,624,622**

Notes to the consolidated financial information (continued)

(All amounts in RMB thousands unless otherwise stated)

4. Operating segment information (continued)

The segment assets and liabilities as at 31 December 2023 and addition to non-current assets of the segments for the year then ended are as follows:

	Heavy duty trucks	Light duty trucks and others	Engines	Finance	Unallocated	Total
Segment assets	76,102,819	13,999,854	27,372,875	56,055,447	2,352,407	175,883,402
Elimination						(54,097,914)
Total assets						121,785,488
Segment liabilities	48,231,935	14,206,563	10,268,600	45,991,510	325,763	119,024,371
Elimination						(45,199,414)
Total liabilities						73,824,957
Addition to non-current assets	840,597	962,147	909,167	2,828	—	2,714,739

A reconciliation for entity assets and liabilities is as follows:

	Assets	Liabilities
Segment assets/liabilities after elimination	119,433,081	73,499,194
Unallocated:		
Deferred tax assets/liabilities	2,158,585	98,900
Prepaid income tax/tax payable	112,409	216,189
Other assets/liabilities	81,413	10,674
	2,352,407	325,763
Total	121,785,488	73,824,957

Notes to the consolidated financial information (continued)

(All amounts in RMB thousands unless otherwise stated)

4. Operating segment information (continued)

Geographical information

(a) Revenue from external customers

	2024	**2023**
Mainland China	**56,676,788**	54,669,888
Overseas	**38,384,799**	30,828,147
	95,061,587	85,498,035

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024	**2023**
Mainland China	**36,200,801**	31,510,303
Overseas	**1,001,643**	1,049,833
	37,202,444	32,560,136

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

(All amounts in RMB thousands unless otherwise stated)

4. Operating segment information (continued)

(c) Contract liabilities

The Group has recognised the following liabilities related to contracts with customers at the end of the year:

	2024	2023
Heavy duty trucks	**3,134,916**	4,662,850
Light duty trucks and others	**805,028**	550,788
Engines	**23,655**	17,754
Finance	**515**	428
	3,964,114	5,231,820

Information about major customers

During the years ended 31 December 2024 and 2023, no revenue derived from a single customer accounted for 10% or more of the Group's total revenue.

Notes to the consolidated financial information (continued)

(All amounts in RMB thousands unless otherwise stated)

5. Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	2024	2023
Cost of inventories sold	**71,982,666**	64,507,415
Depreciation and amortisation		
Depreciation of property, plant and equipment	**1,663,202**	1,408,229
Depreciation of right-of-use assets	**96,993**	98,735
Amortisation of intangible assets	**38,218**	65,529
Research and development costs*	**2,735,842**	2,450,110
Auditor's remuneration		
Financial audit services	**6,233**	6,233
Internal control audit services	**377**	377
Assurance service	**200**	—
Taxation professional services	**80**	80
Employee benefit expense (including directors' remuneration		
Wages, salaries, allowances, social security and benefits	**4,760,491**	4,194,053
Defined contribution pension schemes**	**590,194**	524,909
Termination benefits	**87,564**	65,572
Post-employment benefits	**8,918**	(31,774)
Housing benefits	**427,519**	381,620
Share-based payment	**55,087**	—
Other staff benefits	**373,636**	356,627
Lease payments not included in the measurement of lease liabilities	**58,892**	41,414
Gain on disposal of a subsidiary	**(9)**	—
Loss on disposal of part of the equity in an associate	**1,642**	—
Gains on disposal of property, plant and equipment	**(31,251)**	(14,529)
Fair value changes on financial assets at FVPL	**3,184**	(33,958)
Impairment loss/(reversal of impairment)		
(Reversal of impairment)/impairment loss of trade receivables	**(2,559)**	4,221
Impairment loss/(reversal of impairment) of financing receivables	**28,159**	(99,573)
Reversal of impairment loss of bills receivable	**(4,972)**	(6,720)
Impairment loss/(reversal of impairment) of financial assets included in prepayments, other receivables and other assets	**230,764**	(69,666)
Impairment of other long-term deferred expenses	**—**	150,041
Impairment of property, plant and equipment	**11,122**	7,632
Impairment of intangible assets	**—**	30,134
Reversal of allowance for expected credit losses from the off-balance sheet credit business	**(145)**	(4,582)
Impairment of investments in associates	**—**	6,405
Foreign exchange differences, net***	**(151,471)**	(164,507)

(All amounts in RMB thousands unless otherwise stated)

5. Profit before tax (continued)

* The research and development costs of RMB2,735,842,000 (2023: RMB2,450,110,000) are included in "Administrative expenses" in the consolidated statement of profit or loss.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

*** Foreign exchange differences, net are included in "Other income and gains" or "Other expenses" for the year incurred in the consolidated statement of profit or loss.

6. Income tax expense

	2024	2023
Current tax:		
– Hong Kong		
Charge for the year	**7,590**	—
– Mainland China		
Charge for the year	**1,073,828**	970,848
Provision in prior years	**13,385**	(49,020)
	1,087,213	921,828
– Other countries	**51,957**	320
Total current tax	**1,146,760**	922,148
Deferred tax	**(54,707)**	133,682
Total tax charge	**1,092,053**	1,055,830

6. Income tax expense (continued)

The Company and other companies operate in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5% (2023: 16.5%) on their estimated assessable profits during the period, except for one subsidiary of the Group which may be a qualifying corporation under the two-tiered Profits Tax rate regime. The Company is also determined as a Chinese-resident enterprise and, is subject to corporate income tax at a rate of 25% (2023: 25%) according to the Corporate Income Tax Law of the People's Republic of China (the "CIT Law").

The subsidiaries in the PRC are subject to corporate income tax at a rate of 25% (2023: 25%) according to the CIT Law while certain subsidiaries in the PRC are subject of corporate income tax at a rate of 15% (2023: 15%) according to the High New Tech Enterprises or the Western Development tax incentives of the CIT Law.

Other oversea subsidiaries are subject to corporate income tax at applicable tax rates according to existing laws, interpretations and practices of the countries in which the subsidiaries operate.

7. Earnings per share

(a) Basic earnings per share

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the year, calculated as follows.

	2024	**2023**
Profit attributable to equity shareholders of the Company	**5,858,394**	5,318,107
Weighted average number of ordinary shares in issue (in thousand shares)	**2,742,245**	2,760,993
Basic earnings per share (in RMB)	**2.14**	1.93

The movements in weighted average number of ordinary shares in issue are as follows:

	2024	**2023**
Ordinary shares at 1 January (in thousand shares)	**2,760,993**	2,760,993
Effect of shares purchased (in thousand shares)	**(18,922)**	—
Effect of shares disposed of (in thousand shares)	**174**	—
Weighted average number of ordinary shares at 31 December (in thousand shares)	**2,742,245**	2,760,993

7. Earnings per share (continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares after adjusting for award shares, calculated as follows:

	2024	**2023**
Profit attributable to ordinary equity shareholders of the Company	**5,858,394**	5,318,107
Weighted average number of ordinary shares in issue (in thousand shares)	**2,746,856**	2,760,993
Diluted earnings per share (in RMB)	**2.13**	1.93

Profit attributable to ordinary equity shareholders of the Company (diluted) is same as that of Profit attributable to ordinary equity shareholders of the Company (basic).

The movements in weighted average number of ordinary shares in issue (diluted) are as follows:

	2024	**2023**
Weighted average number of ordinary shares at 31 December (in thousand shares)	**2,742,245**	2,760,993
Effect of deemed issue of shares under the Company's restricted award share scheme at subscription price	**4,611**	—
Weighted average number of ordinary shares (diluted) at 31 December (in thousand shares)	**2,746,856**	2,760,993

Notes to the consolidated financial information (continued)

(All amounts in RMB thousands unless otherwise stated)

8. Dividend

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2024	2023
Interim dividend declared and paid of HK$0.72 or RMB0.66 per ordinary share (2023: nil)	**1,820,012**	—
Final dividend proposed after the end of the reporting period of HK$0.55 or RMB0.51 (2023:HK$1.063 or RMB0.965 per ordinary share)	**1,408,107***	2,665,184

The final dividend proposed after the reporting period has not been recognized as a liability at the end of the reporting period.

* It is based on the number of ordinary share issued at the proposed RMB dividend per ordinary share.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2024	2023
Final dividend in respect of the previous financial year, approved and paid during the year of HK$1.063 or RMB0.965 per ordinary share (2023:HK$0.33 or RMB0.29 per ordinary share)	**2,665,184**	812,222

(c) Dividends payable of subsidiaries distributed to non-controlling interest for the year ended 31 December 2024 of approximately RMB500,412,000 (2023: approximately RMB46,725,000) were approved during the year.

Notes to the consolidated financial information (continued)

(All amounts in RMB thousands unless otherwise stated)

9. Trade, financing and bills receivables

	2024	2023
Trade receivables	**18,105,088**	10,107,093
Provision for impairment	**(1,005,925)**	(1,008,635)
Trade receivables, net (a)	**17,099,163**	9,098,458
Financing receivables	**16,034,406**	13,245,816
Provision for impairment	**(672,835)**	(707,340)
Financing receivables, net (b)	**15,361,571**	12,538,476
Bills receivable	**509,053**	480,988
Provision for impairment	**(2,278)**	(7,250)
Bills receivable, net (c)	**506,775**	473,738
	32,967,509	22,110,672
Current portion		
Trade receivables	**16,911,270**	9,034,015
Financing receivables	**9,878,275**	7,570,403
Bills receivable	**506,775**	473,738
	27,296,320	17,078,156
Non-current portion		
Trade receivables	**187,893**	64,443
Financing receivables	**5,483,296**	4,968,073
	5,671,189	5,032,516

Notes to the consolidated financial information (continued)

(All amounts in RMB thousands unless otherwise stated)

9. Trade, financing and bills receivables (continued)

(a) Trade receivables

An ageing analysis of the trade receivables based on the invoice date at the end of the reporting period, net of the provisions, is as follows:

	2024	2023
Less than 3 months	**10,141,700**	5,166,749
3 months to 6 months	**3,393,871**	1,727,168
6 months to 12 months	**2,682,900**	1,603,614
1 year to 2 years	**592,159**	268,718
2 years to 3 years	**56,239**	92,698
Over 3 years	**232,294**	239,511
	17,099,163	9,098,458

As at 31 December 2024, approximately RMB3,185,262,000 (2023: approximately RMB2,745,338,000) of the trade receivables are secured by letters of credit issued by certain overseas third parties. As at 31 December 2024, approximately RMB3,197,228,000 (2023: approximately RMB2,274,781,000) of the trade receivables were guaranteed by China Export and Credit Insurance Corporation.

(All amounts in RMB thousands unless otherwise stated)

9. Trade, financing and bills receivables (continued)

(b) Financing receivables

An ageing analysis of the financing receivables based on the maturity date at the end of the reporting period, net of provisions, is as follows:

	2024	**2023**
Less than 3 months	**2,824,224**	2,122,665
3 months to 6 months	**2,825,575**	2,237,868
6 months to 12 months	**4,228,476**	3,209,871
1 year to 2 years	**4,778,028**	3,829,274
2 years to 3 years	**705,268**	1,138,798
	15,361,571	12,538,476

(c) Bills receivable

	2024	**2023**
Bank acceptance bills	**166,404**	196,709
Commercial acceptance bills	**342,649**	284,279
Provision for impairment of commercial acceptance bills	**(2,278)**	(7,250)
	506,775	473,738

(All amounts in RMB thousands unless otherwise stated)

9. Trade, financing and bills receivables (continued)

(c) Bills receivable (continued)

An ageing analysis of bills receivable based on transaction dates at the end of the reporting period, net of provisions, is as follows:

	2024	2023
Less than 3 months	**467,779**	184,803
3 months to 6 months	**36,362**	286,149
6 months to 12 months	**2,634**	2,786
	506,775	473,738

10. Financial assets at fair value through other comprehensive income

	2024	2023
Debt investments		
– bank acceptance bills	**5,176,003**	8,924,104

The Group receives acceptance bills from its customers to settle their purchase debts. As these bills are intended to either to pay off its trade and other payables or to hold until maturity, these bills are classified as financial assets at fair value through other comprehensive income.

An ageing analysis of bank acceptance bills based on transaction dates at the end of the reporting period is as follows:

	2024	2023
Less than 3 months	**3,848,630**	4,897,165
3 months to 6 months	**1,131,758**	4,003,737
6 months to 12 months	**195,615**	23,202
	5,176,003	8,924,104

(All amounts in RMB thousands unless otherwise stated)

11. Trade and bills payables

	2024	2023
Trade payables	**31,311,451**	31,703,351
Bills payable	**21,760,087**	14,920,729
	53,071,538	46,624,080

An ageing analysis of the trade and bills payables based on the invoice date as at the end of the reporting period is as follows:

	2024	2023
Less than 3 months	**35,482,863**	30,129,969
3 months to 6 months	**15,653,016**	14,027,999
6 months to 12 months	**1,650,614**	2,270,559
1 year to 2 years	**180,217**	96,289
2 years to 3 years	**41,209**	67,100
Over 3 years	**63,619**	32,164
	53,071,538	46,624,080

12. Events after the reporting period

No significant subsequent event takes place after the reporting period.

13. Comparative figures

Presentation of warranty expenses

To cope with the changes of accounting practices in the PRC truck industries, the Company has recorded the warranty expenses in cost of sales in the consolidated statement of profit or loss. Accordingly, the warranty expenses for the year ended 31 December 2023 at the amount of approximately RMB697,041,000 was reclassified from the selling and distribution expense to cost of sales.

PROPOSED 2024 FINAL DIVIDEND

The Board recommends to distribute to Shareholders whose names appear on the register of members of the Company on Thursday, 10 July 2025 a final dividend of either HK$0.55 or RMB0.51 per Share (converted at the exchange rate of RMB0.92294 to HK$1 as published by the PBOC on Thursday, 27 March 2025) for the year ended 31 December 2024 (the "2024 Final Dividend") with a sum of approximately HK$1,519 million or RMB1,408 million which is subject to the Shareholders' approval at the forthcoming 2025 AGM.

The Company has been determined as a Chinese-resident enterprise. Pursuant to the "Enterprise Income Tax Law of the PRC"《中華人民共和國企業所得稅法》and the "Detailed Rules for the Implementation of the Enterprise Income Tax Law of the PRC"《中華人民共和國企業所得稅法實施條例》, a Chinese-controlled offshore incorporated enterprise shall withhold and pay enterprise income tax for its non-PRC resident enterprise shareholders. As the withholding and payment obligation lies with the Company, the Company will withhold and pay enterprise income tax for its non-PRC resident enterprise shareholders to whom the Company pays the 2024 Final Dividend.

In respect of all the Shareholders whose names are not registered as natural persons (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organizations, which are all considered as non-PRC resident enterprise shareholders), the Company will distribute the 2024 Final Dividend after deducting an enterprise income tax of 10% or other appropriate rates.

Investors who invest in Shares through the Shanghai Stock Exchange or the Shenzhen Stock Exchange (the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect investors), whether natural persons or enterprises, are investors who hold the Shares through HKSCC Nominees Limited, and, in accordance with the above requirements, the Company will pay to HKSCC Nominees Limited the amount of the 2024 Final Dividend after withholding for payment the 10% enterprise income tax.

The Company will not withhold and pay the income tax in respect of the 2024 Final Dividend payable to PRC resident enterprise shareholders, exempted entities or any natural person shareholders.

CLOSURE OF REGISTER OF MEMBERS

A notice convening the AGM and containing the book closure dates for determining the entitlement of the Shareholders to attend and vote at the AGM will be despatched to the shareholders in due course.

In order to determine the entitlement of the Shareholders to the proposed 2024 Final Dividend, the register of members of the Company will be closed from Wednesday, 9 July 2025 to Thursday, 10 July 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify to receive the proposed 2024 Final Dividend to be approved at the AGM, holders of the Shares must lodge their Share certificates together with the relevant Share transfer documents with Computershare Hong Kong Investor Services Limited, the share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 8 July 2025.

MARKET REVIEW

TRUCKS MARKET

In 2024, amidst the complex international environment, the growth momentum for global economy weakened and the geopolitical tension escalated. In addition, there were insufficient effective domestic demand and drawbacks in replacing old trucks with new ones. Facing the changes in the complicated economic situation, the Chinese government adhered to the general principal of seeking progress while maintaining stability, adopted proactive macro policies, expanded domestic demand, stabilized social expectations, energized the economic development, further promoting economic recovery. In 2024, the China's GDP grew by 5.0% YoY; the national fixed asset investment (excluding rural households) grew by 3.2% YoY; and the industrial added value of designated revenue scale enterprises grew by 5.8% YoY. The national economy maintained an overall stable performance, and steadily advanced high-quality development.

During the Period, for the heavy duty truck industry, due to the combined effect of the macroeconomic slowdown, overcapacity in the freight industry and fluctuation in oil-gas price difference, it was still at a critical stage of transformation and upgrading and structural adjustment in terms of the domestic demand. For overseas demand, as the brand recognition and influence of China's commercial vehicle continued to improve and the penetration rate in Africa, Southeast Asia, the Middle East and Latin America markets increased steadily, the sales hit a new high. According to CAAM, the annual sales of heavy duty trucks was at approximately 901,700 units, representing a decrease of 1.03% YoY. For the light duty truck industry, the annual sales of light duty trucks reached approximately 1,900,000 units, representing an increase of 0.28% YoY.

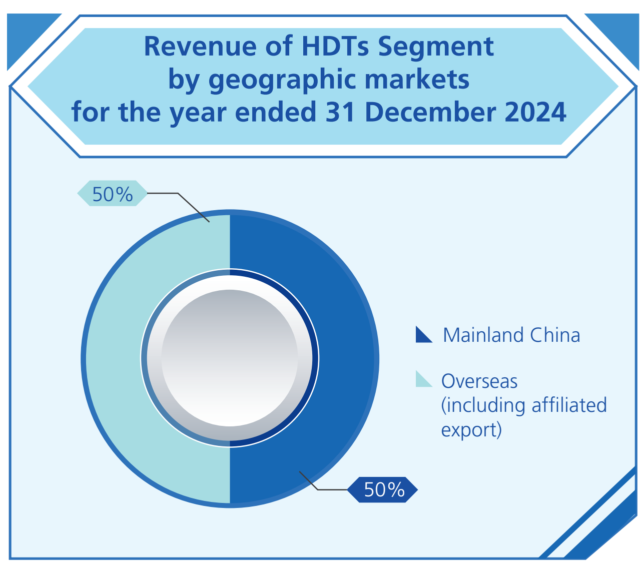
FINANCING MARKET

During the Period, the Chinese government continued to implement the loan prime rate (LPR) mechanism. One-year LPR was lowered twice and the five-year LPR was lowered three times. As at 31 December 2024, one-year LPR was 3.10% while LPR over five years was 3.60%.

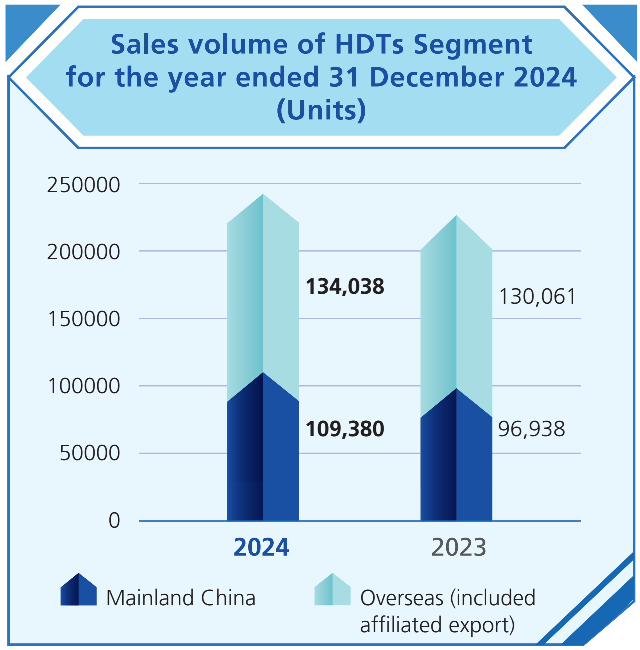
OPERATION REVIEW

HDTS SEGMENT

The total revenue from the HDTs Segment was RMB84,150 million, representing an increase of 11.8% YoY. The HDTs Segment's Operating Profit Margin was 5.2%, representing a decrease of 0.6 percentage points YoY, mainly due to regional structure and vehicle model structure.



During the Period, the Group sold 243,418 HDTs, representing an increase of 7.2% YoY.



DOMESTIC BUSINESS

During the Period, the Group sold 109,380 HDTs in the PRC, representing an increase of 12.8% YoY.

During the Period, the Group focused on the market demand, continuously deepened its focus in segment markets and optimized its product structure, ranking first in the industry among several segment markets.

In the market of tractor trucks, on one hand, the Group seized the opportunity to rank first among several segment markets. In particular, the market share of gas tractor trucks at 15L horsepower increased by 9.7 percentage points YoY, leading the high-end gas tractor industry. The market share of container tractors in the transportation market increased by 3.5 percentage points YoY. On the other hand, the Group accelerated its upgrading of products, and newly launched C9H ultra-high top tractor trucks of SITRAK and HOWO-TS7 tractor trucks.

In the market of cargo trucks, the Group further expanded various application scenarios, supplemented less popular products and focused on the application scenario of express delivery in cities. More specifically, the market share of express delivery led the industry, and the market share of falcon wing door cargo trucks increased by 3.7 percentage points YoY, ranking first in the industry.

In the market of special vehicles, the Group focused on differentiated competitive advantages, and continuously improved product quality, recording an increase in its market share of 0.7 percentage points YoY. In the high-end special vehicle areas including fire trucks, pumper trucks and oil field trucks, the market share kept leading in the industry.

In the new energy market, the Group leveraged its technological strengths, continuously reduced weight, cost and energy consumption, and constantly improved product reliability. The sales volume of new energy heavy duty trucks increased by 294% YoY, and the market share increased by 3.7 percentage points YoY, especially making breakthroughs in the segment markets of tractor tracks and 8×4 muck trucks.

The Group continued to optimize its dealers' network, strengthen the construction of core network, improve the network development, access and exit standards, further enhancing its distribution network. As at 31 December 2024, there were approximately 370 dealerships in total selling the Group's HDT products in the PRC, with approximately 1,200 service centers offering high-quality aftersales services and approximately 110 truck-refitting services enterprises offering refitting services.

INTERNATIONAL BUSINESS

The HDTs affiliated export revenue amounted to RMB42,495 million, representing an increase of 3.3% YoY.

Reconciliation of overseas revenue to HDTs affiliated export revenue:

	2024	**2023**
	RMB million	**RMB million**
Overseas revenue	**38,385**	30,828
Affiliated export revenue	**6,950**	12,292
Total affiliated export revenue	**45,335**	43,120
Less: Other affiliated export revenue	**(2,840)**	(1,987)
HDTs affiliated export revenue	**42,495**	41,133

During the Period, the volume of HDTs affiliated export was 134,038 HDTs, representing an increase of 3.1% YoY.

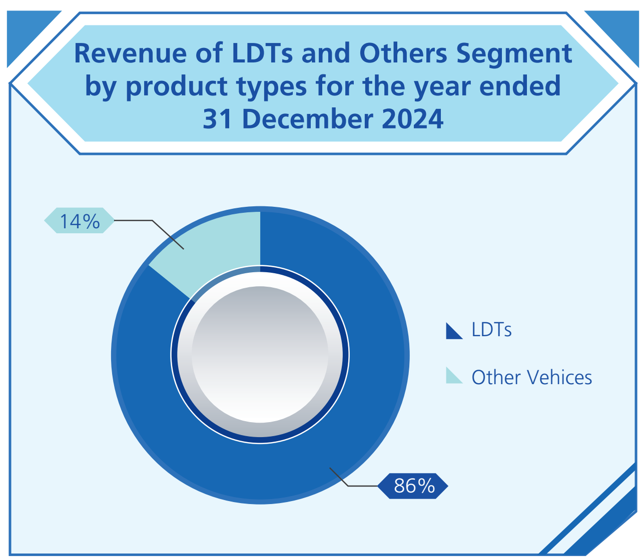
In 2024, the global economy presented slow growth, with an obvious growth differentiation shown in developed economies, and a relatively stable growth in emerging markets and developing economies. Main truck manufacturers in China stepped up their efforts to increase exports, which further intensified the competition. The Group's export sales volume and revenue of heavy duty trucks kept rising and hit a new record high, ranking first in China's heavy duty truck industry in terms of exports for 20 consecutive years.

During the Period, the Group made great efforts to expand overseas markets, consolidate its traditional dominant markets, further develop high-end markets, and shape its high-end brand image of Sinotruk in the international market. Firstly, considering brand competition in the traditional market, the Group promoted its products upgrading and responded to the commercial pricing policy, recording a rapid growth in sales volume. Secondly, the Group speeded up its efforts to expand high-end markets and key markets, striving to implement a new marketing model based on the operation of subsidiaries, with a view to strengthening its existing competitive advantages. Thirdly, the Group continuously expanded overseas teams, strengthened the recruitment and management of local personnel, and strived to build a determined team for overseas marketing. Fourthly, the Group strengthened overseas brand building, successfully participated in the IAA Commercial Vehicles in Germany, and held several worldwide partner conferences in Dubai, Indonesia and Mexico, etc., which greatly enhanced brand influence and corporate image.

As at 31 December 2024, the Group established 80 overseas representative offices and other offices, developed over 200 dealerships at all levels, and set up 10 overseas subsidiaries and 29 overseas cooperative KD plants in more than 110 countries and regions, forming an international marketing network largely covering developing countries and major emerging economies in Africa, the Middle East, Central and South America, Central Asia and Southeast Asia, as well as some mature markets including BRICS, Australia, Ireland, New Zealand, and Hong Kong.

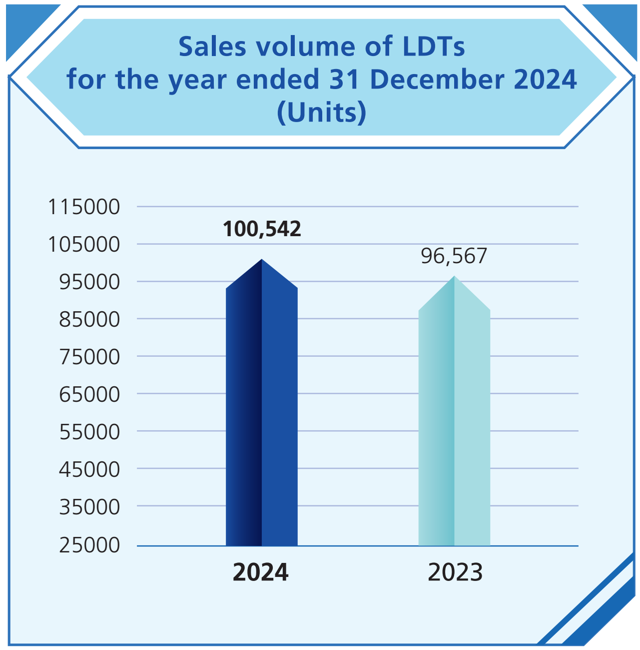
LIGHT DUTY TRUCKS AND OTHERS SEGMENT

The major product of the LDTs and Others Segment is LDT, of which revenue was accounted for approximately 86% of the total revenue during the Period of this segment while other products of the segment included buses, pickup trucks and other vehicles.



During the Period, the total revenue from the LDTs and Others Segment was RMB11,162 million, representing an increase of 8.2% YoY. The Operating Loss Margin of the LDTs and Others Segment was significantly improved and reduced to 1.9%, representing a decrease of 4.1 percentage points as compared to the Previous Period. The increase in sales volume and optimization of product structure resulted in the increase in the revenue and the improvement in the overall profitability.

During the Period, the Group sold 100,542 LDTs, representing an increase of 4.1% YoY.



During the Period, for the light duty truck business, the Group focused on achieving breakthroughs in the development of segment markets, and various regional markets made great headway. Firstly, the sales volume increased against the general trend, with an increase in the market share of 2.68 percentage points YoY, further narrowing the gap with compatible products. In particular, the market share of stake trucks increased by 6 percentage points YoY, ranking first in the industry, and the Group also achieved breakthroughs in sales volume of wreckers, cold preservation, sanitation, lifting and hazardous chemicals transport trucks. Secondly, the Group accurately judged the trend of vehicle power upgrading, launched a new generation of products such as HOWO Commander (統帥) PRO and HOWO General (悍將) PRO, and made major breakthroughs in those markets featuring light loading and high horsepower. Thirdly, the Group strived to build a brand-new light commercial vehicle platform for the high-end markets, and launched new products including BOLDEN (博勝) pickup trucks and Vangard (VAN) (先鋒官) series trucks.

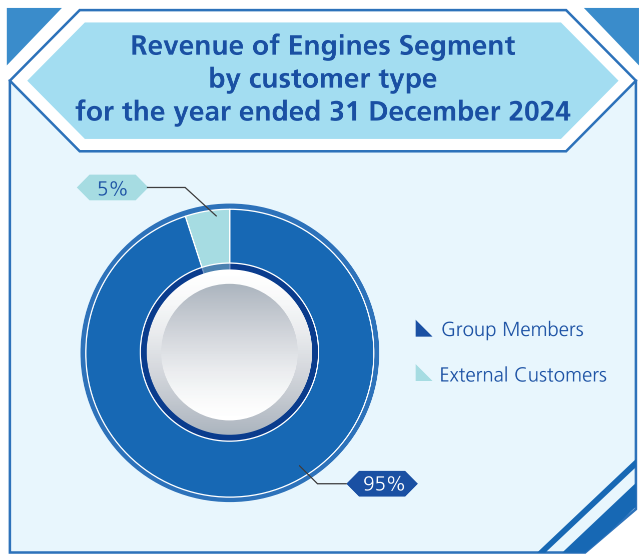
The Group has recorded a 50% YoY increase in the sales of its new energy light duty trucks. Firstly, the Group launched the Blue Cube full scenario series products. Secondly, the Group optimized the layout of new energy networks according to the characteristics of different regional markets, constantly improved the product spectrum, and promoted the gradual implementation of supporting policies such as trial vehicles, leasing modes, financial insurance, a dedicated team, service rights and channel assistance.

As at 31 December 2024, the Group had, in the PRC, a total of approximately 800 dealerships of LDTs, approximately 2,200 service centers offering aftersales services and approximately 320 modification enterprises offering refitting services.

(Market data source of HDTs segment and LDTs and others segment: ultimate sales data, the Group's internal data)

ENGINES SEGMENT

During the Period, the Engines Segment recorded a revenue of RMB13,925 million, representing a decrease of 4.3% YoY, of which external sales of engines accounted for 5.1% of the total sales, representing an increase of 0.8 percentage points YoY. The Operating Profit Margin of the Engines Segment was 14.2%, same as that of the Previous Period. The drop in volume sales of the engines led to the decrease in the revenue.



During the Period, the Engines Segment sold 109,104 engines, representing a decrease of 14.5% YoY.

During the Period, the Group focused on energy saving and emission reduction as well as technical reliability by constant development and optimization of engine products. Specifically, the Group continued to improve the performance of MC series and D10 (WD615) series model, which remained highly reliable with further lower engine fuel consumption and thus served as better products for users, while the Group comprehensively upgraded the 9th generation of AMT gearbox and the latest generation of axles with the view of marching forward to high reliability and efficiency as well as light weight.

R&D STRENGTH

The Group has comprehensive R&D capabilities for the whole series of commercial vehicles. It has always maintained high standards and significant investment for R&D, and established a forward-looking R&D process guided by customer needs. The Group has created an R&D matrix led by complete vehicles and guided by customer needs, which is able to synergistically develop performance as well as assemblies and components.

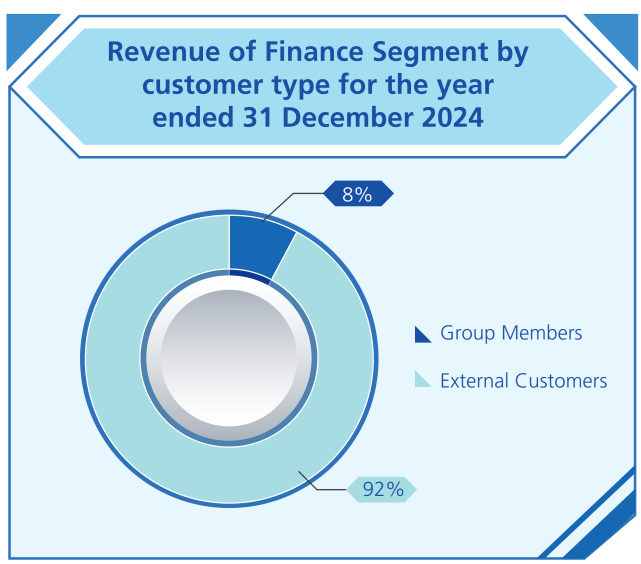
The Automotive Research Institute, New Energy Vehicle Research Institute and Product Testing and Inspection Center of the Group are the comprehensive scientific research bases for R&D and testing of new products and are among the first batch of nationally recognized enterprise technology centers and the national HDTs engineering technology research centers. Through the research and promotion of technologies on complete vehicles and bodywork as well as key vehicle assemblies and core component and parts and the development of processes, the Group has developed five core strengths leading in the industry, namely strengths in bodywork, power system, gearing system, electronic control system and complete vehicle matching. We have also set up a relatively complete R&D system of software and hardware for technical management, design and development, pilot production, as well as testing and inspection, and a product R&D platform for the concurrent initiation of multiple parallel projects.

During the Period, the Group adhered to technology-driven and demand-driven paths for product innovation, proactively optimized and upgraded products and thus achieved breakthroughs in key technologies in terms of various sectors. For intelligent driving, the Group invented a road preview-based Lane Centering Control (LCC) technique and developed a risk forecast-based Forward Collision Warning (FCW) and Emergency Braking technique, reducing the risk of incidents caused by lane departure and rear-end collision. In respect of engine, based on the traditional compression and release braking system for engine, the Group introduced exhaust reflux braking mechanism, by which achieving one exhaust reflux braking accompanied by one compression and release braking within one operating cycle, and thus cylinder braking power was raised. As for aftertreatment, the Group developed a highly universal and flexible multi-stage exhaust aftertreatment device for HDTs catered to National VI aftertreatment system, reducing resource consumption while ensuring powerful and economical vehicles.

FINANCE SEGMENT

During the Period, the Group optimized its internal financing costs by utilizing the pricing self-regulatory mechanism of PBOC and market changes. Besides, the Group established long-term cooperation relationships with different institutions to improve its ability to analyze foreign exchange and conducted timely exchange of foreign currencies into RMB and hedging to lock in exchange rates and hedge its exposure to exchange rate risk. Furthermore, the Group increased its capability of financial support through the provision of diversified Auto-finance Services.

During the Period, the revenue of the Finance Segment (including interest income and finance lease income) was RMB1,479 million, representing an increase of 6.6% YoY. Revenue from external customers amounted to RMB1,354 million, representing an increase of 11.0% YoY. The Operating Profit Margin of the Finance Segment was 54.6%, decreased by 1.0 percentage points YoY. The increase in income of the Finance Segment was mainly due to the increase in the overall lending scale while the decrease in Operating Profit Margin was mainly due to the downward trend in market interest rates.



The Finance Segment operates money lending business of the Group through the provision of Commercial Lending Services and Auto-finance Services.

The below figures in this section are stated after the elimination of intragroup transactions.

Depending on the type of the money lending business provided, the Group generally charges an interest rate that ranges from 1% to 10%. As at 31 December 2024, the principal and interest receivables of financing receivables were approximately RMB15,343 million and RMB19 million, respectively. The ageing analysis of the financing receivables based on the maturity date as at 31 December 2024 and 2023 is as follows:

RMB million	**31 December 2024**	**31 December 2023**
Less than 3 months	**2,824**	2,122
3 months to 6 months	**2,826**	2,238
6 months to 12 months	**4,229**	3,210
1 year to 2 years	**4,778**	3,829
2 years to 3 years	**705**	1,139
	15,362	12,538

During the Period, the impairment of financing receivables of RMB28 million (2023: reversal of impairment loss allowance RMB100 million) was made and impairment losses of off-balance sheet credit business of RMB0.1 million was reversed (2023: reversal of impairment loss allowance of RMB5 million). During the Period, financing receivables (all from Auto-finance Services) at the amount of RMB63 million had been written-off (2023: nil).

As at 31 December 2024, the total provision of impairment of financing receivables amounted to RMB673 million (31 December 2023: RMB707 million) and there was no provision for impairment losses of off-balance sheet credit business (31 December 2023: RMB0.1 million). For details of the basis and details of impairment loss of the financing receivables, please refer to the section headed “Impairment and write-offs” below.

COMMERCIAL LENDING SERVICES

The borrowers of the Commercial Lending Services comprise the CNHTC Group and its associates (as defined under the Listing Rules), dealers of the Group and suppliers of the Group and the CNHTC Group. The Commercial Lending Services not only enable the Group to gain a reasonable interest income, but also ensure stability of its industrial chain and achieve a win-win cooperation among upstream and downstream entities along such industrial chain. Loans to dealers are unsecured while loans to suppliers are secured by the pledge of receivables from suppliers of the Group and the CNHTC Group. All loans granted are repayable within one year while discount of bills (issued by banks only) shall all be matured within one year. Commercial Lending Services are carried out at the Group's headquarters in Ji'nan, PRC.

During the Period, the revenue from the Commercial Lending Services was RMB38 million, representing a decrease of RMB43 million or 53.1% YoY.

As at 31 December 2024, there were less than 20 borrowers (31 December 2023: less than 30 borrowers) of the Commercial Lending Services business and their total net outstanding receivables and interest receivable were RMB297 million and RMB0.3 million (31 December 2023: RMB595 million and RMB1 million), respectively.

As at 31 December 2024, the largest borrower (being the CNHTC Group) and the top five borrowers under the Commercial Lending Services business constituted approximately 98.65% and 99.04% (31 December 2023: approximately 81.47% (being the CNHTC Group) and 99.30%), respectively of the net financing receivables of the Commercial Lending Services business.

Given that the Measures for the Administration of Finance Companies of Enterprise Groups (《企業集團財務公司管理辦法》) issued by the National Financial Regulatory Administration in October 2022 prescribed that one enterprise group may only have one finance company within the group, SHIG had proposed to integrate the resources of the two finance companies within its group. Subsequently, on 11 November 2024, the Board resolved that Sinotruk Finance Co., Ltd. shall undertake a voluntary liquidation (the "Voluntary Liquidation"). For more details, please refer to the announcement dated 11 November 2024 of the Company.

Sinotruk Finance Co., Ltd. currently is the key provider of Commercial Lending Services. The Voluntary Liquidation will be proceeded once the administrative procedures of SHIG regarding the Voluntary Liquidation is completed. Sinotruk Finance Co., Ltd. plans not to renew the existing facilities provided under the Commercial Lending Services upon their expiry or grant any new loans, and it will hold the short term wealth management products until expiry and gradually dispose of long term wealth management products. The Group will cease to provide any Commercial Lending Services after completion of the Voluntary Liquidation. As disclosed in the announcement dated 11 November 2024 of the Company, the Board did not expect the Voluntary Liquidation to have any material adverse impact on the financial position and business operations of the Group.

AUTO-FINANCE SERVICES

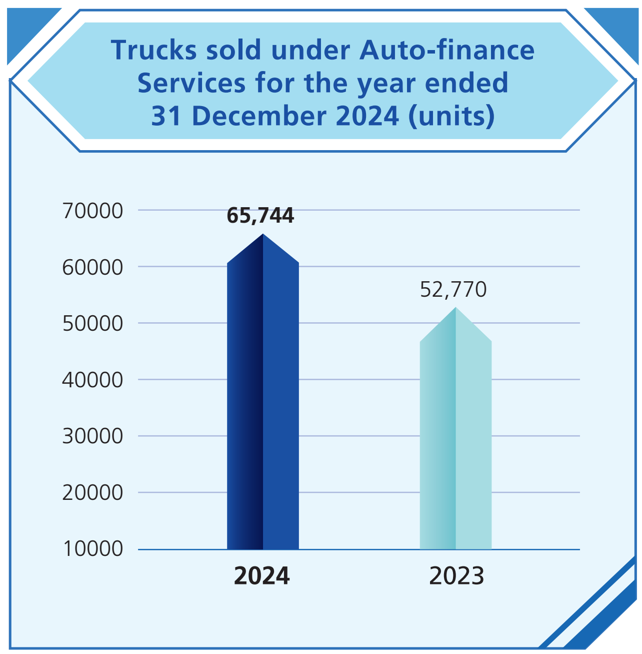
The borrowers of the Auto-finance Services comprise end-users or dealers of the Group's commercial vehicles who may be individuals and entities. Such borrowers were either existing customers of the Group or those referred from the CNHTC Group or the dealers of the Group's vehicles. The Auto-finance Services are further divided into auto-finance loans and finance leasing. All loans and leases are secured by commercial trucks being purchased with guarantee deposits, guaranteed by the borrowers (and, for those that are entities, by guarantees of their owner(s) as well), and in respect of certain borrowers, the relevant amounts are also guaranteed by the dealers. Moreover, for any loan or lease involving a large amount, further security such as properties and (additional) guarantee deposits may be required to be provided as collateral. The loans and finance leases granted under the Auto-finance Services are normally repayable within three years. As at 31 December 2024, the Finance Segment had established 23 business offices, with its business covering China, and having further improved its automotive consumer credit services.

During the Period, the revenue from the Auto-finance Services was RMB592 million, representing an increase of RMB189 million or 46.9% YoY.

As at 31 December 2024, there were less than 70,000 borrowers (31 December 2023: less than 50,000 borrowers) of Auto-finance Services and their total net outstanding receivables and interest receivable were approximately RMB15,045 million and RMB19 million (31 December 2023: approximately RMB11,929 million and RMB14 million), respectively. As at 31 December 2024, the net finance leases balance to the net loans and finance leases balance was approximately 41.4% (31 December 2023: approximately 13.8%).

As at 31 December 2024, the largest borrower and the top five borrowers of the Auto-finance Services who are all independent third parties constituted approximately 0.15% and 0.64% (31 December 2023: approximately 0.1% and 0.4%), respectively, of the net financing receivables of the Auto-finance Services.

During the Period, the Group sold 65,744 vehicles through Auto-finance Services, representing an increase of 24.6% YoY.



RISK MANAGEMENT POLICY AND KEY INTERNAL CONTROL MEASURES

Credit approval process and credit risk assessment policy

Prior to the granting of financial services to the borrowers, the relevant business units ("Business Unit(s)") of the Finance Segment will first review the application of the potential borrower, and conduct appropriate pre-loan or pre-lease checks on the potential borrower and its guarantor, which involves (a) reviewing the financial reports and statements of the potential borrower; and (b) performing an assessment on the financial condition of the potential borrower and its equity holder(s) (for entities), such as the type and value of assets owned by the potential borrower.

Depending on the type and amount of the financing services, the Business Units will assess and decide the necessity and the amount of security/collateral for the granting of each loan or lease on a case by case basis considering the factors including but not limited to the repayment history, results of public credit search towards the borrower, the value and location of the assets owned by the borrower and the financial condition of the borrower.

Relevant business approval forms including but not limited to details of the amounts, repayment terms and the applicable interest rate will be prepared and the senior management of the relevant Business Unit will give final approval in respect of the relevant application and, pursuant to which, the Business Unit will execute the relevant drawdown or payment procedures.

Ongoing monitoring of loan collection and recovery

Various departments of the Business Units (principally engaged in post loan management) are involved in monitoring loan repayment and recovery. Such departments report to the risk management and operations departments on the repayment status of all loans and financing on at least a quarterly basis and report any material defaulted loans immediately upon occurrence. In addition, the Group carries out regular and/or specific inspections in respect of the financial status of the borrowers and the status of the collaterals.

The Finance Segment has also adopted a policy for loan collection/recovery, pursuant to which, depending on the status of the overdue payment, the Business Units will continuously contact the borrower via different means including by phone and on-site interviews, issuing overdue payment reminder to the borrower, and, based on the approval of the senior management of the Business Units, the Business Units may negotiate with the borrower for the repayment or settlement of the loan. Depending on the outcome of the aforesaid measures, the Business Units may also instruct legal advisers to issue formal legal demand letters or carry out formal legal proceedings for collection of loans.

Impairment and write-offs

The Finance Segment considers the provision for impairment based on the borrowers' repayment situations, current and forecast economic conditions and laws and regulations which are consistent with market practices. In compliance with the requirements set out in the Guidance on Provisioning for Bank Loan Losses (《銀行貸款損失準備計提指引》) promulgated by the PBOC, in assessing the relevant risks of loss in respect of the financing receivables and off-balance sheet credit business, the Finance Segment shall, on at least a quarterly basis, assess and classify the relevant outstanding balances into five categories depending on the credit risk. Depending on the relevant category, allowances for impairment in respect of the outstanding financing receivables will be made by the Finance Segment in accordance with the Group's internal policy, based on a provision rate ranging from 1% to 100%. Further details of the financing receivables are set out in the sections headed "NET IMPAIRMENT LOSSES OF FINANCIAL ASSETS" and "RECEIVABLES" • "FROM FINANCING ACTIVITIES".

Additional Controls in respect of Continuing Connected Transactions

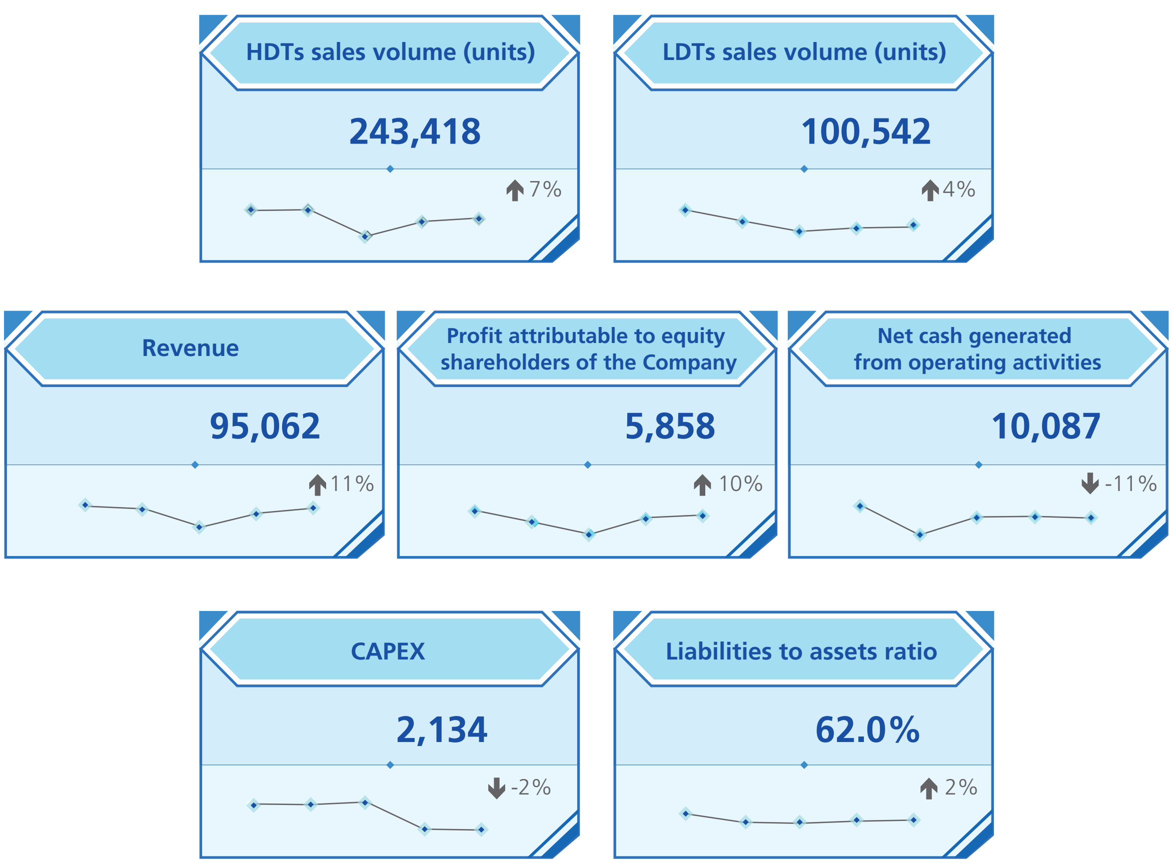
The provision of financing arrangements to CNHTC and its associates constitutes continuing connected transactions of the Group and such transactions are conducted in the manner as stipulated under the relevant financial services framework agreements. Additional internal control measures, including but not limited to re-confirmation before the release of new or renewal of loan or finance lease not exceeding the pre-approved caps, are implemented, so as to ensure the compliance with the requirements of the Listing Rules.

MAJOR KEY PERFORMANCE INDICATORS ("KPI")

The Directors focus on the sustainable development of the Group as a whole and on the interests of Shareholders. The Directors use financial and non-financial indicators as benchmarks to assist in evaluation and decision-making. Sales volumes and revenues of HDTs and LDTs reflect actual operating results and performance. Cash is critical to survival of the Group and net cash generated from operating activities provides insight on the Group's ability to generate cash flow from continuing operations. The gearing ratio (total liabilities divided by total assets) shows how the management balances equity financing with debt financing in maintaining the Group's liquidity. Capital expenditure (CAPEX) provides information on the medium to long term development of the Group. Profit attributable to equity shareholders of the Company provides information on the return to Shareholders for the Period.

The following charts present the key KPIs for the year ended 31 December of each of the following years.

(All key KPIs are expressed in RMB million unless otherwise stated)



Key performance indicators	2024	2023	2022	2021	2020
HDTs sales volume (units)	243,418	226,999	157,756	281,825	278,415
LDTs sales volume (units)	100,542	96,567	80,056	129,068	181,013
Revenue	95,062	85,498	59,405	93,357	98,198
Profit attributable to equity shareholders of the Company	5,858	5,318	1,673	4,322	6,851
Net cash generated from operating activities	10,087	11,368	10,900	(3,211)	19,492
CAPEX	2,134	2,175	3,450	3,326	3,359
Liabilities to assets ratio	62%	61%	59%	60%	68%

KEY RELATIONSHIPS WITH THE CUSTOMERS, SUPPLIERS, EMPLOYEES AND OTHERS

The Group highly values the communication and cooperation with every stakeholder. Through establishing a multi-channel communication system, we proactively listen to feedback from government institutions, regulators, shareholders, investors, customers, employees, the public, partners and the environmental sector. The expectations and concerns of all parties will be reasonably integrated into the Group's strategic plans and operational decisions after an in-depth analysis to confirm that the corporate development is in line with the needs of stakeholders and jointly drive sustainable value creation for the Group.

The Group constantly improves its services by upholding a customer-oriented approach. We adhere to serving the customer in a high-efficiency and convenient manner and timely respond to their needs to enhance satisfaction. In order to achieve win-win development, all-round backups will be offered to dealers for their serving capacity improvements. We also standardize the marketing to ensure that it was done on a true and accurate basis and to safeguard our brand reputation and customers' interests.

The Group consistently works on customer service and after-sales management process systems. We formulated the *On-site Management Measures for Service Stations* (《服務站現場管理辦法》), the *After-sales Services Management Process* (《售後服務管理程序》) and other customer service management systems, as well as the *Family Care Fund Management Process* (《親人關愛基金管理流程》) and the *Service Performance Management Process* (《服務績效管理流程》) in 2024, and updated the *Customer Service Callback Management Process* (《客戶回訪管理流程》) and the *Complaint Acceptance Management Process* (《投訴受理管理流程》), aiming at providing customers the excellent service in all aspects.

Various measures have been adopted to boost service quality and customer satisfaction, including continuously optimizing customer service management and communication channels. We offered a variety of complaint channels, including 24-hour 400 manual hotline complaints, voice message complaints, as well as online complaints via the Smart Sinotruk APP. Furthermore, the development of an intelligent customer service system has advanced, and we successfully deployed the core functionalities, such as robot voice answering, robot call-out for follow-ups, intelligent quality inspection, and intelligent search for service stations, in a full range of scenarios.

To ensure that customer complaints are handled promptly and efficiently, the Group carries out a process mechanism for handling major customer complaints. Such a mechanism can make sure that all complaints are classified and assigned to the responsible department within 12 hours, then checked and solved within 48 hours. Meanwhile, we track and manage the time-out complaints in real time to comprehensively raise the efficiency of unqualified service responding and handling. The customer callback service is performed to collect customer satisfaction evaluation on service process, personnel attitude and maintenance quality, so as to continuously improve service level and quality. In 2024, the Group received 114 quality-related complaints with a complaint handling rate of 100%.

The Group keeps perfecting its information security management system, and has formulated the *Measures on Information Security Management* (《信息安全管理辦法》), which stipulates security requirements on internet, server and end-user, in accordance with relevant laws such as the *Cybersecurity Law of the PRC* (《中華人民共和國網路安全法》), the *Data Security Law of the PRC* (《中華人民共和國數據安全法》), the *Personal Information Protection Law of the PRC* (《中華人民共和國個人信息保護法》), the *Management of Automobile Data Security (Trial)* (《汽車數據安全管理若干規定 (試行) 》) and industry-related criteria and standards. In 2024, the Group was not aware of any information security incident.

The Group always considers that the responsible supply chain plays an important role in sustainable development, thus dedicating itself to the building of a sustainable supply chain system that is transparent and efficient and acts on the vision of sustainability together with our suppliers.

The Group focuses on building a sustainable supply chain system and has formulated the *Supplier's Code of Conduct* (《供應商行為準則》) that stipulates management requirements for suppliers on environmental protection, health and safety, labor standards, business ethics and information security. The *Procedure of Initial Assessment on Supplier Capability* (《供方能力初審程式》) has clearly stated the requirement relating to occupational safety, occupational health and environmental management system. To identify and face the potential sustainable risks in the supply chain, we precisely include the environmental and social risks in the supplier management process, strengthening the environmental and social risk control on suppliers through warehousing management, qualification review, regular assessment and review. We also include ESG requirements for suppliers in the *Procurement Contract* (《採購合同》) in a standardized form to ensure that suppliers' ESG management is consistent with the Group's ESG management philosophy and regulate cooperation behavior.

The Group understands that employees are the most valuable treasure and the core competitiveness of an enterprise. Therefore, we firmly stand for the concept of being people-oriented, respecting employees' interests, development and welfare, and working towards a harmonious, diverse, bright and cheerful working atmosphere for them, achieving mutual benefits between the corporation and the employees. The Group simultaneously stays true to corporate social responsibility by taking the initiative to participate in public welfare undertakings and contribute to a better society.

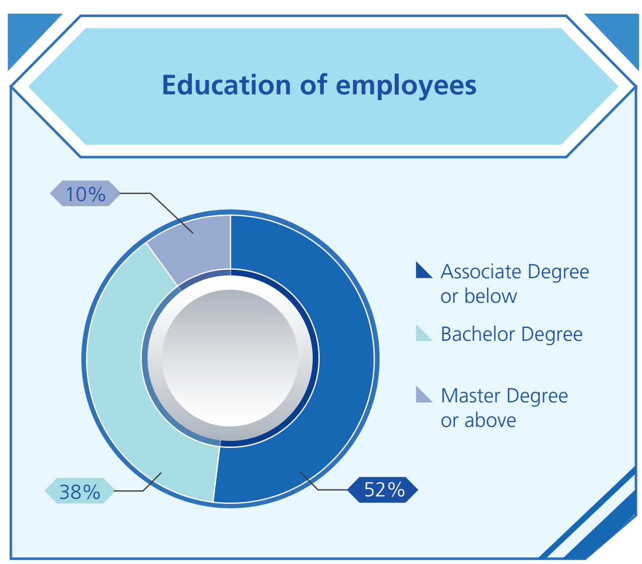
The Group puts a new premium on the legal use of labour and establishes a sound employee rights protection system to systematically manage employee recruitment, communication, salaries and performance. We insist on equal pay for equal work and a clear prohibition against any form of discrimination and sexual harassment, effectively safeguarding the legitimate rights and interests of employees.

The Group's remuneration policies were determined with reference to the performance, qualification and working experience of individual employees, as well as the results of the Group and the market conditions. The benefits provided by the Group to its employees include discretionary bonus, meal subsidies, medical insurance, work injury insurance, unemployment insurance, etc. Employees (including executive Directors) may receive bonuses and monetary rewards based on their performance and ratings in annual performance appraisals as well as participating in the employees' share award scheme. During the Period, the Company has adopted a share award scheme. The Company will disclose further details of its share award scheme in the 2024 annual report.

During the Period, the expenses of the Group (including salaries, retirement benefits, other welfares, post-employment benefits and employees' share award scheme expenses) to all employees including Directors amounted to RMB6,303 million including share-based payment expense of RMB55 million, representing an increase of 14.8% YoY.

As at 31 December 2024, the Group employed a total of 28,560 employees, broken down by function and education as follows:

	Number of employees	%
Management team	**275**	**0.96**
Technical and engineering staff	**3,854**	**13.49**
Research and development staff	**3,329**	**11.66**
Production staff	**15,702**	**54.98**
Operation and sales staff	**2,378**	**8.33**
Administrative staff	**3,022**	**10.58**
	28,560	**100.00**



The Group attaches importance to talent cultivation and development, providing a wider platform for employee learning and promotion equipped with comprehensive personnel training systems, systematic training plans and diversified career development. The Group exerts great efforts to explore the employees' potential and upgrade their professional skills and comprehensive ability, handing to everyone for their self-fulfilment and solidifying a firm foundation of talents for making the development sustainable.

ENVIRONMENTAL POLICY, PERFORMANCE AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group upholds the concept of green development and is committed to building a sustainable, low-carbon future. Through responding to climate change, strengthening environmental management, and promoting green and low-carbon operations, we integrate environmental protection into the Group's strategy and daily operations, and strive to achieve a harmonious balance between corporate development and environmental protection.

The Group actively responds to the national strategic goal of "carbon neutrality and carbon peaking", continuously strengthens its ability to cope with climate change, identifies and actively responds to the risks and opportunities arising from climate change, continuously promotes the intelligent and low-carbon transformation of its industrial structure, and improves the climate resilience of its industrial chain.

We place great emphasis on climate-related risks and opportunities, formulating the *Climate Risk Management Policy* (《氣候風險管理政策》) and establishing a climate change governance system. Climate risk management has been incorporated into the Group's overall ESG management. To address climate change matters, we have implemented a three-tier governance structure comprising the Board-the ESG management committee-the ESG task force.

We proactively explore green and low-carbon development models, conduct analyses on climate-related risks and opportunities, and actively formulate climate risk management strategies. By continuously adjusting our business development strategies and resource allocation, we strive to mitigate various risks associated with climate change while seizing opportunities in low-carbon development and transformation. We are committed to increasing investment in clean technology research and development, enhancing revenue from clean products, and driving the green development of both ourselves and society.

We are deeply aware of both the current and potential impact of climate change and have incorporated climate risk management measures into the Group's overall risk management system. In accordance with the disclosure framework of *International Financial Reporting Standard on Sustainable Disclosure 2 (IFRS S2) - Climate-related Disclosures*, we analyze climate risks from two dimensions: transition risks and physical risks. Through risk identification, risk assessment, and the formulation of response strategies, we evaluate the impact of climate change on our operations.

The Group regards greenhouse gas emissions as a critical indicator for measuring climate change and has integrated it into its strategic objectives. To achieve this, the Group consistently promotes green office practices and actively implements low-carbon operations, thereby contributing its expertise and efforts to global climate governance.

The Group actively implements green operations, adhering to standards for wastewater, air emissions, waste discharge, and noise control. We proactively adopt management measures to gradually reduce pollutant emissions and continuously minimize potential environmental impacts. In 2024, the Group achieved a 100% compliance rate for wastewater discharge and waste gas emissions. 100% of the hazardous wastes were disposed of in compliance with the regulations. No major environmental complaints or penalties were received.

The Group focuses on enhancing resource efficiency and implementing energy-saving and emission-reduction technological upgrades. We integrate the low-carbon concept throughout the entire production and operation process, striving to build a resource-efficient and environmentally friendly enterprise.

COMPLIANCE MATTERS

During the Period, as far as the Group is aware, the Group was not in any material breach of or non-compliance with the laws or regulations applicable to the Group which had a material impact on the business and operations of the Group.

During the Period, the Group has complied, in all material respects, with the requirements under the Companies Ordinance, the Listing Rules, the SFO and the Corporate Governance Code regarding, among others, disclosure of information and corporate governance.

PRINCIPAL RISKS AND SOLUTIONS

The principal risks faced by the Group and the mitigation measures taken during the Period are as follows:

1. QUALITY CONTROL RISKS

The Group continued to strengthen quality process control through the setting and monitoring of quality index, the benchmarking and assessment of quality system and the standardization and implementation of quality inspection, with a view to strictly controlling quality risks.

MITIGATION MEASURES:

In terms of the setting and monitoring of the quality index: Firstly, an index system of three levels covering the Company, department and team was established to achieve everyone shouldering index and raise awareness on quality management of all staff; Secondly, the online publishment, break down, data monitoring, rectification and recheck of the quality index was deployed through building a quality cloud index management and control module, thereby managing index data in an integrated way; Thirdly, a series index data analysis model was established to monitor the complete vehicles and machineries MIS, scanning parts MIS visual dashboard, supplier quality assessment monitoring, goods acceptance data and other key indexes in real-time, to timely analyze and provide feedback of the abnormal performance of each unit and quickly improve and promote the quality.

In terms of the benchmarking and assessment of the quality system: First of all, leveraging international and advanced standards and methods, through cooperating with TÜV SUD (TÜV南德) on a project of quality system customized service, we targeted meeting world-class standards and carried out a maturity evaluation against the whole process quality system from requirements, product development, process development to product delivery, so as to provide a guideline for our quality management system maturity improvement and quality capability enhancement; We then continuously evaluated the system maturity, completed the maturity evaluation of 10 processes including outsourcing management, external specialist management, product design and inspection control during the Period, and circularly reviewed the quality system. The level of physical quality control has greatly improved and the exclusive maintenance 3MIS has decreased by 32.31% YoY.

In terms of the standardization and implementation of quality inspection: Firstly, we have revised 4 procedure documents, including the Measures for Quality Control of Supporting Products (《配套產品質量管理辦法》) and established 5 management processes, including the Sample Test Plan management process (《樣試件檢測方案策劃管理流程》) to further uplift the inspection standardization; Secondly, to establish and implement quality supervision and management mechanism of logistics warehousing to regularly conduct special inspections on third party logistics warehouse, supervise the responsible department to rectify and improve the quality of inventory targeting product packaging, rust, overdue problems; Lastly, taking the after sales and zero-kilometer problem oriented, the special investigations on PU material, wire harness, lamps and other series could reduce defective goods, safeguarding production process and after-sales quality. During the Period, 925,000 product batches were inspected with the defect rate reduced by 22.30% YoY.

2. SAFETY AND ENVIRONMENTAL RISKS

The Group firmly implements the production safety policy of “safety first, prevention oriented, comprehensive rectification management”, with a strong sense of responsibility and mission, does a solid job in safety, environmental protection, fire protection and occupational health management, maintains an overall and stable development of the enterprise, and effectively guarantees the life security and physical health of every employee. During the Period, the Group comprehensively ranked first in the half-year and full-year city-wide evaluation for conducted by Ji’nan Emergency Management Bureau.

MITIGATION MEASURES:

Through intelligent linkage, smart management has been fully applied in safety and environmental protection. Firstly, intelligent upgrading projects have been implemented based on the application of information technology, including the intelligent supervision system for electrogas welding operation, combustible gas alarm system, access control system through remote control in limited space and other items in the total of 25, to achieve “passive safety” toward “active safety”. The second is to establish a systematic safety management platform and launch the safety, environment and health platform system (安環健平台系統) in more than 20 manufacturing enterprises under the Group. The surveillance on enterprises in Ji’nan has been completely implemented in terms of the smart fire protection project, with a total of 1,092 special cameras set up to achieve full coverage of key area monitoring. Four key units have launched an intelligent fire alarm stepwise push function to achieve fire alarm stepwise push notifications and avoid time delay of rescue.

Through intelligent upgrading, supervision measures have been fully enhanced in terms of safety and environmental protection. During the Period, the Group upgraded the DCS control system for 9 manufacturing units involved in spraying, casting and rubber products, added 23 sets of DCS control systems to realize the integrated management of environmental monitoring data, installed 6 sets of VOCs exhaust gas online monitoring facilities for 3 manufacturing units, which laid a solid foundation for those units implementing environmental protection performance grading and applying for heavily polluted weather protection, purchased portable rapid detection equipment such as hand-held PID detector, thermal anemometer, multifunctional sound level meter and portable digital hygrometer for rapid detection of pollutants such as waste gas and noise in factories and workshops, and equipped more than 10 units with automated external defibrillator (AED), organized operation training and enhanced the rescue capability of employees for sudden cardiovascular and cerebrovascular diseases.

3. MARKET FLUCTUATION RISK

Internationally, amidst the insufficient growth drivers for the global economy, blocked multilateral trading regime and rising tariff barriers, which impacted the stability of the global industrial and supply chain, plus inflamed geopolitical tensions, the global market expectations and investment confidence were influenced, further aggravating the risk of international market fluctuations. Domestically, on one hand, the commercial vehicle industry has been in a critical stage of transformation and upgrading and structural adjustment, an important era of transformation from conventional internal combustion engines to new energy and intelligent networking, and an important stage of transformation from product sales to value-added services, which is ushering in a critical period of market structural adjustment. On the other hand, currently, the domestic economy has improved unstably with insufficient effective demand, combined with prominent overcapacity in the freight industry, successively localized products of international benchmark enterprises, and emerging enterprises tapping into the field of electric heavy duty trucks, which further intensified the industry competition.

MITIGATION MEASURES:

Continue exploring overseas market and promote brand internationalization. The Group will seize the increment opportunity in strategic markets, accelerate the upgrading and adjustment of overseas product structures, strengthen the promotion of high-end products, promote the realisation of localization operation, reduce logistics costs, and enhance the capacity of the service system and brand construction. During the Period, the Group was firmly committed to the frontline of overseas markets and achieved the best result in the export of HDTs.

Optimise marketing network and strengthen channel empowerment to improve marketing ability. Firstly, the Group will speed up the improvement of network construction, cultivation and screening, so as to enhance network competitiveness; secondly, the Group will deepen the penetration of our business in segment markets, precisely identify customers' requirements in each segment market through digital system and formulate targeted promotion and sales strategies for products, thus to achieve accurate marketing.

Accelerate new energy transformation and realise an overall market share increase. The Group will focus on the product planning of "One Main Guide, Two Wings Driven" to build a technology matrix with pure electric as the core and hybrid and fuel cell as the support. At the same time, the Group will focus on typical application scenarios such as ports, steel plant, urban construction slag, cement mixing, municipal sanitation and urban distribution logistics, improve the product matrix of towing, tipping, special purpose, light duty trucks and other products, and accelerate the promotion of new energy products in order to seize the opportunities for increments.

Innovate operating business mode and realise growth for new business. Based on digitalization and intelligence, the Group will cultivate the assets operation and management ability through the full life cycle of vehicles for users' operation, form a full life cycle ecological business layout of "intelligent logistics, vehicles rental and sales, out of warranty market, used cars", establish a good cycle of driving vehicle sales with service, and improve the after-market service ecological system of the Group.

BUSINESS STRATEGIES AND PROSPECTS

Looking ahead to 2025, International Monetary Fund has made forecast that the global economy will witness a slight rebound although it remains lower than the pre-pandemic average historical level. From an international perspective, haunted by factors such as higher costs, swelling debts and aggravated protectionism, the global economy still faces adjustment pressure, along with continuous geopolitical conflicts as well as intensified uncertainty and unsteadiness. When it comes to domestic economy, the operation of economy is confronted with inadequate effective demand, the Chinese government will implement more proactive and effective macroeconomic policies by expanding domestic demand, promoting the integrated development of technological and industrial innovation, stabilizing real estate and stock market, preventing and dissolving risks in key sectors and external impacts, supporting expectations, stimulating vitality and pushing forward the constant economic recovery.

For the commercial vehicle industry, the overall demand in the commercial vehicle market will continue to increase in a recovery manner. For instance, As the basic situation of China's economy is expected to stabilize and recover, the rebound of demand for logistics and construction vehicles will serve as a solid foundation for the steady increase of sales of commercial vehicles. In addition, the numerous possessions of commercial vehicles will give rise to natural renewal of vehicles and the National IV "trade-in" policy has been gradually put in place, which brings in replacement opportunities for the commercial vehicle market. Also, with the rising overseas competitiveness of China's commercial vehicles, it is anticipated that China's commercial vehicle brands will be further recognized by overseas market. Moreover, the new energy and intelligence technology is evolving faster, which provides commercial vehicle enterprises with more space for business model innovation and opportunities for structural growth.

The Group has been sparing no efforts to fulfil our core value of "customer satisfaction is our purpose". To achieve our strategic vision to "build a world-class enterprise in terms of all series of commercial vehicles", the Group will strive to perform well in 2025 in respect of the following five areas:

1. Build all series of products that enable customers to make more profit. For the first place, the Group will utilize the European R&D platform resources to launch a new generation of medium-heavy duty trucks based on the latest platform. Then, the Group will continue to increase investment in research and development, devote to break through core technology, strengthen the independent innovation of key parts and components and continue to create more value for its customers.

2. Establish the most reliable sales channel network for customers. The Group will initially adhere to the "full value chain marketing, standardized operation and ultimate customers as the ultimate goal" and continue to carry out network enhancing actions and strive for a higher level of marketing, management as well as competitiveness of the channel network. Meanwhile, the Group will devote more energy to training its leading dealers by constantly optimizing business policies and jointly building the most profitable and sustainable network ecosystem.

3. Forge the most caring and efficient service support system. The Group will start to upgrade its service system based on the three aspects of "reducing customers' costs, improving customers' experience, and exceeding customers' expectations" to provide more intelligent services. The Group will go ahead towards building a comprehensive support system for market service, push forward the number of the core network components with sufficient facilities and premium service to reach 450 service providers, and meet customers' needs with the best service, the highest efficiency and the lowest cost in accordance with high standards.

4. Formulate a rapid-connection mechanism with direct access to the market. On one hand, the Group will promote its "straight-to-the-demand" action, equip more excellent R&D technical personnels for the forefront and provide compelling support for dealer and partners to develop customers. On the other hand, the Group will provide its customers with a delivery guarantee of the shortest cycle and the most favorable product guarantee in the industry, leveraging on its industry-leading high-end power chain advantage, the top domestic forward R&D level and a world-class intelligent manufacturing capability.

5. Provide maximum product full life cycle value. The Group will finalize the ecological business layout of full life cycle in terms of "vehicles rental and sales, intelligent logistics, out of warranty market and used cars". The Group will also stick to expanding and strengthening its market business, ensure quality and expand increment and keep pace with the first-class commercial vehicle enterprises in the world.

FINANCIAL REVIEW

REVENUE, GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's revenue for the Period was RMB95,062 million, representing an increase of RMB9,564 million or 11.2% YoY. The increase in the revenue was due to a significant recovery in the demand of HDTs benefited from the steady improvement of the domestic macro-economy and the continued development of the overseas heavy duty truck market. The Group seized market opportunities, achieved growth in product sales, continued to strengthen cost control, and steadily improved profitability.

The Group's gross profit for the Period was RMB14,865 million, representing an increase of RMB1,327 million or 9.8% YoY. The increase in gross profit was mainly due to the significant increase in sales volume in trucks. Gross profit margin (gross profit divided by revenue) for the Period was 15.6%, representing a decrease of 0.2 percentage points YoY which was mainly affected by the decrease in the Operating Profit Margin of the HDTs Segment. The gross profit margin remained stable. (The reclassification of the warranty expenses from the selling and distribution expenses to cost of sales resulted in the decrease in gross profit margin by 0.1 percentage point for the Previous Period.)

OTHER INCOME AND GAINS

The other income and gains for the Period was RMB1,437 million, representing an increase of RMB620 million or 75.9% YoY. The increase was mainly due to the increase in various kind of other income such as wealth management products, government grant, etc.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses for the Period was RMB3,441 million, representing an increase of RMB136 million or 4.1% YoY and such increase was due the increase in sales. During the Period, the ratio of selling and distribution expenses to Products Revenue was 3.7%, representing a decrease of 0.2 percentage points YoY. (The reclassification of warranty expenses to cost of sales resulted in the decrease in the ratio of selling and distribution expenses to Products Revenue in the Previous Period by 0.8 percentage point. For more details, please refer to the section "REVENUE, GROSS PROFIT AND GROSS PROFIT MARGIN" above.)

ADMINISTRATIVE EXPENSES

Administrative expenses for the Period was RMB4,974 million, representing an increase of RMB305 million or 6.5% YoY. During the Period, administrative expenses to revenue ratio was 5.2%, representing a decrease of 0.3 percentage points YoY. Under the proper cost controls, the rate of the increase in the administrative expenses is less than that of the revenue. Among them, research and development expenses accounted for 55.0% of the administrative expenses, representing an increase by 2.5 percentage points YoY.

NET IMPAIRMENT LOSSES OF FINANCIAL ASSETS

The net impairment losses of financial assets for the Period was RMB256 million while the reversal of the net impairment losses for the Previous Period was RMB171 million. When the Group assesses the impairment of trade, financing and bills receivables, the Group will use 12-month, whole life and simplified expected credit loss models and consider historical observed default rates, forecast economic conditions and public credit information of each debtor or borrower. Based on the assessment, net impairment loss allowance of impairment of trade, financing and bills receivables at RMB21 million was made. With analysis of long outstanding uncollected receivables, net impairment loss allowance of financial assets in other receivables at RMB231 million was made. Further details of the trade, financing and bills receivables are set out in the sections headed "RECEIVABLES" • "From trade activities" and "From financing activities" and "FINANCE SEGMENT". In addition, the remaining impairment loss of off-balance sheet credit business at RMB0.1 million was further reversed during the Period (2023: reversal of impairment loss allowance at RMB5 million).

OTHER EXPENSES

The other expenses for the Period was RMB174 million, representing an increase of RMB109 million or 167.7% YoY. The increase was mainly due to the significant increase by RMB135 million in fair value valuation loss in investment properties.

FINANCE INCOME - NET

Net finance income for the Period was RMB193 million, representing a decrease of RMB91 million or 32.0% YoY. The decrease in net finance income was resulted by the increase in forfaiting business which raised finance costs.

SHARE OF PROFITS OF ASSOCIATES

Share of profits of associates for the Period was RMB130 million, representing an increase of RMB19 million or 17.1% YoY. The increase in share of profits of associates was mainly due to the share of profits from those engaged in sales of parts and components of trucks.

INCOME TAX EXPENSE

Income tax expense for the Period was RMB1,092 million , representing an increase of RMB36 million or 3.4%. The effective tax rate (income tax expense divided by profit before income tax expense) for the Period was 14.0%, representing a decrease of 1.3 percentage points YoY due to enjoyment of additional tax benefits from research and development expenses and utilisation of unrecognised tax losses of prior years.

PROFIT FOR THE PERIOD AND EARNINGS PER SHARE

Profit for the Period was RMB6,688 million, representing an increase of RMB861 million or 14.8% YoY. Net profit ratio (profit for the Period divided by revenue) was 7.0%, representing an increase of 0.2 percentage points or 2.9% YoY.

Profit attributable to equity shareholders of the Company for the Period was RMB5,858 million, representing an increase of RMB540 million or 10.2% YoY. The basic earnings per share attributable to equity shareholders of the Company for the Period was RMB2.14, representing an increase of RMB0.21 or 10.9% YoY.

RECEIVABLES

FROM TRADE ACTIVITIES

As at 31 December 2024, the Aggregate Trade Balance amounted to RMB22,782 million, representing an increase of RMB4,286 million or 23.2% when compared to the balance as at 31 December 2023. The increase in the Aggregate Trade Balances was due to the substantial increase in sales during the Period.

In addition to granting standard credit period to certain privileged customers, the Group received acceptance bills for settlement of trade receivables. The Group granted large dealers with good repayment history credit period from 3 to 12 months and/or accepted the settlement by commercial and bank acceptance bills and, hence, their ageing of the Aggregate Trade Balances was longer than that of other customers.

The trade receivables turnover (average Aggregate Trade Balances divided by Products Revenue multiplied by 366 days (2023: 365 days)) for the Period was 80.6 days (2023: 70.7 days), representing an increase of 9.9 days.

As at 31 December 2024, the Aggregate Trade Balances aged not more than twelve months amounted to RMB21,901 million or 96.1% of the Aggregate Trade Balances.

The Group reviewed the repayment progress of key customers or customers with higher risk of default in repayment on a monthly basis and assessed impairment loss by reference to their businesses, repayment information, etc. During the Period, the Group reversed impairment loss allowance for Aggregate Trade Balances at the amount of RMB7 million.

FROM FINANCING ACTIVITIES

As at 31 December 2024, the net financing receivables was RMB15,362 million, representing an increase of RMB2,823 million or 22.5% when compared to the balance as at 31 December 2023.

As at 31 December 2024, the net financing receivables aged not more than twelve months amounted to RMB9,878 million or 64.3% of the net financing receivables.

During the Period, the Group made impairment loss allowance for financing receivables at the amount of RMB28 million. Further details of the financing receivables are set out in the section headed "FINANCE SEGMENT".

TRADE PAYABLES

As at 31 December 2024, the trade and bills payables amounted to RMB53,072 million, representing an increase of RMB6,448 million or 13.8% when compared to the balance as at 31 December 2023.

The trade payables turnover (average trade and bills payables balances divided by costs of Products Revenue multiplied by 366 days (2023: 365 days)) for the Period was 230.1 days (2023: 204.8 days (recalculated due to reclassification of warranty expenses to cost of sales)), representing an increase of 25.3 days YoY.

CASH FLOWS

Net cash inflow generated from operating activities for the Period was RMB10,087million, representing a decrease of RMB1,281 million YoY. Although the increase in profits, the decrease in inventories and other receivables have boosted cash inflows from operating activities, the net cash inflow from operating activities has decreased due to the substantial increase in receivables and the decrease in the increase in payables.

Net cash outflow used in investing activities for the Period was RMB8,662 million, representing a decrease of cash outflow of RMB2,397 million YoY which is mainly due to the reduction in net purchase of financial assets by RMB1,812 million, the decrease in purchase of property, plant and equipment together with intangible assets by RMB328 million, the receipt of the proceeds from disposal of equity of associates at RMB561 million reduction in loans to associates at RMB186 million and the increase in interest received at RMB97 million which was partly offset by reduction of proceeds from disposal of subsidiaries at RMB593 million.

Net cash outflow used in financing activities for the Period was RMB4,780 million, representing an increase of the cash outflow by RMB4,309 million YoY which is mainly due to the increase in final dividend and the first time of paying interim dividend resulting in an increase of RMB3,673 million, the additional payment of dividends to non-controlling interests at RMB454 million and net payment for purchase of shares under share award scheme by trustee at RMB309 million which was partly offset by the increase of the proceeds from net borrowings by RMB146 million.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2024, the Group had cash and cash equivalents of RMB11,956 million, representing a decrease of RMB3,296 million or 21.6% when compared to the balance as at 31 December 2023. The Group's total borrowings were about RMB5,698 million as at 31 December 2024, representing an increase of RMB649 million or 12.9% when compared with the balance as at 31 December 2023. Its gearing ratio (total borrowings divided by total assets) and debt-to-equity ratio (total borrowings divided by equity) as at 31 December 2024 were 4.4% and 11.6% respectively (31 December 2023: 4.1% and 10.5% respectively). As at 31 December 2024, current ratio (total current assets divided by total current liabilities) was 1.1 (31 December 2023: 1.2).

As at 31 December 2024, all borrowings were denominated in RMB (31 December 2023: all in RMB) and 87.1% borrowings were charged with reference to bank's preferential fixed rates (31 December 2023: 96.7%). The maturity profile of all borrowings was as follows:

	As at 31 December 2024 RMB million	**As at 31 December 2023 RMB million**
Within one year	**5,232**	4,907
After 1 year but within 2 years	**221**	53
After 2 years but within 5 years	**245**	89
	5,698	5,049

As at 31 December 2024, total consolidated equity of the Company was RMB49,152 million, representing an increase of RMB1,191 million or 2.5% when compared with the balance as at 31 December 2023.

As at 31 December 2024, the Company's market capitalization was RMB58,295 million (calculated based on the issued share capital of the Company: 2,760,993,339 Shares, closing price: HK$22.8 per Share and at the exchange rate of 1: 0.92604 between HK$ and RMB).

As at 31 December 2024, the unutilized credit facilities of the Group from the banks amounted to RMB58,466 million (31 December 2023: RMB40,243 million). The Finance Segment mandatorily placed deposits of RMB2,227 million (31 December 2023: RMB2,223 million) to the PBOC for its financial operations. In addition, an aggregate amount of RMB4,524 million (31 December 2023: RMB2,661 million) of restricted cash and RMB300 million (31 December 2023: nil) of time deposits in other receivables were pledged mainly for issue of letters of credit and bank acceptance bills.

The Group meets its daily liquidity needs by matching operating cash flow patterns with funds on hand and enhances its liquidity by way of application for longer credit periods from suppliers, sufficient banking facilities and issuance of bills such as short-term commercial acceptance bills and bank acceptance bills.

INVESTMENTS

The Group continued to pay attention to potential strategic investment opportunities in the market, and acquired or invested in those meet the Group's strategic development requirements at appropriate times.

INVESTMENTS IN SUBSIDIARIES

In February 2024, the Group acquired 0.2553% equity of Sinotruk Finance Co., Ltd at the consideration of RMB17.3 million.

In February 2024, the Group disposed of 5% equity interest in Sinotruk Liuzhou Yunli Kodiak Machinery Co., Ltd. at the consideration of RMB0.8 million and, thereafter, Sinotruk Liuzhou Yunli Kodiak Machinery Co., Ltd. became an associated company of the Company.

During the Period, the Group has set up several wholly-owned subsidiaries at aggregate capital amount of RMB30 million.

EQUITY INVESTMENTS FORMING PART OF THE GROUP'S OPERATIONS

Other than investment in subsidiaries, the Group holds long-term equity investments forming part of its business operations:

a) Investment in associates

As mentioned above, Sinotruk Liuzhou Yunli Kodiak Machinery Co., Ltd. became an associated company of the Company in February 2024.

During the Period, the Group disposed of part of equity interests in Prinx (Cayman) Holding Limited at the consideration of RMB53 million in open market.

As at 31 December 2024, the amount of investment in associates was RMB1,572 million, representing 1.2% of the total assets of the Group. During the Period, the Group disposed of all equity interests in Chongyou Gaoke Fuel System Co., Ltd. at the consideration of RMB505 million. For more details of the disposal, please refer to the announcement of the Company dated 30 January 2024. Performance of these investments are disclosed in the section headed "SHARE OF PROFITS OF ASSOCIATES".

As announced on 11 November 2024, the Company targeted to acquire 37.5% equity of SHIG Finance Co., Ltd. at consideration of RMB3,484,800,000. The Company had paid the consideration in March 2025. The changes of the industrial and commercial change registration of SHIG Finance Co., Ltd. is still in progress.

b) Other long term equity investments

As at 31 December 2024, the Group's unlisted equity investments for long term strategic investment purpose amounted to RMB17 million, representing less than 0.1% of the total assets of the Group. These investments were presented as financial assets at fair value through other comprehensive income.

OTHER SECURITIES INVESTMENTS

For the purposes of increasing profitability of short term funds and managing the liquidity of the Group, the Group invested in short-term equity investments which consisted of listed securities in Hong Kong and China. As at 31 December 2024, the Group had short term equity investment at RMB2 million, representing less than 0.1% of its total assets. Such equity investments are presented as equity investments in financial assets at fair value through profit or loss. Their fair values keep changing from time to time depending on factors including but are not limited to their operation results, economic situation and stock market sentiments.

CAPITAL COMMITMENT

As at 31 December 2024, the Group committed capital expenditure in respect of property, plant and equipment as well as intangible assets amounting to RMB1,124 million which would be funded by internal resources and borrowing facilities.

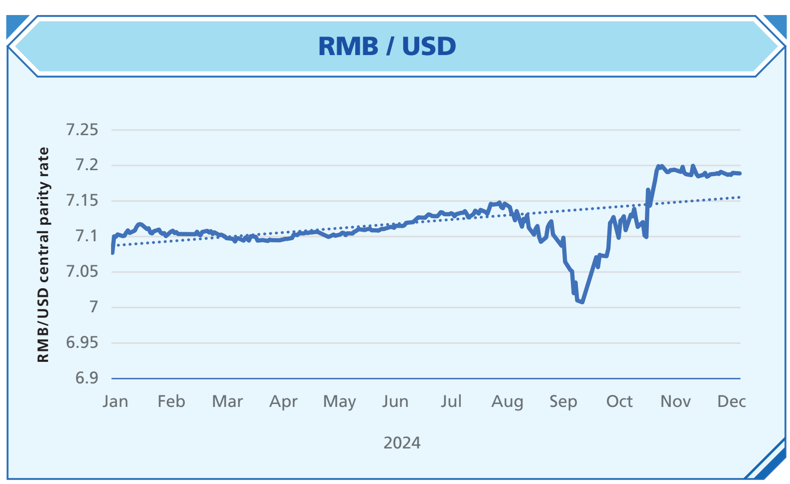
CHARGES ON GROUP ASSETS

Save as disclosed in the section headed "LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE", as at 31 December 2024, motor vehicles with an aggregate carrying value of RMB824 million were being pledged for borrowings at RMB713 million.

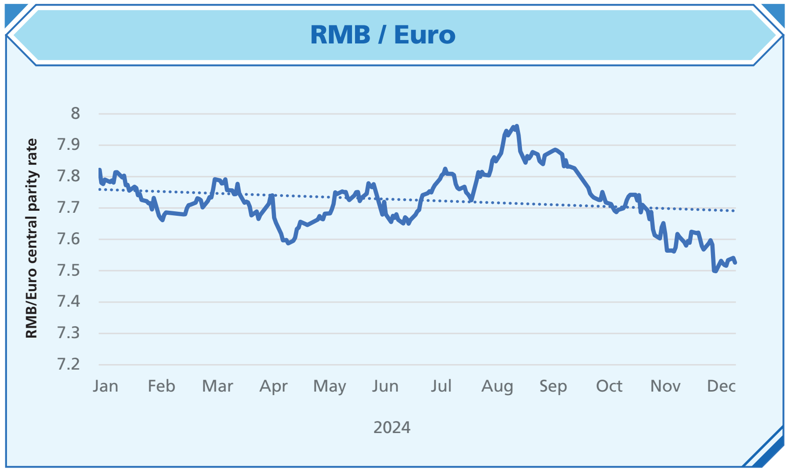
FINANCIAL MANAGEMENT AND POLICY

The finance & operation management department of the Group is responsible for the financial risk management of the Group. One of the primary objectives of financial policies of the Group is to manage exchange rate risk while the foreign exchange management working group directly participates in foreign exchanges management. The major foreign exchange risk exposure arises from its exporting and importing activities, business operations outside the PRC, the financing activities in Hong Kong and the purchase of HK$ for dividend payment. Although the Group does not aim for speculative activities, the Group uses forward exchange contracts, foreign exchange derivatives, etc. to manage the foreign exchange risks and purchases several wealth management products of which the return is linked with non-RMB foreign currencies.

The following charts show the RMB/USD, RMB/Euro and RMB/HK$ central parity rates for the Period in the PRC (data source: State Administration of Foreign Exchange, the PRC):



The RMB/USD central parity rate in the PRC as at 31 December 2024 was 7.1884, representing a depreciation of RMB by 1.49% when compared to the rate of 7.0827 as at 29 December 2023. RMB against USD central parity rates recorded in range of 7.0074 and 7.1996 with volatility at 3.53% and showed a trend of depreciation during the Period.



The RMB/Euro central parity rate in the PRC as at 31 December 2024 was 7.5257, representing an appreciation of RMB by 4.24% when compared with the rate of 7.8592 as at 29 December 2023. RMB against Euro central parity rates recorded in range of 7.4984 and 7.9616 with volatility at 9.24% and showed a trend of appreciation during the Period.

The RMB/HK$ central parity rate in the PRC as at 31 December 2024 was 0.92604, representing a depreciation of RMB by 2.19% when compared with the rate of 0.90622 as at 29 December 2023. RMB against HK$ central parity rates recorded in range of 0.90112 and 0.92604 with volatility at 0.60% and showed a trend of depreciation during the Period.

As at 31 December 2024, most of the Group's monetary assets and liabilities were denominated in RMB while the major non-RMB denominated net monetary assets were in USD, Euro and HK$. During the Period, the Group recorded foreign exchange gains of RMB151 million in operating profit and gains of RMB5 million on forward foreign exchange contracts for the purpose of reducing foreign exchange fluctuations. The material potential foreign exchange impacts to monetary assets and liabilities of the Group as at 31 December 2024 are:

	USD denominated net assets	**EURO denominated net assets**
5% appreciation/depreciation in RMB	Loss/gain before tax of RMB427 million/ RMB403 million	Loss/gain before tax of RMB45 million/ RMB45 million

GOING CONCERN

Based on the current financial forecast and the funding that can be utilized, the Group will have sufficient financial resources to continue its operations in the foreseeable future. As a result, the financial statements were prepared on the going concern assumption.

CONTINGENT LIABILITIES, LEGAL PROCEEDINGS AND POTENTIAL LITIGATION

As at 31 December 2024, there was no material contingent liabilities. During the Period, the Group was not involved in any material litigation or arbitration.

DISCLAIMER ON NON-GAAP FINANCIAL MEASURES

Affiliated export revenue is a non-GAAP financial measure and is used for assessing the Group's performance. Hence, it may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP financial measure should not be considered as an alternative to revenue by geographical markets as an indicator of the operating performance of the Group. The use of non-GAAP financial measure is provided solely to enhance the overall understanding of the Group's current financial performance. Additionally, since the Group has historically reported non-GAAP results to investors, it is considered the inclusion of non-GAAP financial measure provides consistency in the Group's financial reporting.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Board and senior management of the Company commit to maintain a high standard of corporate governance, formulate good corporate governance practice for improvement of accountability and transparency in operations, and strengthen the internal control system from time to time so as ensure to meet with the expectations of the Shareholders. The Company has adopted the corporate governance codes as set out in Appendix C1 "Corporate Governance Code" (the "CG Code") to the Listing Rules as its own code of corporate governance.

During the Period, the Company had been in compliance with the code provisions under the CG Code, save and except for the code provision F.1.1 of the CG Code.

In respect of code provision F.1.1 of the CG Code, the Company should have a policy on payment of dividends. The Company has not established a dividend policy as the Company will consider various factors such as the current operating results, distributable reserves, financial position, expected financial performance, expected working capital requirements, sustainable development to determine the dividend, which is to the best interest of the Company and its Shareholders as a whole.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Appendix C3 - Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to the Listing Rules as the code of conduct for securities transactions by the Directors. The Company has made specific enquiries with all Directors and all Directors confirm that they have complied with the standards required by the Model Code during the Period.

DIVIDEND POLICY

As at 31 December 2024, the Company did not have a dividend policy in place.

REVIEW OF FINANCIAL STATEMENTS

The Company's consolidated financial statements for the year ended 31 December 2024 have been reviewed by the Audit Committee.

SCOPE OF WORK OF KPMG

The financial figures in this announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's external auditor, KPMG, to the amounts set out in the Company's draft consolidated financial statements for the year. The work performed by KPMG 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 KPMG on this announcement.

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

Neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's securities during the Period.

The trustee of the Company's restricted share award scheme adopted on 17 March 2024 held 26,520,000 Shares (representing approximately 0.96% of the total number of Shares in issue) as at 31 December 2024.

INVESTOR RELATIONS

The Securities Management Department is responsible for promoting investor relations, enhancing communication and ensuring that the investors are able to obtain information about the Group on a fair and timely basis to assist them in making the best investment decisions. To cultivate good relationship with Shareholders and potential investors, the Company has participated in a number of one-on-one meetings, investors' conferences, road shows and site visits during the Period. Analysts and fund managers may gain better knowledge on the production operations of the Group through these activities. Investors and the public may also browse the website of the Company at www.sinotruk.com for the latest information available in respect of the Group including information on the financial conditions and the latest business developments of the Group.

The Board and senior management are well aware of their important tasks of acting on behalf of the interests of all the Shareholders and improving the Shareholders' returns. The Board considers that the AGM is an important opportunity for direct communication with the Shareholders. The 2024 AGM was successfully held on 28 June 2024 at the meeting centre of the Company, No. 688 Shunhua South Road, Licheng District, Ji'nan City, Shandong Province, PRC and Level 22, Nexxus Building, 41 Connaught Road Central, Hong Kong. Certain members of the Board and external auditor of Company attended the 2024 AGM in person or via video conferencing system and communicated with the Shareholders. Details of the voting particulars were disclosed in the Company's announcement dated 28 June 2024.

CONSTITUTIONAL DOCUMENTS

The Articles of the Company was adopted by way of a special resolution passed by the Shareholders at the 2023 AGM held on 28 June 2023. Such amendments to the Articles were made in order to (i) allow greater flexibility for Company to hold general meetings in the physical, hybrid or full virtual form; (ii) reflect and align with the latest requirements under the Listing Rules; and (iii) make certain housekeeping amendments. The Articles of the Company is available on the websites of the Company and the Stock Exchange.

PUBLICATION OF THE 2024 ANNUAL RESULTS AND THE ANNUAL REPORT

The annual results announcement for the year ended 31 December 2024 is published on the website of the Company (www.sinotruk.com) and the website of the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2024 will be despatched to Shareholders and published on the above websites in due course.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context indicates otherwise:

"Aggregate Trade Balance"	the total balances of the net trade receivables, net bills receivable and acceptance bills which are received from the customers to settle their trade debts
"AGM"	the annual general meeting of the Company or any adjournment thereof
"Articles"	the articles of association of the Company, as amended, supplemented, modified or otherwise adopted from time to time
"Audit Committee"	the audit committee of the Company
"Auto-finance Services"	the provision of financing to the end-users and dealers of the Group's products for the purpose of purchasing the Group's vehicles
"Board"	the board of Directors
"CAAM"	China Association of Automobile Manufacturers

"China" or "PRC"	the People's Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"CNHTC"	中國重型汽車集團有限公司(China National Heavy Duty Truck Group Company Limited), a state-owned enterprise organised under the laws of the PRC with limited liability, being the intermediate holding company of the Company
"CNHTC Group"	CNHTC and its subsidiaries other than the Group
"Commercial Lending Services"	the provision of loans to the borrowers, bill discounting services for bank bills presented by the borrowers and issue of bills (off-balance sheet credit business)
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Company"or "Sinotruk"	Sinotruk (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"Engines Segment"	the engines segment of the Group which engages in manufacture and sale of engines, gearboxes and related parts
"Euro"	the lawful currency of the European Union

"Finance Segment"	the finance segment of the Group which engages in provision of deposit taking, Commercial Lending Services and entrustment loans to the members of the Group and members of CNHTC Group as well as the provision of Auto-financing Services and supply chain financing services to the public
"GAAP"	Generally accepted accounting principles
"GDP"	gross domestic product
"Group" or "We"	the Company and its subsidiaries
"HDT(s)"	heavy duty truck(s) and medium-heavy duty truck(s)
"HDTs Segment"	the heavy duty trucks segment of the Group which engages in manufacture and sale of heavy duty trucks, medium-heavy duty trucks and related components
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"LDT(s)"	light duty truck(s)
"LDTs and Others Segment"	the light duty trucks and others segment of the Group which engages in manufacture and sale of light duty trucks, other vehicles and related components
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Operating Profit (Loss) Margin"	the ratio of operating profit (loss) to revenue of the segment of the Group
"PBOC"	the People's Bank of China

"Period"	the year ended 31 December 2024
"Previous Period"	the year ended 31 December 2023
"Products Revenue"	the revenue of sales of goods and rendering of services by the HDTs Segment, the LDTs and Others Segment and the Engines Segment to external customers
"R&D"	research and development
"RMB"	Renminbi, the lawful currency of the PRC
"Securities Management Department"	the securities management department of the Company (previously known as "Capital Operation Department")
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the ordinary share(s) in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s) from time to time
"Shenzhen Stock Exchange"	Shenzhen Stock Exchange in the PRC
"SHIG"	山東重工集團有限公司 (Shandong Heavy Industry Group Co., Ltd.), a state-owned enterprise organized under the laws of the PRC with limited liability being the ultimate holding company of the Company and the controlling shareholder (as defined in the Listing Rules) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Subsidiary"	a subsidiary for the time being of the Company within the meaning of the Companies Ordinance whether incorporated in Hong Kong or elsewhere and "Subsidiaries" shall be construed accordingly
"USD"	United States dollars, the lawful currency of the United States of America
"YoY"	year-over-year
"%"	per cent

By order of the Board
Sinotruk (Hong Kong) Limited
Wang Zhijian
Chairman of the Board

Ji'nan, the PRC, 27 March 2025

As at the date of this announcement, the board of the Company consists of six executive directors of the Company including Mr. Wang Zhijian, Mr. Liu Zhengtao, Mr. Wang Dechun, Ms. Li Xia, Mr. Zhao Hua and Ms. Han Xing; three non-executive directors of the Company including Mr. Cheng Guangxu, Mr. Karsten Oellers and Mr. Mats Lennart Harborn; and six independent non-executive directors of the Company including Dr. Wang Dengfeng, Mr. Zhao Hang, Mr. Liang Qing, Mr. Lyu Shousheng, Mr. Zhang Zhong and Dr. Liu Xiaolun.