HUAZHONG IN-VEHICLE HOLDINGS COMPANY LIMITED
華眾車載控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6830)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS

- Revenue was approximately RMB1.9 billion, representing an increase of approximately 1.6% when compared to that of the year ended 31 December 2021.
- Profit attributable to owners of the parent amounted to approximately RMB108.3 million, representing an increase of approximately 113.7% when compared to that of the year ended 31 December 2021.
- Gross profit margin was approximately 24.3%, representing an increase of about 1.8% when compared to that of the year ended 31 December 2021.
- Basic earnings per share attributable to owners of the parent was approximately RMB6.12 cents (2021: approximately RMB2.86 cents).
- The Board recommends the payment of a final dividend of RMB0.7346 cent (equivalent to HK0.8389 cent at exchange rate of HK$1 equals to RMB0.8756) per ordinary share for the year ended 31 December 2022 (2021: RMB0.4296 cent per share (equivalent to HK0.5276 cent per share)), During the Year, no interim dividend was declared.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Huazhong In-Vehicle Holdings Company Limited (the "**Company**") is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2022 (the "**Year**"), together with the comparative figures for the year ended 31 December 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2022

	Notes	**2022** *RMB'000*	2021 *RMB'000*
REVENUE	*4*	**1,924,917**	1,894,983
Cost of sales		**(1,458,002)**	(1,468,079)
Gross profit		**466,915**	426,904
Other income and gains, net	*4*	**105,247**	90,486
Selling and distribution expenses		**(120,671)**	(125,417)
Administrative expenses		**(270,758)**	(267,213)
Impairment losses on financial assets, net		**(27,770)**	(12,632)
Other expenses		**(894)**	(12,383)
Share of profits of:			
Joint ventures		**12,976**	30,228
Finance income	*5*	**6,230**	9,332
Finance costs		**(27,976)**	(36,090)
PROFIT BEFORE TAX	*6*	**143,299**	103,197
Income tax expense	*7*	**(25,648)**	(28,117)
PROFIT FOR THE YEAR		**117,651**	75,080
Attributable to:			
Owners of the parent		**108,297**	50,673
Non-controlling interests		**9,354**	24,407
		117,651	75,080
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic			
— For profit for the year		**RMB0.0612**	RMB0.0286
Diluted			
— For profit for the year		**RMB0.0612**	RMB0.0286

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	2022	2021
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**117,651**	75,080
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(1,643)**	(7,452)
Income tax effect	**411**	1,863
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**(1,232)**	(5,589)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(1,232)**	(5,589)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**116,419**	69,491
Attributable to:		
Owners of the parent	**107,065**	45,084
Non-controlling interests	**9,354**	24,407
	116,419	69,491

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**936,244**	961,376
Investment properties		**31,302**	32,473
Right-of-use assets		**207,882**	222,153
Intangible assets		**5,489**	5,091
Investments in joint ventures		**106,278**	220,929
Prepayments for acquiring property, plant and equipment		**16,812**	37,671
Equity investments designated at fair value through other comprehensive income		**60,703**	62,345
Pledged deposits		**—**	56,000
Deferred tax assets		**21,719**	16,938
Total non-current assets		**1,386,429**	1,614,976
CURRENT ASSETS			
Inventories		**418,152**	322,951
Trade and notes receivables	*10*	**706,686**	815,353
Prepayments and other receivables		**355,981**	350,532
Amounts due from related parties		**118,414**	44,513
Pledged deposits		**147,182**	99,306
Cash and cash equivalents		**114,845**	61,676
Total current assets		**1,861,260**	1,694,331
CURRENT LIABILITIES			
Trade and notes payables	*11*	**832,747**	955,726
Other payables and accruals		**269,313**	249,920
Interest-bearing bank and other borrowings		**309,511**	551,971
Amounts due to related parties		**8,426**	58,636
Amounts due to the ultimate controlling shareholder		**75**	231
Income tax payable		**72,338**	56,657
Total current liabilities		**1,492,410**	1,873,141

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
31 December 2022

	2022	2021
	RMB'000	*RMB'000*
NET CURRENT ASSETS/(LIABILITIES)	**368,850**	(178,810)
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,755,279**	1,436,166
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**297,047**	167,692
Government grants	**17,194**	17,903
Deferred tax liabilities	**11,081**	13,723
Total non-current liabilities	**325,322**	199,318
Net assets	**1,429,957**	1,236,848
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**142,956**	142,956
Reserves	**1,134,305**	1,034,841
	1,277,261	1,177,797
Non-controlling interests	**152,696**	59,051
Total equity	**1,429,957**	1,236,848

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain equity investments which have been measured at fair value. The financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control.

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current years' financial statements.

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts - Cost of Fulfilling a Contract*
Annual Improvements to IFRS standards 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The nature and the impact of the revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the "**Conceptual Framework**") issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the year, the amendments did not have any impact on the financial position and performance of the Group.

(b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by IAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to IFRS standards 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendment that is applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[2]
IFRS 17	*Insurance Contracts*[1]
Amendments to IFRS 17	*Insurance Contracts*[1, 5]
Amendment to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*[6]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*[2, 4]
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*[2]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to IAS 8	*Definition of Accounting Estimates*[1]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after 1 January 2024.
3 No mandatory effective date yet determined but available for adoption.
4 As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that is primarily the manufacture and sale of internal and external decorative and structural automobile parts, moulds and tooling, casing and liquid tanks of air-conditioning or heater units and other non-automobile products. Management monitors the consolidated results for the purpose of making decisions about resources allocation and the Group's performance assessment. Accordingly, no segment analysis is presented.

Geographical information

(a) Revenue from external customers

	2022	2021
	RMB'000	*RMB'000*
Mainland China	**1,847,943**	1,823,417
Overseas	**76,974**	71,566
Total	**1,924,917**	1,894,983

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

(b) Non-current assets

	2022	2021
	RMB'000	*RMB'000*
Mainland China	**1,304,007**	1,535,693

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

Information about major customers

Revenue from operations of approximately RMB621,949,000 (2021: RMB658,002,000) was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2022	2021
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sales of plastic parts and automotive parts	**1,787,142**	1,814,518
Sales of moulds and tooling	**137,775**	80,465
	1,924,917	1,894,983

Revenue from contracts with customers

(i) Disaggregated revenue information

All the revenue from contracts with customers is derived from the one single segment as defined in note 3. The category of revenue from contracts with customers based on geographical region is the same with the geographical information in note 3(a).

The recognition timing of all the revenue from contracts with customers is the goods transferred at a point in time.

The revenue recognised during the year ended 31 December 2022 that was included in contract liabilities at the beginning of the year was approximately RMB27,023,000 (2021: approximately RMB18,318,000).

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products and materials: The performance obligation is satisfied upon delivery of the products and materials and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

All the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2022 are expected to be recognised within one year as the performance obligations are part of contracts that have an original expected duration of one year or less.

	2022	2021
	RMB'000	*RMB'000*
Other income		
Government grants	**7,968**	11,154
Dividend income from equity investments designated at fair value through other comprehensive income	**1,509**	1,811
Management fee	**3,897**	3,781
Net rental income from investment property operating leases, net-fixed payments	**7,970**	11,192
Others	**1,073**	905
	22,417	28,843
Other gains, net		
Gain on sales of scrap materials	**967**	1,397
Gain on disposal of items of property, plant and equipment and right-of-use assets	**67,385**	51,409
Foreign exchange gain, net	**4,093**	—
Gain on disposal of long-term trade payables	—	8,480
Gain on bargain purchase	**8,915**	—
Revaluation gain on previously held equity interest	**785**	—
Others	**685**	339
	82,830	61,625
	105,247	90,468

5. FINANCE INCOME

	2022	2021
	RMB'000	*RMB'000*
Interest income on loans and receivables	**497**	2,989
Interest income on bank deposits	**5,733**	6,343
	6,230	9,332

6. PROFIT BEFORE TAX

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

	2022	2021
	RMB'000	*RMB'000*
Cost of inventories sold	**1,458,002**	1,468,079
Depreciation of property, plant and equipment	**129,074**	105,899
Depreciation of investment properties	**4,125**	2,951
Amortisation of right-of-use assets	**12,985**	10,889
Amortisation of intangible assets	**1,749**	1,224
Research and development costs	**71,476**	75,632
Lease payments not included in the measurement of lease liabilities	**9,447**	12,850
Auditors' remuneration	**2,680**	2,500
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	**258,931**	249,906
Pension scheme costs	**16,796**	11,380
	275,727	261,286
Gross rental income	**(14,109)**	(16,672)
Direct expenses for generating rental income	**6,139**	5,480
Rental income, net	**(7,970)**	(11,192)
Foreign exchange differences, net	**(4,093)**	9,813
Gain on bargain purchase	**(8,915)**	—
Impairment losses on financial assets, net	**27,770**	12,632
Gain on disposal of items of property, plant, and equipment and right-of-use assets	**(67,385)**	(51,409)
Dividend income from equity investments designated at fair value through other comprehensive income	**(1,509)**	(1,811)
Government grants	**(7,970)**	(11,154)
Interest income on bank deposits	**(5,733)**	(6,343)

7. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

No Hong Kong profits tax has been provided as there was no assessable profit earned in or derived from Hong Kong during the year ended 31 December 2022 (2021: Nil).

All of the Group's subsidiaries registered in the People's Republic of China (the "**PRC**") that have operations only in Mainland China are subject to PRC enterprise income tax ("**EIT**") at a rate of 25% on the taxable income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws except the entities stated as follows.

Pursuant to the relevant tax rules in the PRC, Chengdu Huazhong was qualified as a Western China development enterprise, and was entitled to a preferential rate of 15% during the year ended 31 December 2022 (2021: 15%).

Pursuant to the relevant tax rules in the PRC, Chongqing Huazhong was qualified as a Western China development enterprise, and was entitled to a preferential rate of 15% during the year ended 31 December 2022 (2021: 15%).

In December 2022, Ningbo Huazhong Plastic was accredited as a "High and New Technology Enterprise". It is entitled to a preferential rate of 15% for the three years ended 31 December 2022, 2023 and 2024.

In December 2022, Nanchang Huayue was accredited as a "High and New Technology Enterprise". It is entitled to a preferential rate of 15% for the three years ended 31 December 2022, 2023 and 2024.

In November 2022, Changchun Huateng was accredited as a "High and New Technology Enterprise". It is entitled to a preferential rate of 15% for the three years ended 31 December 2022, 2023 and 2024.

In December 2021, Foshan Huazhong was accredited as a “High and New Technology Enterprise”. It is entitled to a preferential rate of 15% for the three years ended 31 December 2021, 2022 and 2023.

In December 2021, Qingdao Huazhong was accredited as a “High and New Technology Enterprise”. It is entitled to a preferential rate of 15% for the three years ended 31 December 2021, 2022 and 2023.

In December 2020, Ningbo Huazhong Moulding was accredited as a “High and New Technology Enterprise”. It is entitled to a preferential rate of 15% for the three years ended 31 December 2020, 2021 and 2022.

In December 2020, Tianjin Huayou was accredited as a “High and New Technology Enterprise”. It is entitled to a preferential rate of 15% for the three years ended 31 December 2020, 2021 and 2022.

In December 2020, Ningbo Hualete was accredited as a “High and New Technology Enterprise”. It is entitled to a preferential rate of 15% for the three years ended 31 December 2020, 2021 and 2022.

During the year of 2022 and 2021, the portion of annual taxable income amount of Wuhu Huazhong (as small low-profit enterprises) which did not exceed RMB1,000,000 shall be computed at a reduced rate of 25% as taxable income amount, and be subject to enterprise income tax at 20% tax rate; the portion of annual taxable income amount which exceeds RMB1,000,000 but does not exceed RMB3,000,000 shall be computed at a reduced rate of 50% as taxable income amount, and be subject to enterprise income tax at 20% tax rate.

The major components of income tax expense of the Group are as follows:

	2022	2021
	RMB'000	*RMB'000*
Current income tax		
Charge for the year	**28,603**	36,090
Provision/(Overprovision) in prior years	**1,470**	(357)
Deferred income tax	**(4,425)**	(7,616)
Total tax charge for the year	**25,648**	28,117

A reconciliation of the tax expense applicable to profit before tax at the statutory rate of 25% for Mainland China in which the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate to the effective tax rate, are as follows:

	2022	2021
	RMB'000	*RMB'000*
Profit before tax	**143,299**	103,197
Tax at the statutory tax rate	**35,825**	25,799
Tax rate differences for specific provincial or local tax authority	**(6,866)**	(118)
Tax losses not recognised	**21,062**	24,357
Profits attributable to joint ventures	**(3,244)**	(7,557)
Adjustments in respect of current tax of previous periods	**1,470**	(357)
Non-taxable income	**(261)**	(2,186)
Expenses not deductible for tax	**4,850**	1,952
Utilisation of tax losses in previous years	**(6,059)**	(1,709)
Tax incentives on eligible expenditures	**(18,232)**	(15,097)
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries rates	**(2,897)**	3,033
Tax charge for the year at the effective rate	**25,648**	28,117

8. DIVIDENDS

	2022	2021
	RMB'000	*RMB'000*
Interim — 2022:Nil (2021: Nil) per ordinary share	**—**	—
Proposed final — 2022: HK0.8389 cents (2021: HK0.5276 cents) per ordinary share	**12,996**	7,601
	12,996	7,601

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements have not reflected this proposed dividend.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,769,193,800 (2021: 1,769,193,800) in issue as at 31 December 2022.

During the year ended 31 December 2022, the calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the share option scheme, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 December 2022 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the year.

The calculations of basic and diluted earnings per share are based on:

	2022	2021
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	**108,297**	50,673
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**1,769,193,800**	1,769,193,800
Effect on dilution weighted average number of ordinary shares	**—**	—
	1,769,193,800	1,769,193,800

10. TRADE AND NOTES RECEIVABLES

	2022	2021
	RMB'000	*RMB'000*
Trade receivables	**587,172**	717,195
Notes receivables	**142,561**	109,046
	729,733	826,241
Impairment of trade receivables	**(23,047)**	(10,888)
	706,686	815,353

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The Group's notes receivable are all aged within six months, for which there was no recent history of default and past due amounts. As at 31 December 2022 and 2021, the loss allowance was assessed to be minimal.

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

	2022	2021
	RMB'000	*RMB'000*
Within 3 months	**520,623**	630,097
3 to 6 months	**17,746**	36,322
6 months to 1 year	**23,031**	21,147
Over 1 year	**2,725**	18,741
	564,125	706,307

Movements in the loss allowance for impairment of trade receivables are as follows:

	2022	2021
	RMB'000	*RMB'000*
At beginning of year	**10,888**	10,788
Impairment losses	**27,770**	12,632
Acquisitions of a subsidiary	**7,380**	—
Amount written off as uncollectible	**(22,991)**	(12,532)
At end of year	**23,047**	10,888

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on aging for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than two years and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2022

	Expected loss rate	**Gross carrying amount** ***RMB'000***	**Impairment** ***RMB'000***
General item:			
Current and within 1 year	0.80%	565,909	4,509
More than one year but within 2 years	87.18%	21,263	18,538
		587,172	23,047

As at 31 December 2021

	Expected loss rate	Gross carrying amount *RMB'000*	Impairment *RMB'000*
General item:			
Current and within 1 year	0.55%	686,334	3,769
More than one year but within 2 years	23.07%	30,861	7,119
		717,195	10,888

11. TRADE AND NOTES PAYABLES

An ageing analysis of the trade and notes payables of the Group as at 31 December 2022, based on the invoice date, is as follows:

	2022	2021
	RMB'000	*RMB'000*
Within 3 months	**626,147**	729,980
3 to 12 months	**193,790**	192,896
1 to 2 years	**4,674**	18,172
2 to 3 years	**8,136**	14,678
	832,747	955,726

The trade payables are non-interest-bearing and normally settled on terms of 30 to 90 days. Notes payable are generally with a maturity period of six months.

Certain notes payable were secured by pledged deposits of the Group with a carrying value of approximately RMB91,182,000 as at 31 December 2022 (2021: approximately RMB46,306,000) and notes receivables with a carrying value of RMB65,570,000 as at 31 December 2022 (2021: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During 2022, the automobile industry production and sales level had increased slightly. According to the statistics from China Association of Automobile Manufacturers, over 27.02 million vehicles were manufactured and over 26.86 million vehicles were sold in 2022, representing an increase of approximately 3.4% and approximately 2.1%, respectively, from the previous year. In terms of sales and manufacturing volumes, China has again ranked number one in the world for another year.

As a tier-one supplier with scalable production capacity and strong research and development (the "**R&D**") capability, the Group has established long-term business relationships with the leading players in the market. The solid partnership with industry leaders has provided a strong foothold for the Group to capture the growth of the automobile industry.

BUSINESS REVIEW

The Group offers one-stop solutions to its customers, from the design and manufacture of moulds and tooling for mass production of specific products to the development and manufacture of new products which meet its customers' functional requirements and specifications.

The Group offers a wide range of automobile body parts, including internal and external structural and decorative parts (such as front/rear bumper, front-end carrier, dashboard, ABCD-pillars, air inlet grille and rocker panel), air conditioning unit casings and liquid tanks through our subsidiaries and jointly controlled entities. We also manufacture fabric used for ABCD-pillar and headliner for automobile through one of our jointly controlled entities.

The Group also produces moulds and tooling for our manufacturing arm, with the ability to produce moulds and tooling for complex or large-size automobile body parts such as bumper and front-end carrier. Apart from automobile-related products, the Group also manufactures other products such as top cowl cover for engine of motorboat and office chair parts.

During the Year, the Group faced with continuously increasing production costs. As such, the Group rigorously enforced the implementation of cost controls, improved staff quality and strengthened administrative efficiency internally. Externally, the Group strived to fortify the long-term cooperation with customers, develop new market opportunities, maintain sound business operation capability, consolidate the Group's resources and improve market competitiveness. These actions successfully helped the Group in achieving the annual targets, and laid the foundation for its sustainable operation in the future.

For the Year, the Group's revenue was approximately RMB1.9 billion, representing an increase of approximately 1.6% as compared to approximately RMB1.9 billion in 2021. Profit attributable to the owners of the parent for the Year was approximately RMB108.3 million, representing an increase of approximately 113.7% as compared to approximately RMB50.7 million in 2021.

OPERATIONS ANALYSIS

The Board believes that the Group's achievements are attributable to the following aspects:

- The Group provides one-stop product development and manufacturing solutions to customers. This vertically integrated service has enabled the Group to improve production efficiency, shorten the roll-out time for new products, stringently control production cost and quality throughout the whole production process and strengthen its business relationships with customers.

- The Group has strong R&D capacity to develop new products with customers simultaneously. This enables the Group to establish close relationships with its major customers and deepen its understanding of the customers' needs.

- The Group established production bases that are located close to the production bases of most of the key automakers in China. The geographic proximity advantage enables the Group to provide services to its customers in a timely manner, strengthen its relationships with these customers and reduce transportation costs, and thereby further enhancing its competitiveness.

- The Group maintains long-term business relationships with both domestic and multinational automakers, while rigorously engaging new customers.

- The Group is equipped with strong production capabilities and refined manufacturing technology. The Group has adopted the most advanced technologies and production equipment in this industry.

- The Group has an experienced management team with deep knowledge and understanding of the automobile body parts industry.

- The Group monitors its product quality in a stringent manner. It implements sophisticated quality monitoring procedures to select and examine raw materials, semi-finished and finished products to ensure a high standard of quality.

FINANCIAL REVIEW

Revenue

The revenue of the Group was primarily derived from five categories of products:

(i) automotive interior and exterior structural and decorative parts;

(ii) moulds and tooling;

(iii) casings and liquid tanks of air conditioners and heaters;

(iv) non-automobile products; and

(v) sale of raw materials.

	2022		2021	
	Revenue	**Gross profit Margin**	Revenue	Gross profit Margin
	RMB'000	***%***	*RMB'000*	*%*
Automotive interior and exterior structural and decorative parts	**1,576,295**	**24.9**	1,575,822	23.1
Moulds and tooling	**137,775**	**17.8**	80,465	11.2
Casings and liquid tanks of air conditioners and heaters	**125,647**	**17.7**	148,595	18.3
Non-automobile products	**56,672**	**41.0**	50,699	47.3
Sale of raw materials	**28,528**	**13.7**	39,402	5.7
Total	**1,924,917**	**24.3**	1,894,983	22.5

For the Year, the total revenue generated from automotive interior and exterior structural and decorative parts was approximately RMB1,576,295,000 (2021: approximately RMB1,575,822,000), accounting for approximately 81.9% of the Group's total revenue for the Year (2021: approximately 83.2%). Gross profit margin increased from approximately 23.1% in 2021 to approximately 24.9% in 2022.

For the Year, revenue from moulds and tooling was approximately RMB137,775,000 (2021: approximately RMB80,465,000), accounting for approximately 7.2% of the Group's total revenue for the Year (2021: approximately 4.2%). Gross profit margin increased from 11.2% in 2021 to 17.8% in the Year.

For the Year, revenue from casings and liquid tanks of air conditioners and heaters was approximately RMB125,647,000 (2021: approximately RMB148,595,000), accounting for approximately 6.5% of the Group's total revenue for the Year (2021: approximately 7.8%). Gross profit margin decreased from 18.3% in 2021 to 17.7% in the Year.

For the Year, revenue from non-automobile products was approximately RMB56,672,000 (2021: approximately RMB50,699,000), accounting for approximately 2.9% of the Group's total revenue for the Year (2021: approximately 2.7%). Gross profit margin decreased from approximately 47.3% in 2021 to approximately 41.0% in the Year.

For the Year, revenue from sale of raw materials was approximately RMB28,528,000 (2021: approximately RMB39,402,000), accounting for approximately 1.5% of the Group's total revenue for the Year (2021: approximately 2.1%). Gross profit margin increased to approximately 13.7% (2021: approximately 5.7%) during the Year.

Other Income and Gains

Other income and gains of the Group for the Year amounted to approximately RMB105,247,000 (2021: approximately RMB90,468,000), representing an increase of approximately 16.3% from last year. The increase was mainly attributable to one of the subsidiaries receiving government grants for demolition and another subsidiary disposing assets, which resulted in a total gain of RMB67,385,000.

Selling and Distribution Expenses

The Group's selling and distribution expenses for the Year amounted to approximately RMB120,671,000 (2021: approximately RMB125,417,000). The proportion of selling and distribution expenses in sales revenue for the Year was approximately 6.3% (2021: approximately 6.6%).

Administrative Expenses

The Group's administrative expenses for the Year amounted to approximately RMB270,758,000, representing an increase of approximately 1.3% as compared to approximately RMB267,213,000 in 2021.

Share of Profits of Joint Ventures

During the Year, the Group recorded approximately RMB12,976,000 of the share of profits of joint ventures as compared to the share of profits of approximately RMB30,228,000 for 2021.

Finance Income

The Group's finance income decreased by approximately 33.2% from approximately RMB9,332,000 in 2021 to approximately RMB6,230,000 in the Year.

Finance Costs

The Group's finance costs decreased from approximately RMB36,090,000 in 2021 to approximately RMB27,976,000 in the Year, representing a decrease of approximately 22.5%, which was attributable to a decrease of borrowing cost during the Year.

Taxes

The Group's tax expenses decreased by approximately 8.8% from approximately RMB28,117,000 in 2021 to approximately RMB25,648,000 in the Year.

Liquidity and Financial Resources

For the Year, the net cash generated from operating activities was approximately RMB152,255,000 (2021: approximately RMB148,635,000). The cash generated from operating activities was mainly from the profits during the Year.

The net cash generated from investing activities was approximately RMB13,633,000 (2021: net cash used approximately RMB113,589,000). The net cash used in financing activities was approximately RMB113,219,000 (2021: net cash used approximately RMB67,799,000). The net cash generated from investing activities was mainly due to proceeds from disposal of items of property, plant and equipment and right-of-use assets. The net cash used in financing activities was mainly used for repayment of bank loans.

As a result of the above-mentioned comprehensive factors, the net cash inflow of the Group was approximately RMB52,669,000 (2021: net cash outflow of approximately RMB32,753,000).

As at 31 December 2022, the cash and cash equivalents of the Group (including cash and bank deposits) was approximately RMB114,845,000 (31 December 2021: approximately RMB61,676,000).

As at 31 December 2022, the interest-bearing bank borrowings of the Group were approximately RMB594,891,000 (31 December 2021: approximately RMB713,373,000). All the interest-bearing bank borrowings were borrowed in RMB, and approximately RMB304,992,000 were due within one year. Most of the bank borrowings were borrowed at fixed interest rate.

The Board expects that the bank loans would either be settled by fund from internal resources or rolled over as it was due. All principal banks will continue to provide fund to the Group for its business operation.

Capital Commitments

As at 31 December 2022, the Group had capital commitments amounting to approximately RMB16,569,000 (31 December 2021: approximately RMB122,960,000) mainly including commitment for purchasing property, plant, and equipment.

Foreign Exchange Exposure

The sales and purchases of the Group were mainly denominated in RMB. The cash and cash equivalents of the Group were mainly denominated in RMB and Hong Kong dollars. The borrowings are denominated in RMB. Since the Group's exposure to fluctuations in foreign exchange rates was minimal, the Group has not implemented any foreign currency hedging policy at the moment. However, the management will closely monitor the foreign exchange exposure of the Group and will consider hedging the foreign exchange exposure if it becomes significant to the Group.

Capital Structure

The total number of issued and fully paid ordinary shares of the Company as at 31 December 2022 was 1,769,193,800.

Contingent Liabilities

As at 31 December 2022, the Group had no significant contingent liabilities (31 December 2021: Nil).

Pledge of Assets

As at 31 December 2022, the Group's assets of approximately RMB118,680,000 (2021: approximately RMB168,080,000) were pledged to secure some of the Group's interest-bearing bank borrowings. The book value of the pledged assets is set out below:

	2022	2021
	RMB'000	*RMB'000*
Property, plant and equipment	**25,213**	25,556
Investment properties	**—**	785
Right-of-use assets — prepaid land lease payments	**37,467**	32,739
Pledged deposits	**56,000**	109,000
Total	**118,680**	168,080

As at 31 December 2022, pledged deposits with a carrying value of RMB56,000,000 (2021: RMB109,000,000) were pledged to secure the bank loans granted to the Group.

Certain notes payables were secured by pledged deposits of the Group with a carrying value of RMB91,182,000 as at 31 December 2022 (2021: RMB46,306,000) and notes receivables with a carrying value of RMB65,570,000 as at 31 December 2022 (2021: nil).

Gearing Ratio

As at 31 December 2022, the Group's gearing ratio was approximately 55.5%, representing a decrease of about 6.5% as compared with the gearing ratio of approximately 62.0% as at 31 December 2021. The gearing ratio is derived by dividing net liabilities (including interest-bearing bank borrowings, trade and notes payables, other payables and accruals, and payables to related parties and the ultimate controlling shareholder less cash and cash equivalents) by total capital (including equity attributable to owners of the parent company) plus net liabilities at the end of the respective years.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures and Future Plans for Material Investments or Capital Assets

On 3 March 2022, Ningbo Huazhong Plastic Products Co., Ltd.*(寧波華眾塑料製品有限公司) (the "**Transferee**"), a wholly-owned subsidiary of the Company, entered into an equity purchase agreement with zwissTEX Germany GmbH (the "**Transferor**"), pursuant to which the Transferor has agreed to sell, and the Transferee has agreed to purchase, 15% equity interest of Ningbo Roekona-Zoeppritex-Tex-Line Co., Ltd.* (寧波華樂特汽車裝飾布有限公司) (the "**Target Company**") at the consideration of EUR4.5 million (equivalent to approximately RMB31.3 million) (the "**Equity Purchase**").

The Target Company is a company incorporated in the PRC with limited liability, the equity interest of which was owned as to 25% by the Transferor and Roekona Textilwerk GmbH & Co. KG (a third party independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited)) respectively and as to 50% by the Transferee before the completion of the Equity Purchase. The Company completed the Equity Purchase on 6 May 2022. Upon completion of the Equity Purchase, the Company indirectly holds 65% equity interest in the Target Company and the financial results of the Target Company were consolidated into the consolidated financial statements of the Group. The Target Company is principally engaged in the manufacture and sale of auto parts, design and manufacture of high-grade textiles.

The Board is of the view that, following the completion of the Equity Purchase, the Target Company will enhance the cooperation between the Group and the Target Company and reduce the operating costs.

Save as disclosed herein, during the Year, the Group did not have any significant investments or acquisition or disposal of subsidiaries, associates and joint ventures. There was no plan authorised by the Board for any material investments or additions of capital assets as at the date of this announcement.

Employees and Remuneration Policies

The Group had a total of 3,144 (2021: 3,127) employees as at 31 December 2022. Total staff costs of the Group (excluding the Directors' and chief executive's remuneration) for the Year was approximately RMB275,727,000 (2021: approximately RMB261,286,000). The increase in staff cost was mainly attributable to the increase in average salary of employees. The Group's remuneration policies were in line with relevant legislation, market conditions and the performance of our employees. Share options would be granted to certain eligible persons with outstanding performance and contributions to the Group.

Events after the Year

There were no significant events after the Year and up to the date of this announcement.

PROSPECTS

At the beginning of 2023, the sales volume of passenger vehicles in China has significantly dropped to 1.294 million in January due to Chinese New Year holiday. The sales volume, however, rebounded to 1.350 million in February. As the Ministry of Commerce has emphasized that policies supporting the purchase of new energy automotives, as well as the financial subsidies for the purchase of new vehicles in different regions, will be introduced, it is generally believed that the significant improvement of the industry will be seen from the second quarter of this year. China Association of Automobile Manufacturers expects that the total sales volume of vehicles in China will reach 9 million in 2023, representing a growth of about 35% as compared with last year, while the penetration rate of new energy automotives will also reach approximately 35%.

The Group will actively facilitate its work regarding the deployment of aspects including customers, products and manufacturing to promote overall development. Firstly, we will continue to strive for expanding our cooperation with traditional automotive brands. As we pursue top quality craftsmanship and innovative manufacturing constantly, we will also endeavor to extend the scope of cooperation from traditional automotives to new energy automotives and aim to develop new lightweight products made of new and high-performance plastics together, in substitution for metal automotive parts. Secondly, we will continue to improve our deployment in the new energy market and strengthen our connection with new energy automotive brands. We have successful exploration in the new energy market and has worked with industry leaders in the past. We will fight for more orders and customers on that basis and seek to expand scale of economic effect. Lastly, we will strengthen our manufacturing deployment comprehensively. We plan to set up new manufacturing facilities in Mexico in order to achieve global business development and compete for orders from overseas manufacturers.

During the coming year, Huazhong In-Vehicle will focus on the improvement of its product mix, to better meet the demand of its automotive brand customers and enhance the cooperation with its customers. We will continue to increase the utilisation rate of our production capacity to maximise the efficiency of mass production; meanwhile, we will strengthen our management on business expenses and take revenue generating and cost control measure, striving for remarkable results of profits during the recovery of the industry.

Forward Looking Statements

This management discussion and analysis contains certain forward looking statements with respect to the financial condition, results of operations and business of the Group. These forward looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Forward looking statements involve inherent risks and uncertainties. Readers including shareholders and investors should be cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward looking statement.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions prescribed in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the code of the Company.

The Board is of the view that the Company complied with all applicable code provisions set out in the CG Code throughout the Year, except for the following deviation:

Code Provision C.2.1

Code provision C.2.1 of the CG Code stipulates that the role of chairman and chief executive should be separate and should not be performed by the same individual. With the support of the company secretary of the Company, the chairman of the Board (the "**Chairman**") seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and received adequate and reliable information on a timely basis.

Since Mr. Zhou Minfeng now serves as both the Chairman and the chief executive of the Company (the "**Chief Executive**"), such practice deviates from code provision C.2.1 of the CG Code. The Board believes that vesting the roles of both the Chairman and the Chief Executive in the same person can facilitate the effective execution of the Group's business strategies and operation. Furthermore, there are various experienced individuals in charge of the daily business operation in the Group and the Board comprises 2 executive Directors, four non-executive Directors and four independent non-executive Directors, with a balance of skill and experience appropriate for the Group's further development. The Board will review such deviation from time to time to enhance the best interest of the Group as a whole.

A full description of the Company's corporate governance will be set out in the 2022 annual report of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "**Model Code**") as the code of conduct governing dealings by all the Directors in the securities of the Company. Specific enquiries have been made with all Directors, who have confirmed that, during the Year, they were in compliance with the required provisions set out in the Model Code. All of the Directors declared that they complied with the required standards of dealings as set out in the Model Code throughout the Year.

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

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

DIVIDENDS

The Board recommends the payment of a final dividend of RMB0.7346 cent (equivalent to HK0.8389 cent at exchange rate of HK$1 equals to RMB0.8756) per ordinary share for the Year (2021: RMB0.4296 cent per share (equivalent to HK0.5276 cent per share at an exchange rate of HK$1 equals to RMB0.8143)). The payment of dividends shall be subject to the approval of the Shareholders of the Company at the forthcoming annual general meeting of the Company (the "**AGM**") which will be held on 2 June 2023. The proposed final dividend is expected to be paid on or before 11 July 2023. During the Year, no interim dividend was declared.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders' right to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Tuesday, 30 May 2023 to Friday, 2 June 2023 (both days inclusive), during which period no transfer of shares in the Company will be registered. The holders of shares whose names appear on the register of members of the Company on Friday, 2 June 2023 will be entitled to attend and vote at the AGM. In order to qualify for attending and voting at the AGM, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited (the "**Branch Share Registrar**"), at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration no later than 4:00 p.m. on Monday, 29 May 2023.

In addition, for the purpose of ascertaining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 14 June 2023 to Friday, 16 June 2023 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Branch Share Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Tuesday, 13 June 2023.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of three members, namely Mr. Yu Shuli (chairman), Mr. Wong Luen Cheung Andrew and Mr. Xu Jiali, all of them are the independent non-executive Directors. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control systems of the Group.

Disclosure of financial information in this announcement complies with Appendix 16 of the Listing Rules. The Audit Committee has provided supervision over the Group's financial reporting process. The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed the auditing and financial reporting matters, including the review of the annual results of the Group for the Year. The Audit Committee has reviewed the annual results of the Group for the Year and is of the view that the announcement of annual results for the Year is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of financial position, and the related notes thereto for the Year have been agreed by the Company's auditor to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on this preliminary results announcement.

APPRECIATION

The chairman of the Board would like to take this opportunity to thank his fellow Directors for their invaluable advice and guidance, and to each and everyone of the staff of the Group for their hard work and loyalty to the Group.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.cn-huazhong.com). The annual report of the Company for the Year containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Huazhong In-Vehicle Holdings Company Limited
Zhou Minfeng
Chairman and Chief Executive

Hong Kong, 30 March 2023

As at the date of this announcement, the executive Directors are Mr. Zhou Minfeng and Mr. Wu Bichao; the non-executive Directors are Ms. Lai Cairong, Mr. Wang Yuming, Mr. Guan Xin and Mr. Yu Zhuoping; and the independent non-executive Directors are Mr. Wong Luen Cheung Andrew, Mr. Yu Shuli and Mr. Xu Jiali.

* *For identification purposes only*