GUANGZHOU AUTOMOBILE GROUP CO., LTD.

廣州汽車集團股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2238)

2024 ANNUAL RESULTS ANNOUNCEMENT

The Board hereby announces the consolidated results of the Group for the year ended 31 December 2024 together with the comparative figures of the corresponding period ended 31 December 2023. The result has been reviewed by the audit committee of the Company and the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2024

(Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
Revenue	2	**107,783,807**	129,706,167
Cost of sales		**(105,345,899)**	(125,342,102)
Gross profit		**2,437,908**	4,364,065
Selling and distribution costs		**(5,416,689)**	(5,032,314)
Administrative expenses		**(5,833,509)**	(5,656,662)
Net impairment losses on financial assets		**(1,032,182)**	(455,902)
Interest income		**312,678**	289,366
Other net gains	3	**6,079,914**	1,649,469
Operating loss		**(3,433,880)**	(4,841,978)
Interest income		**271,571**	484,993
Finance costs	4(a)	**(562,994)**	(467,323)
Share of net profit of joint ventures and associates	7	**2,998,268**	8,349,006
(Loss)/profit before taxation		**(727,035)**	3,524,698
Income tax credit	5	**232,988**	215,463
(Loss)/profit for the year		**(494,047)**	3,740,161
Attributable to:			
Equity shareholders of the Company		**823,579**	4,428,845
Non-controlling interests		**(1,317,626)**	(688,684)
(Loss)/profit for the year		**(494,047)**	3,740,161

	Note	2024 RMB	2023 RMB
Earnings per share for profit attributable to equity shareholders of the Company *(expressed in RMB per share)*			
Basic	6	**0.08**	0.42
Diluted	6	**0.08**	0.42

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2024
(Expressed in Renminbi)

	2024 RMB'000	2023 RMB'000
(Loss)/profit for the year	**(494,047)**	3,740,161
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss:		
Equity investments at FVOCI – net movement in fair value reserves (non-recycling)	**(263,241)**	153,701
Share of other comprehensive income of joint ventures and associates accounted for using the equity method	**(4,333)**	2,762
Remeasurement of defined benefit plan obligations	**(5,033)**	(10,320)
Income tax relating to these items	**138,530**	(35,886)
	(134,077)	110,257
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**15,351**	(3,247)
Changes in the fair value of debt instruments at fair value through other comprehensive income	**44,961**	20,210
Impairment loss on debt instruments at fair value through other comprehensive income	**5,167**	–
Share of other comprehensive income of joint ventures and associates accounted for using the equity method	**283**	(2,122)
Income tax relating to these items	**(12,607)**	(4,483)
	53,155	10,358
Other comprehensive income for the year	**(80,922)**	120,615
Total comprehensive income for the year	**(574,969)**	3,860,776
Attributable to:		
Equity shareholders of the Company	**740,765**	4,546,450
Non-controlling interests	**(1,315,734)**	(685,674)
Total comprehensive income for the year	**(574,969)**	3,860,776

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	**31 December 2024** *RMB'000*	31 December 2023 *RMB'000*
Non-current assets			
Property, plant and equipment		**28,395,996**	24,929,595
Investment properties		**984,353**	1,061,628
Right-of-use assets		**9,430,513**	8,513,148
Intangible assets		**16,990,615**	16,390,512
Time deposits		**940,000**	–
Goodwill		**93,706**	79,189
Investments in joint ventures and associates	*7*	**30,122,264**	37,159,868
Financial assets at fair value through other comprehensive income ("**FVOCI**")		**11,716,266**	5,094,366
Financial assets at fair value through profit or loss ("**FVPL**")		**1,972,042**	2,363,512
Prepayments and other long-term receivables		**15,003,461**	17,380,185
Deferred tax assets		**5,777,101**	4,366,130
		121,426,317	117,338,133
Current assets			
Financial assets at fair value through other comprehensive income		**14,238,125**	5,634,369
Financial assets at fair value through profit or loss		**2,558,787**	2,790,794
Inventories		**15,688,476**	16,720,313
Trade receivables and other current assets	*9*	**28,002,526**	26,778,700
Contract assets		**18,790**	–
Time deposits		**9,939,925**	6,825,347
Restricted cash		**4,157,330**	2,838,783
Cash and cash equivalents		**36,482,090**	39,522,331
		111,086,049	101,110,637

	Note	**31 December 2024** *RMB'000*	31 December 2023 *RMB'000*
Current liabilities			
Trade and other payables	*10*	**63,226,725**	55,742,477
Contract liabilities		**2,573,115**	2,520,615
Current taxation		**415,478**	203,862
Loans and borrowings		**23,321,740**	17,731,673
Lease liabilities		**456,396**	449,688
Provisions		**784,606**	545,905
		90,778,060	77,194,220
Net current assets		**20,307,989**	23,916,417
Total assets less current liabilities		**141,734,306**	141,254,550
Non-current liabilities			
Trade and other payables	*10*	**4,193,388**	3,535,613
Loans and borrowings		**11,968,855**	10,384,250
Lease liabilities		**1,727,522**	1,484,772
Deferred tax liabilities		**579,744**	240,007
Provisions		**1,326,752**	1,030,490
Contract liabilities		**107,438**	125,606
		19,903,699	16,800,738
NET ASSETS		**121,830,607**	124,453,812

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
CAPITAL AND RESERVES		
Share capital	**10,341,518**	10,490,234
Reserves	**46,647,855**	47,317,286
Retained earnings	**57,418,733**	57,966,657
Total equity attributable to equity shareholders of the Company	**114,408,106**	115,774,177
Non-controlling interests	**7,422,501**	8,679,635
TOTAL EQUITY	**121,830,607**	124,453,812

NOTE:

1 GENERAL INFORMATION

Guangzhou Automobile Group Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") are principally engaged in the manufacturing and sale of automobiles, engines and other automotive parts and rendering of financial services. The Company's holding company is Guangzhou Automobile Industry Group Co., Ltd. ("**GAIG**"), a state-owned enterprise incorporated in the People's Republic of China (the"**PRC**").

The registered address of the Company is 23/F, Chengyue Building, No. 448 – No. 458, Dong Feng Zhong Road, Yuexiu District, Guangzhou, Guangdong, the PRC.

The Company was established in June 1997 as a limited liability company in the PRC. In June 2005, the Company underwent a reorganisation and transformed itself into a joint stock company with limited liability under the Company Law of the PRC. The Company's shares have been listed on Hong Kong Stock Exchange (the "**HKSE**") and Shanghai Stock Exchange ("**SSE**") since 30 August 2010 and 29 March 2012, respectively.

(a) Statement of compliance

These financial statements are presented in thousands of Renminbi Yuan ("**RMB**"), unless otherwise stated.

The consolidated results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended 31 December 2024 but are extracted from those consolidated financial statements which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "**Group**") and the group's interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for certain financial assets which are measured at their fair value.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

(i) New and amended HKFRSs

The Group has applied the following amendments to 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. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the manufacturing and sale of vehicles and related products, rendering repair and maintenance service, transportation and other services. Further details regarding the Group's principal activities are disclosed in note 2(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Sales of vehicles and related products	**95,569,307**	118,607,920
– Maintenance, transportation and other services	**5,864,451**	5,535,507
	101,433,758	124,143,427
Revenue from other sources *(note)*	**6,350,049**	5,562,740
	107,783,807	129,706,167

Note: Revenue from other sources includes insurance services, financing services and lease income.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in notes 2(b)(ii) and 2(b)(iii) respectively.

No revenue from individual customer contributing over 10% of total revenue of the Group for the year ended 31 December 2024 (for the year ended 31 December 2023: Nil).

(b) Segment reporting

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 two reportable segments.

- Vehicles and related operations segment: production and sale of a variety of passenger vehicles, commercial vehicles, automotive parts and related operations.

- Others: mainly production and sale of motorcycles, automobile finance and insurance, other financing services and investing business.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's 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 interests in joint venture and associates, investments in financial assets, deferred tax assets and other corporate assets. Segment liabilities include provision for product warranties, trade creditors, accruals, bills payable and lease liabilities attributable to the manufacturing and sales activities of the individual segments and bank borrowings managed directly by the segments.

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 amortization of assets attributable to those segments. Segment profit includes the Group's share of profit arising from the activities of the Group's joint venture and associates. However, other than reporting inter-segment sales of vehicles and related products, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

Disaggregation of revenue from contracts with customers by the information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below.

	Vehicles and related operations		Others		Unallocated		Eliminations		Consolidated	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment revenue										
Revenue from external customers	**102,713,296**	126,512,493	**5,070,511**	3,193,674	**–**	–	**–**	–	**107,783,807**	129,706,167
Inter-segment revenue	**346,300**	313,302	**341,935**	426,638	**–**	–	**(688,235)**	(739,940)	**–**	–
Reportable segment revenue	**103,059,596**	126,825,795	**5,412,446**	3,620,312	**–**	–	**(688,235)**	(739,940)	**107,783,807**	129,706,167
Segment results	**(7,351,616)**	(4,805,647)	**4,211,056**	295,903	**–**	–	**(34,643)**	(150,907)	**(3,175,203)**	(4,660,651)
Unallocated income – Interest income of headquarters	**–**	–	**–**	–	**194,565**	141,544	**–**	–	**194,565**	141,544
Unallocated costs – Expenditure of headquarters	**–**	–	**–**	–	**(453,242)**	(322,871)	**–**	–	**(453,242)**	(322,871)
Operating loss									**(3,433,880)**	(4,841,978)
Interest income	**241,095**	426,382	**10,188**	21,431	**20,288**	37,180	**–**	–	**271,571**	484,993
Finance costs	**(498,351)**	(430,026)	**(6,902)**	(7,887)	**(57,141)**	(29,410)	**–**	–	**(562,994)**	(467,323)
Share of net profit of joint ventures and associates	**2,822,764**	7,791,887	**175,504**	557,119	**–**	–	**–**	–	**2,998,268**	8,349,006
(Loss)/profit before taxation									**(727,035)**	3,524,698
Income tax (expense)/credit	**771,728**	253,153	**(365,823)**	(34,259)	**(172,917)**	(3,431)	**–**	–	**232,988**	215,463
(Loss)/profit for the year									**(494,047)**	3,740,161

	Vehicles and related operations		Others		Unallocated		Eliminations		Consolidated	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Other segment information										
Depreciation and amortisation	**8,533,438**	7,102,119	**96,822**	52,519	**184,381**	139,721	**–**	–	**8,814,641**	7,294,359
Net impairment losses on financial assets	**944,844**	341,270	**87,338**	114,632	**–**	–	**–**	–	**1,032,182**	455,902
Impairment charges of an associate	**163,965**	–	**–**	–	**–**	–	**–**	–	**163,965**	–
Impairment charges of inventories	**410,252**	290,868	**–**	–	**–**	–	**–**	–	**410,252**	290,868
Impairment charges of property, plant and equipment	**78,954**	140,430	**–**	–	**–**	–	**–**	–	**78,954**	140,430
Impairment charges of goodwill	**–**	–	**–**	–	**–**	72,239	**–**	–	**–**	72,239
Impairment charges of intangible assets	**1,224,780**	855,046	**–**	–	**–**	–	**–**	–	**1,224,780**	855,046
Reportable segment assets	**172,920,414**	169,042,390	**66,163,946**	62,455,935	**61,138,903**	51,347,026	**(67,710,897)**	(64,396,581)	**232,512,366**	218,448,770
Total assets include: Investments in joint ventures and associates	**22,862,495**	30,424,304	**7,259,769**	6,735,564	**–**	–	**–**	–	**30,122,264**	37,159,868
Additions to non-current assets (other than investments in joint ventures and associates, deferred tax assets, FVPL, FVOCI and other long-term receivables)	**15,176,049**	18,384,468	**624,715**	100,257	**232,995**	–	**–**	–	**16,033,759**	18,484,725
Reportable segment liabilities	**111,639,585**	98,928,387	**50,367,893**	48,469,682	**8,561,910**	7,641,112	**(59,887,629)**	(61,044,223)	**110,681,759**	93,994,958

(ii) ***Disaggregation of revenue from contracts with customers and other sources by the timing of revenue recognition***

	Consolidated	
	2024	2023
	RMB'000	*RMB'000*
Disaggregated by timing of revenue recognition		
Point in time	**95,569,307**	118,607,920
Over time	**12,214,500**	11,098,247
	107,783,807	129,706,167

(iii) ***Geographic information***

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment property, property, plant and equipment, intangible assets, right-of-use assets, goodwill and prepayments for non-current assets ("**specified non-current assets**").The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of interests in associates and joint ventures.

	Revenues from external customers		Specified non-current assets	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Chinese Mainland	**96,043,359**	124,184,844	**57,858,282**	52,187,651
Overseas	**11,740,448**	5,521,323	**423,201**	415,508
	107,783,807	129,706,167	**58,281,483**	52,603,159

The analysis above includes property rental income from external customers in Chinese Mainland of RMB1,657,530,000 (2023: RMB1,599,638,000).

3 OTHER NET GAINS

	2024	2023
	RMB'000	*RMB'000*
Gains on disposal of investments in joint ventures and associates *(note (i))*	**3,862,860**	1,517
Government grants	**2,351,448**	1,358,072
Net investment income related to investment in financial assets	**442,251**	263,479
Gains on disposal of non-current assets	**112,253**	49,480
Impairment loss on goodwill in a subsidiary	**–**	(72,239)
Impairment losses on interest in an associate	**(163,965)**	–
Foreign exchange (loss)/gain	**(172,430)**	1,063
Net fair value changes on financial assets at FVPL	**(405,452)**	(41,131)
Others	**70,949**	89,228
	6,097,914	1,649,469

Note:

(i) Gains on disposal of investments in joint ventures and associates in 2024 mainly represents the gains from the below two transactions:

(a) On 19 January 2024, the Group's wholly-owned subsidiary, China Lounge Investments Limited ("**China Lounge**"), and the Group's immediate parent, Guangzhou Automobile Industry Group Co., Ltd ("**GAIG**"), entered into a mutual agreement. Pursuant to the agreement, China Lounge disposed of 8,797,226 shares it held in Chenqi Technology Limited ("**Chenqi**"), an associate of the Group, to GAIG. The difference of RMB267,876,000 between (1) the book value of the investment being disposed of, which is nil, and (2) the consideration of RMB267,876,000, which was determined based on a valuation report, was recognised as disposal gain in profit or loss by the Group.

Upon the completion of the disposal, Chenqi ceased to be an associate of the Group. The remaining shares held by the Group in Chenqi were subsequently recognised as a financial asset measured at FVOCI. A gain of RMB837,016,000 was recognised in profit or loss, which was calculated as the difference between the fair value and the carrying amount of the retained shares in Chenqi at the date on which significant influence was lost.

(b) On 3 December 2024, the Company, the Group's wholly-owned subsidiary, GAC Capital Co., Ltd. ("**GAC Capital**"),and GAIG, entered into a share transfer agreement. Pursuant to the agreement, the Company and GAC Capital disposed of 18.8% in aggregate, equity interest held in Guangzhou Juwan Technology Research Co., Ltd ("**Juwan**"), an associate of the Group, to GAIG. The difference of RMB1,330,668,000 between (1) the book value of the investment being disposed of, which is nil, and (2) the consideration of RMB1,330,668,000, which was determined based on a valuation report, was recognised as disposal gain in profit or loss by the Group.

Upon completion of the disposal, Juwan ceased to be an associate of the Group. The remaining interest held by the Group in Juwan were subsequently recognised as a financial asset measured at FVOCI. A gain of RMB1,102,998,000 was recognised in profit or loss, which was calculated as the difference between the fair value and the carrying amount of the retained interest in Juwan at the date on which significant influence was lost.

4 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

	2024	2023
	RMB'000	*RMB'000*
(a) Finance costs		
Interest expense on loans and borrowings	**519,882**	431,764
Interest expense on lease liabilities	**88,154**	99,840
Less: interest capitalised in qualifying assets	**(45,042)**	(64,281)
	562,994	467,323

	2024	2023
	RMB'000	*RMB'000*
(b) Staff costs		
Salaries, wages and other benefits	**12,081,373**	12,063,818
Contributions to defined contribution retirement plans	**1,276,274**	1,579,633
Expenses recognised in defined benefit plans	**2,716**	18,040
Equity-settled share-based payment expenses	**(16,842)**	62,320
	13,343,521	13,723,811

	2024	2023
	RMB'000	*RMB'000*
(c) Other items		
Amortisation of intangible assets	**4,531,376**	3,854,524
Depreciation charge		
– investment property and other property, plant and equipment	**3,471,377**	2,769,771
– right-of-use assets	**811,888**	670,065
Impairment losses on non-financial assets		
– property, plant and equipment and investment property	**78,954**	140,430
– intangible assets	**1,224,780**	855,046
– right-of-use assets	**114**	660
– goodwill	**–**	72,239
Impairment losses on interest in an associate	**163,965**	–
Write down of inventory	**410,252**	290,868
Foreign exchange loss/(gain)	**172,430**	(1,063)
Auditors' remuneration		
– audit services	**18,009**	21,081
– other services	**7,233**	8,362
Warranty expenses	**1,835,106**	1,163,377
Cost of inventories	**98,792,001**	117,800,847

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2024	2023
	RMB'000	*RMB'000*
Current tax	**714,395**	400,245
Deferred tax		
Reversal of accumulated tax loss and temporary differences	**(947,383)**	(615,708)
	(232,988)	(215,463)

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

(b) Reconciliation between tax expense/(credit) and accounting (loss)/profit at applicable tax rates

	2024	2023
	RMB'000	*RMB'000*
(Loss)/profit before taxation	**(727,035)**	3,524,698
Notional tax on profit before income tax, calculated at the rates applicable to profits in the tax jurisdictions concerned *(Note (i) (ii))*	**354,441**	1,188,122
Share of profit or loss of joint ventures and associates	**(929,001)**	(1,969,213)
Net change in fair value on financial assets at fair value through profit or loss	**(3,220)**	895
Expenses not deductible for corporate income tax	**55,051**	37,021
Utilisation of previously unrecognised tax losses	**(63,737)**	(70,072)
Unused tax losses and deductible temporary differences for which no deferred tax asset was recognised	**683,334**	843,675
Super deduction of research and development ("**R&D**") expenses *(Note (iii))*	**(296,586)**	(209,725)
Over-provision in respect of prior year	**(33,270)**	(36,166)
Actual tax credit	**(232,988)**	(215,463)

Notes:

(i) The majority of the Group's operations are based in the PRC, taxable income for the Company and its subsidiaries in the PRC are subject to PRC income tax rate of 25% for the year ended 31 December 2024, unless otherwise specified below.

Certain subsidiaries meet the criteria required for preferential income tax rate granted to the Certified High and New Technology Enterprises ("**HNTE**") in the PRC, and are entitled to a preferential income tax rate of 15%.

Certain subsidiaries meet the criteria required for preferential income tax rate granted to the encouraged industry that operates in western region in the PRC, and are entitled to a preferential income tax rate of 15% from 2021 to 2030.

(ii) Under the current Hong Kong Inland Revenue Ordinance, the Hong Kong subsidiaries of the Group are subject to Hong Kong profit tax rate at 16.5% on their taxable income generated from operations in Hong Kong.

(iii) According to relevant policies promulgated by the State Tax Bureau of the PRC, enterprises engaged in R&D activities are entitled to claim an additional tax deduction amounting to 100% of qualified R&D expenses incurred in determining its tax assessable profits for that year ("**Super Deduction**"). The additional deduction of 100% of qualified R&D expenses can only be claimed directly in the annual corporate income tax filling and subject to the approval from the relevant tax authorities.

6 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB823,579,000 (2023: RMB4,428,845,000) and the weighted average number of 10,392,326,000 (2023: 10,429,396,000) ordinary shares in issue less restricted shares during the year, calculated as follows:

Weighted average number of ordinary shares in issue less restricted shares

	2024	2023
	'000	*'000*
Ordinary shares in issue less restricted shares at 1 January	**10,460,855**	10,423,463
Effect of shares repurchased	**(69,461)**	–
Effect of share options exercised and restricted shares unlocked	**932**	5,933
Weighted average number of ordinary shares in issue less restricted shares at 31 December	**10,392,326**	10,429,396

(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 of RMB823,579,000 (2023: RMB4,428,845,000) and the weighted average number of ordinary shares in issue less restricted shares of 10,392,326,000 shares (2023: 10,450,694,000 shares), calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

	2024	2023
	RMB'000	*RMB'000*
Profit attributable to ordinary equity shareholders (diluted)	**823,579**	4,428,845

(ii) Weighted average number of ordinary shares in issue less restricted shares (diluted)

	2024	2023
	'000	*'000*
Weighted average number of ordinary shares in issue less restricted shares at 31 December	**10,392,326**	10,429,396
Add: weighted average number of ordinary shares assuming conversion of all share options	**–**	21,298
Weighted average number of ordinary shares (diluted)	**10,392,326**	10,450,694

7 INTERESTS IN JOINT VENTURES AND ASSOCIATES

The amounts recognised in the consolidated statement of financial position are as follows:

	2024	2023
	RMB'000	*RMB'000*
Investments in joint ventures *(note 7(a))*	**20,823,230**	27,521,810
Investments in associates *(note 7(b))*	**9,462,999**	9,638,058
Less: impairment losses *(note)*	**(163,965)**	–
	30,122,264	37,159,868

Note: The Group's investment in Shanghai Hino Engine Co., Ltd ("**Shanghai Hino**"), an equity-accounted associate, with a carrying amount of RMB163,965,000, has been fully impaired. This impairment arises as Shanghai Hino ceased production and was in liquidation process since September 2024.

The amounts recognised in the consolidated statement of profit or loss are as follows:

	2024	2023
	RMB'000	*RMB'000*
Share of profit of joint ventures	**2,770,167**	7,959,352
Share of profit of associates	**228,101**	389,654
	2,998,268	8,349,006
Share of other comprehensive income of joint ventures	**(4,050)**	640

Unrealised profits or losses resulting from upstream and downstream transactions are eliminated.

(a) Interests in joint ventures

The following list contains a material joint ventures of the Group and the Company, which is unlisted corporate entities whose quoted market price is not available:

Name of joint venture	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest						Principal activity
				Group's effective interest		Held by the company		Held by a subsidiary		
				2024	2023	**2024**	2023	**2024**	2023	
GAC Honda Automobile Co., Ltd. ("**GAC Honda**") * 廣汽本田汽車有限公司	Incorporated	Mainland China	RMB3,948,625,000/ 3,948,625,000	**50%**	50%	**50%**	50%	**0%**	0%	Manufacture and sale of automobile and automotive parts
GAC Toyota Motor Co., Ltd. ("**GAC Toyota**") * 廣汽豐田汽車有限公司	Incorporated	Mainland China	RMB1,333,896,000/ 1,333,896,000	**50%**	50%	**50%**	50%	**0%**	0%	Manufacture and sale of automobile and automotive parts
GAC-SOFINCO Automobile Finance Co., Ltd. ("**GAC-SOFINCO**")* 廣汽匯理汽車金融有限公司	Incorporated	Mainland China	RMB410,000,000,000/ 410,000,000,000	**50%**	50%	**50%**	50%	**0%**	0%	Provision of automotive financing services
Wuyang-Honda Motors (Guangzhou) Co., Ltd. ("**Wuyang-Honda**")* 五羊-本田摩托 (廣州) 有限公司	Incorporated	Mainland China	RMB49,000,000/ 49,000,000	**50%**	50%	**50%**	50%	**0%**	0%	Manufacture and sale of motorcycle and motorcycle parts

* The official name of this entity is in Chinese. The English translation of the name is for identification only.

As restricted by the confidentiality agreements entered into with other shareholders of certain joint ventures, the Group has not disclosed certain financial data of material joint ventures separately. The aggregate of the financial information of the above four (2023: four) material joint ventures identified by Directors covers around 90% of consolidated financial information of all the joint ventures of the Group listed below.

The below financial information of the joint ventures has been consistently measured based on the fair values of the identifiable assets acquired and the liabilities assumed at the date of acquisition.

Summarised assets, liabilities, revenue and dividends of the material joint ventures, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

Name of joint venture	Assets As at 31 December		Liabilities As at 31 December		Revenue Year ended 31 December		Dividends received Year ended 31 December	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
GAC Honda	**30,497,287**	41,882,840	20,850,429	29,058,090	68,249,981	93,528,217	1,193,244	3,503,074
GAC Toyota	**48,517,036**	67,911,549	33,875,111	40,853,336	109,544,921	152,868,714	8,859,211	9,980,438
GAC-SOFINCO	**56,319,831**	67,801,454	46,970,453	58,930,099	4,280,234	4,594,850	130,431	166,675
Wuyang-Honda	**2,665,361**	2,611,962	1,289,808	1,091,412	4,840,836	5,103,226	112,376	213,054
	137,999,515	180,207,805	102,985,801	129,932,937	186,915,972	256,095,007	10,295,262	13,863,241

Reconciliation of share of the net assets to the carrying amount of the Group's interests in the material joint ventures:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Assets	**137,999,515**	180,207,805
Less: liabilities	**(102,985,801)**	(129,932,937)
Non-controlling interests	**(8,641)**	(8,633)
Net assets excluding non-controlling interests	**35,005,073**	50,266,235
Percentage of ownership interest	**50%**	50%
Interests in material joint ventures	**17,502,537**	25,133,118
Goodwill of Wuyang-Honda	**21,259**	21,259
Carrying amount of investments in material joint ventures	**17,523,796**	25,154,377

(b) Interests in associates

The associates of the Group that is not individually material, which is unlisted corporate entities whose quoted market prices are not available:

All of the associates are accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the associates, are disclosed below:

	2024	2023
	RMB'000	*RMB'000*
Aggregate carrying amount of associates in the consolidated financial statements	**9,462,999**	9,638,058
Aggregate amounts of the group's share of those associates' Profit from continuing operations and total comprehensive income	**228,101**	389,654

8 DIVIDENDS

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

	2024	2023
	RMB'000	*RMB'000*
Interim dividend declared and paid of RMB0.03 per ordinary share (2023: RMB0.05 per ordinary share)	**310,455**	524,277
Final dividend proposed after the end of the reporting period of RMB0.02 per ordinary share (2023: RMB0.10 per ordinary share)	**203,671**	1,048,690
	514,126	1,572,967

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

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

	2024	*2023*
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.10 per share (2023: RMB0.18 per share)	**1,048,690**	1,888,107

9 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

(a) Trade receivables and other current assets

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**4,439,007**	5,845,479
Less: loss allowance	**1,086,068**	541,526
Trade receivables – net	**3,352,939**	5,303,953
Loan receivables	**10,250,883**	8,835,710
Finance lease receivables	**4,671,517**	4,315,330
Value added tax recoverable	**3,768,444**	2,896,930
Prepayment	**1,723,797**	2,108,135
Receivables from disposal of an associate	**651,999**	–
Financial assets held under resale agreements	**493,402**	106,297
Reissuance contract assets	**363,335**	221,895
Dividends receivable	**122,727**	73,846
Bill receivable	**80,265**	451,682
Entrusted loans *(note i)*	**4,493**	47,122
Other receivables	**2,518,725**	2,417,800
	28,002,526	26,778,700

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

Note

i: The entrusted loans are mainly provided to related parties through financial institutions, which will be due in the year ended 31 December 2024. The effective interest rate as at 31 December 2024 is 3.85% (2023: 3.45%).

ii: As at 31 December 2024, loss allowance on other current assets amounted to RMB614,394,000 (31 December 2023: RMB609,750,000).

Ageing analysis

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

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**3,165,129**	2,825,352
1 to 2 years	**376,446**	2,480,595
2 to 3 years	**592,550**	168,059
3 to 4 years	**56,821**	53,341
4 to 5 years	**31,066**	35,341
Over 5 years	**216,995**	282,791
	4,439,007	5,845,479
Less: loss allowance	**(1,086,068)**	(541,526)
	3,352,939	5,303,953

Trade receivables are due when the receivables are recognised.

10 TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade Payables	**21,429,013**	20,346,567
Bills payables *(note (a))*	**14,066,761**	7,237,278
Customer deposits *(note (b))*	**5,395,429**	8,113,924
Employee benefits payable	**4,237,686**	4,386,085
Insurance contract liabilities	**2,784,421**	2,563,851
Payable for mould expenses	**1,654,906**	1,653,170
Development cost payables	**1,844,390**	1,392,202
Advertising expense payables	**758,162**	1,331,177
Construction cost payables	**1,290,116**	971,783
Other taxes	**1,071,631**	743,354
Taxes related to contract liabilities	**591,028**	497,909
Financial liabilities arising from continuing involvement	**397,160**	397,160
Assets sold under agreements to repurchase	**235,013**	380,704
Deposit payables	**364,592**	268,272
Treasury stock payable	**–**	127,209
Government grants	**2,880,270**	2,178,229
Other payables	**4,912,101**	4,040,590
	63,912,679	56,629,464
Refund liabilities:		
– arising from volume rebates	**3,507,434**	2,648,626
Less: amount included under "current liabilities"	**(63,226,725)**	(55,742,477)
Amount included under "non-current liabilities"	**4,193,388**	3,535,613

As of the end of the reporting period, the ageing analysis of trade payables and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**34,973,535**	27,333,598
Between 1 and 2 years	**358,409**	113,500
Between 2 and 3 years	**49,634**	34,250
Over 3 years	**114,196**	102,497
	35,495,774	27,583,845

(a) As at 31 December 2024, certain bills payable were secured by the Group's inventories.

(b) The balance represents deposits mainly placed by customers to a subsidiary of the Group in relation to its provision of financing service. The interest rate is adjusted to the prevailing savings interest rate published by the People's Bank of China.

CHAIRMAN’S STATEMENT

Dear shareholders,

In 2024, the global automobile industry accelerated its restructuring amid the waves of intellectualisation and electrification, where the industry’s competitive landscape underwent profound transformation. Confronted with the intricate challenges posed by the thorough reshuffle of the automobile industry alongside the reshaping of the market pattern, we have made every effort to promote strategic transformation and high-quality development in accordance with the working principle of “leveraging sales in the short term, products in the medium term, and reform in the long term”, achieving critical breakthroughs in areas such as independent innovation, international expansion, and in-depth reform. On behalf of the Board, I would like to express my heartfelt gratitude to our shareholders, customers, employees, partners, and all those who are concerned with the development of the Group.

Production and operations forged forward under pressure. In the face of unprecedented challenges, the Group immediately initiated the campaign of “in-depth reform, strengthened management and facilitated development, aiming for improvement of quality and efficiency” to reverse the downward trajectory in operating performance. The Group’s automobile sales have maintained growth compared to the previous period since August 2024, with cumulative annual automobile sales volume exceeding 2 million units. Its self-developed brands made every effort to enhance product competitiveness by launching a series of blockbuster models, such as GAC Trumpchi S7, GAC AION second-generation AION V, AION RT, AION UT, and Hyptec HL. GAC Trumpchi achieved an annual sales volume of approximately 415 thousand units, among which the sales volume of MPV models amounted to approximately 184 thousand units, ranking first among domestic MPV manufacturers. GAC AION achieved an annual sales volume of approximately 375 thousand units, ranking firmly in the forefront of pure electric new energy vehicle (NEV) manufacturers. Simultaneously, the Company is proactively broadening its industrial ecosystem, and has signed an enhanced cooperation agreement with Huawei to forge a new high-end smart NEV brand, offering consumers a more forward-looking intelligent travel experience. In 2024, the Group recorded a revenue of approximately RMB401.65 billion on an aggregated basis, being shorlisted on the Fortune Global 500 for the 12th consecutive year and ranking 181st.

Further advancement in overseas businesses. 2024 marked the “year of intensive cultivation” for GAC’s internationalisation strategy, with the overseas sales volume of automobiles reaching 127 thousand units, representing a year-on-year growth of 67.6%. Among them, the overseas sales volume of self-developed brand automobiles exceeded 100 thousand units for the first time, representing a year-on-year increase of 92.3%, which has entered the markets in 74 countries and regions around the world. By actively advancing localised production overseas and expanding our industrial ecosystem internationally, our CKD plant in Malaysia and GAC AION Thailand Smart Factory have successively commenced operations, marking the Group’s official entry into a new development phase in overseas market with equal emphasis placed on whole vehicle exports and overseas localised production. Moreover, the Group has established 6 after-sales parts warehouses across the globe. Its logistics, parts support system and energy ecosystem business have concurrently penetrated the Thai market. The global system encompassing “R&D, manufacturing, supply, sales and services” has begun to take shape.

Technological innovation spearheaded transformation. Firmly committed to building a foundation in technology and establishing enterprises thereon, the Group has continuously enhanced its level of technological self-reliance and independent controllability over its industrial chain, expediting the cultivation of new quality productivity. Throughout the year, more than RMB7.15 billion was invested in the Group's research and development (R&D), with the Group recording over 3,200 new patent applications. The accumulative number of patent applications exceeded 21,000 by the end of 2024. In the field of intellectualisation, during the reporting period, the Group launched multiple models equipped with urban Navigated Driving Assist (NDA) intelligent driving functions, achieving the nationwide rollout of urban NDA. The Group was approved as one of the first automobile enterprises in the country to carry out pilot programs of L3 autonomous driving on the road, accelerating its commercialisation of autonomous driving. In the field of new energy, key core components such as the self-developed and self-produced IMPOW's battery and Ruipai's electric drive have been put into mass production for installation. In the field of cutting-edge technology, the Group launched a new aerocar brand GOVY and the first composite-wing aerocar GOVY AirJet, accelerating the layout of three-dimensional travel modes. It also launched the industry's first embodied intelligent robot with variable wheel-foot configuration – GoMate, and expedited its industrial application.

Reforming to tackle challenges, enhancing quality and efficiency. The Group vigorously propelled the reform of its management control model and promoted the transition of its self-developed brands from strategic control towards operational governance, which fostered integrated operations across the fields of product, finance, procurement and marketing, and thus the comprehensive integrated reform plan began to take shape. The Group's headquarters was relocated entirely to the Panyu Auto City, where our self-developed brands are based, to facilitate the concentration of all elements towards frontline practices, allowing those "fighting in the trenches" to make decisions, further reducing operating costs and enhancing management efficiency. The Group vigorously advanced the mixed-ownership reform of its investment enterprises. Throughout the year, it successfully launched five mixed-ownership reform projects, including GAC Hino, aerocar, and Lisheng Technology. The successful listing of ON TIME on the Main Board of the Stock Exchange has stimulated fresh vitality and momentum for the Company.

Attaining win-win with steady returns. Since its listing, the Company has consistently maintained a long-term, sustainable, and stable dividend policy, distributing dividends twice each year and achieving cumulative cash dividends of more than RMB26 billion. The total cash dividends distributed throughout the year amounted to approximately RMB514 million, which, at an increased proportion, accounted for approximately 62.43% of the net profit attributable to shareholders of the listed company for the year. In order to improve the investor return mechanism and provide shareholders with diversified investment return channels, the Company has formulated and implemented its first share repurchase plan. As at the end of February 2025, the Company has cumulatively repurchased approximately 299 million Shares, accounting for 2.90% of the Company's total Shares. Among them, approximately 13.51 million A Shares have been repurchased for a total amount of approximately RMB100 million; and approximately 285 million H Shares have been repurchased for a total amount of approximately HK$859 million.

At present, divergence in the global automobile industry is accelerating in the midst of reforms, where the competition in new energy and intellectualisation has entered a "deep-water zone", and the automobile industry has entered the "knockout round". In the face of complex and formidable internal and external situations, we will focus on the three core tasks of "stabilizing joint ventures, fortifying independence, and expanding the ecosystem", with the determination and resolve of a "second entrepreneurship", and take the three main initiatives of "transformation, reform and reconstruction" as a pivot to restructure and start afresh. We will spare no effort in pursuit of the goal of a 15% year-on-year growth in annual automobile sales volume, propelling the Group towards sustainable high-quality development in the long run.

Ushering in a new horizon of development by fully advancing the "Panyu Action". 2025 is the first year of the three-year "Panyu Action" and a critical year for its effectiveness upon implementation. The Group aims to accelerate the construction of five major guarantees, encompassing integrated organization, product development process, market-oriented system, high-level talents, and sufficient funds, through four major reformative measures, including brand leadership, product priority, cutting-edge technologies, and international market expansion, to reshape the characteristics of our self-developed brands and maintain our leading position in new energy and intelligent driving technologies. Over the next three years, we will strategically plan to launch 22 new vehicle models, striving to attain over 60% of the Group's total sales volume from its self-developed brands by 2027, and targeting sales of 2 million vehicles and exporting 500 thousand vehicles under self-developed brands.

Consolidating the foundation of businesses through "stabilizing joint ventures, fortifying independence, and expanding the ecosystem". The Group is making every effort to promote the transformation and breakthrough of joint venture brands while seeking stability and recovery. GAC Honda will push forward the "nurturing innovation, envisioning intelligence" strategic transformation plan to accelerate the transition towards intellectualisation and electrification. GAC Toyota will steadily advance the implementation of the "Fusion 2030" strategy, closely targeting the goal of returning to one million units within three years. It will contrive and construct the reforms across multiple dimensions including products, operations, and systems to fundamentally enhance its enterprise competitiveness. The Group is set to accelerate the integrated operation of self-developed brands and the adjustment to product structure, comprehensively deploying mainstream forms of new energy power such as REEV, PHEV, EV, etc. Several new automobile models will be launched in 2025. The Group will strive to forge star models, so as to drive and prop up its self-developed brands to steadily surpass the million-vehicle benchmark throughout the year. By concentrating on innovation and industrial application of pivotal core technologies within the realms of "New Four Modernisations", the Group aims to construct an independent and controllable industrial chain, catalyzing the emergence of an ICV and NEV industry cluster. It will also integrate and optimise supply chain resources by adhering to principles of"openness, co-creation, transparency, and reliability", and foster a new supply chain ecosystem characterized by exceptional product competitiveness and superlative cost competitiveness. The Group is committed to its customer-oriented philosophy and focuses on enhancing customer experience throughout the entire lifecycle, strengthening user-driven operations, and innovating user ecosystem.

Achieving strategic breakthrough in the fields of "transformation, reform and reconstruction". The Group will resolutely advance its strategic transformation, and accelerate the strategic transition towards electrification and intellectualisation. Every effort will be made to master pivotal core technologies, expedite the R&D innovation and industrial application of new generation battery technology, fortify a robust energy ecological chain from mineral resources to charging piles, and continuously consolidate and enhance its core competitive advantages in the field of electrification. A specialized mechanism tailored for intelligent transformation will be established and implemented to propel the rapid iteration and upgrading of self-developed intelligent driving product technologies. The Group strives to position itself as one of the global frontrunners in intelligent driving within three years. The Group will intensify reform in organisation to establish an operation-oriented headquarters. It aims to promote in-depth reforms and reconstruction in procedural, organizational and decision-making mechanisms driven by the introduction of IPD (integrated product development) and digitalisation transformation. This involves transitioning from a function-centric model to a project-centric approach, and from functional operations to matrix operations, ultimately establishing a process-driven organization. The Group will scientifically plan its major strategic tasks, key reform initiatives, and significant engineering projects, concurrently launch the "Ten-Hundred-Thousand Project" for strategic capability enhancement, and mobilise all divisions across the Group to comprehensively benchmark against industry leaders. It will identify critical capability gaps within each domain and formulate targeted improvement plans. Through quantified management and effective enhancement of organizational capabilities, we will ensure the successful implementation of strategic objectives. The Group will set to expedite business restructuring, continuously foster the implementation of integrated operation of self-developed brands, and carry out all-round and in-depth business restructuring of the self-developed brands across various domains such as product and technological innovation, production and manufacturing transformation, as well as the reshaping of marketing and service models, to form an integrated business operation system with effectiveness and synergy. The Group will remain steadfast in its commitment to internationalisation, refine its systematic approach to overseas expansion and enhance its localised operational capabilities, and invigorate the momentum of international business growth, while encouraging joint ventures to strengthen their localised R&D capabilities and exploring joint-ventured cooperation at a higher level. The Group will also step up in advancing the new high-end smart NEV brand in collaboration with Huawei, and explore paths to promote emerging cooperative development, thereby infusing new momentum into the Group's sustainable development.

Adversity polishes jade, forging excellence through fire. Confronted with a new round of technological revolution and industrial transformation, we shall firmly anchor ourselves in the strategic blueprint of "Trillion GAC" with the determination of a "second entrepreneurship". We will vigorously propel the three-year "Panyu Action" to break through barriers, strive to lead amidst fierce competition, and create a new chapter of high-quality development.

SUMMARY OF BUSINESS OF THE COMPANY

(I) Summary of business

The existing principal businesses of the Group consist of research and development, manufacture of vehicles (vehicles and motorcycles), parts and components, commercial and mobility transportation services, energy and ecosystem, internationalisation as well as investment and finance, which form a complete closed-loop industry chain.

1. Research and development

The Group's R&D is based on GAEI, a directly funded and managed body of the Company. It is mainly responsible for the Group's general development plan of new products and new technologies, as well as implementation of material R&D projects.

2. Manufacture of vehicles

(1) Manufacture of passenger vehicles

It is mainly conducted through subsidiaries, including GAC Trumpchi, GAC AION and joint ventures, including GAC Honda and GAC Toyota. During the reporting period, the Group launched new, upgraded or facelifted vehicle models such as GAC Trumpchi GS4 MAX, M6 MAX and S7, GAC AION second-generation AION V, AION RT, AION UT and Hyptec HL, GAC Toyota ninth-generation Camry, bZ3X, GAC Honda e:NP2, P7, etc.

➢ **Products:** The Group's passenger vehicles include 14 series of sedans, 20 series of SUV and 6 series of MPV.

The commercial vehicles are mainly manufactured by the subsidiary, GAC Hino, with the main products being fuel-powered heavy-duty trucks, new energy heavy-duty trucks, new energy light-duty trucks, new energy buses, pickup trucks, etc.

➢ **Production capacity:** As at the end of the reporting period, the total vehicle production capacity amounted to 2,890 thousand units/year. During the reporting period, the Group upgraded certain production capacity, and the construction of GAC AION's Changsha Smart Eco Factory and GAC Honda's New Energy Factory have been completed and put into production.

➢ **Sales channel:** Centering around the consumer demand for online consumption, the Group focused on the operational management of new media and construction on digitalisation. It constantly launched and optimised its order tools for online direct sales, and strived to improve the operational efficiency of APPs deployed in various original equipment manufacturers (OEMs) to provide a better automobile purchasing experience for customers. The Group conducts automobile sales through sales outlets and online channels. As at the end of the reporting period, the Company, together with its joint ventures and associated enterprises, had 2,419 4S sales outlets across 31 provinces, counties, autonomous regions and municipalities in the PRC. Overseas sales outlets of self-developed brands amounted to 490, with its sales and service operations covering 74 countries and regions.

(2) Motorcycles

The Group manufactures motorcycles through its joint venture Wuyang Honda. Main products include standard motorcycles, sport bikes, scooters, electric bicycles and electric motorcycles, etc. As at the end of the reporting period, the total production capacity of motorcycles of the Group was 1.25 million units/year.

3. Parts and components

The Group's production of parts and components of vehicles was mainly carried out through the subsidiaries, joint ventures and investee companies of GAC Component, a subsidiary of the Company, and Ruipai Power, a subsidiary held by the Group, and GAC Toyota Engine, CATL GAC, Lisheng Technology, etc., the Group's joint ventures and associated companies. The parts and components of vehicles include engines, gearboxes, car seats, micro motors, shifter, power battery, electric drive, electric controller, interior and exterior decorations, etc. The products were mainly accessories for manufacture of vehicles of the Group.

4. Commercial and mobility transportation services

The Group carried on businesses in vehicle sales, logistics, international trading, second-hand vehicles, supporting services, mobility transportation, etc., mainly through its subsidiary, GAC Business (as well as its subsidiaries and investee companies) and ON TIME (as an investee company) etc. in the upstream and downstream automobile industry chains.

5. Energy and ecosystem

The Group constructed a vertically integrated new energy industry chain of "lithium mine + production of basic lithium battery raw material + battery production + energy storage and battery charging and swap service + battery leasing + battery recycling and gradient utilisation" through establishing UPOWER Energy, GAC Energy, IMPOW Battery and other companies. In response to the trend of new energy development, the Group actively expands energy and ecological businesses to build an integrated energy ecosystem, achieving leapfrog development in energy ecology, and innovative breakthroughs in software services (OTA + software value-added services).

6. Internationalisation

The Group established GAC International to be responsible for the overseas market operation and sales services of its self-developed brands, and promoting the implementation of various internationalisation measures such as medium and long-term overseas product planning, overseas factory construction planning and overseas channel operation planning.

7. Investment and finance

The Group carried on automobile credit, insurance, insurance brokerage, financial investment, finance lease, and other related businesses mainly through its subsidiaries, namely Urtrust Insurance, GAC Finance Company, GAC Capital, China Lounge Investments, and joint ventures, namely GAC-SOFINCO, GAC-SOFINCO Leasing, etc.

(II) ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

1. Industry layout with complete industry chain and optimised structure

The Group has formed an industrial strategic layout based in South China and radiating across the country, centering upon manufacture of whole vehicles, and its business covers seven segments including R&D, manufacture of vehicles, parts and components, commercial and mobility transportation services, energy and ecosystem, internationalisation, and investment and finance. The Group is one of the automobile groups in the PRC with the most integrated industry chains and the most optimised industry layout. The synergies between the upstream and downstream of the industry chain have progressed gradually, new profit growth points have been continuously emerging and the overall competitiveness of the Group has been constantly enhanced. During the reporting period, GAC AION's Changsha Smart Eco-Factory, GAC AION's Thailand Smart Factory and GAC Honda's New Energy Factory were completed and put into production, further improving the Group's production capacity layout.

2. Advanced manufacturing, craftsmanship, quality and procedural management

The Group has comprehensive advantages in terms of manufacturing, craftsmanship, quality and procedural management which mainly include: (1) international leading quality advantage; (2) innovative advantage brought by "continuous improvement"; and (3) cost advantage originating from persistent refinement. By virtue of its strengths, such as flexible production of steel and aluminum bodies, digital autonomous decision-making, interactive customisation, and comprehensive energy utilization, GAC AION's Smart Eco-Factory has been awarded the title of the world's only "Lighthouse Factory" for new energy vehicle manufacturing, which represents the highest global benchmark for intelligent and digital manufacturing.

3. Continued enrichment of product line and optimisation of product structure

The Group has a full range of products including sedans, SUVs and MPVs, maintaining the market competitiveness of its products through continuous R&D, introduction of new vehicle models and product iterations, so as to adapt to changes in consumer demand, maintain customer loyalty and a widely recognised brand reputation. During the reporting period, the Group launched new, upgraded and facelifted models such as GAC Trumpchi GS4 MAX, M6 MAX and S7, GAC AION second-generation AION V, AION RT, AION UT and Hyptec HL, GAC Toyota ninth-generation Camry, bZ3X, GAC Honda e:NP2, P7, etc.

4. *Initiated the "GAC Production Model" for the R&D and production system of self-developed brands*

After years of introduction, digestion, absorption and innovation, the Group has accumulated funds, technologies, talents and experience, and formulated a world-class production system. For R&D, through the integration of advantageous global resources and the establishment of a global R&D network, the Group has formed a cross-platform and modular-structured forward development system, possessing the advantage of integrated innovation. The Group also owns the State-Certified Enterprise Technology Center, the overseas high-level talent innovation and entrepreneurship base, the national demonstration base for talent introduction, academician workstation, postdoctoral research workstation and other innovation platforms. GAC Group's powertrain independent R&D team was awarded the title of "National Outstanding Engineering Team". During the reporting period, the Group comprehensively advanced the reform of integrated operation of its self-developed brands, and promoted in-depth reforms and reconstruction in procedural, organizational and decision-making mechanisms driven by the introduction of IPD and digitalisation transformation.

5. *Leading independent R&D capabilities in new energy and ICV*

In the field of new energy, the Group possesses a cutting-edge exclusive platform for pure electric vehicles. The Group deeply engaged in independent R&D as well as industrial application of power batteries, battery cells and electric drives, and self-developed power battery technologies such as sponge silicon anode battery technology, ultra-fast charging battery technology and the magazine battery system safety technology, as well as the deeply integrated "three-in-one" electric drive system and two-gear dual-motor "four-in-one" integrated electric drive system. This led to the creation of the "AION" series and the "Hyptec" series, which are NEV product systems based on the new exclusive platform of pure electricity. The Group has also successfully introduced a variety of new energy products to its joint ventures. In the field of energy conservation, the Group established the Mega Waves Hybrid Modular Architecture adopting platform-based modular designs, which can be assembled into a powertrain system suitable for all XEV models (i.e. hybrid models such as HEV and PHEV). In the field of ICV, the Group has self-developed the ADiGO PILOT intelligent driving system and the centralised computing electronic and electrical architecture "X-soul" equipped with vehicle-cloud integration. During the reporting period, key core components such as the self-developed and self-produced IMPOW battery and Ruipai electric drive were put into mass production for installation. The Company was selected as one of the first automobile enterprises in the country to carry out pilot programs of L3 autonomous driving on the road, and its urban Navigated Driving Assist (NDA) with advanced intelligent driving technology achieved nationwide coverage.

DISCUSSION AND ANALYSIS ON OPERATION

(I) ANALYSIS ON INDUSTRY ENVIRONMENT[1]

In 2024, as the international trade protectionism phenomenon became more severe, the competition within the automobile industry further intensified. Even so, a series of policies continued to take effect, complemented by multiple measures aiming at stimulating the vitality of end consumers in the automobile market, which catalyzed a resurgence in the automobile industry while maintaining stability, with China's automobile production and sales volume sustaining a scale of more than 30,000 thousand vehicles. In 2024, China's automobile production and sales volume reached 31,282 thousand units and 31,436 thousand units respectively, representing a year-on-year increase of 3.7% and 4.5% respectively. The production and sales volumes reached new heights, with the total volume ranking first in the world for 16 consecutive years. Among them, domestic automobiles sales volume stood at 25,577 thousand units, representing a year-on-year increase of 1.6%; automobile exports came to 5,859 thousand units, representing a year-on-year increase of 19.3%.

In 2024, the production and sales volume of passenger vehicles reached 27,477 thousand units and 27,563 thousand units respectively, representing a year-on-year increase of 5.2% and 5.8% respectively. Among them, the domestic sales volume of passenger vehicles reached 22,608 thousand units, representing a year-on-year increase of 3.1%; and passenger vehicle exports reached 4,955 thousand units, representing a year-on-year increase of 19.7%. Among the main varieties of passenger vehicles, the sales volume of SUV amounted to 14,722 thousand units, representing a year-on-year increase of 11.5%; the sales volume of sedans amounted to 11,517 thousand units, representing a marginal year-on-year increase of 0.2%; the sales volume of MPV amounted to 1,050 thousand units, representing a slight year-on-year decrease of 4.75%; and the sales volume of cross passenger vehicles amounted to 274 thousand units, representing a year-on-year increase of 3.5%. In terms of energy categories, the domestic sales volume of traditional fuel-powered passenger vehicles was 11,558 thousand units, representing a year-on-year decrease of 17.4%; and the domestic sales volume of new energy passenger vehicles was 11,050 thousand units, representing a year-on-year increase of 40.2%, the proportion of which in the domestic sales volume of passenger vehicles further increased to 48.9%.

The proportion of sales volume for the passenger vehicles of Chinese brands experienced a significant increase compared with last year. In 2024, 17,970 thousand units of passenger vehicles of Chinese brands were sold, representing a year-on-year increase of 23.1% and accounting for 65.2% of the total sales volume of passenger vehicles, the proportion of which increased by 9.2 percentage points compared to last year. Among the major foreign brands, except for a slight increase in Korean brands, all others showed double-digit declines.

The market performance of commercial vehicles remained relatively weak. In 2024, the production and sales volume of commercial vehicles reached 3,805 thousand units and 3,873 thousand units respectively, representing a year-on-year decline of 5.8% and 3.9% respectively.

1 Information on the industry is sourced from the China Association of Automobile Manufacturers.

Under the combined influence of favorable policies, abundant supply, reduced prices and continuous improvement of infrastructure, new energy vehicles continued to grow, with both production and sales volume exceeding 10,000 thousand units in 2024. The annual production and sales volume of NEVs reached 12,888 thousand and 12,866 thousand units respectively, representing a year-on-year increase of 34.4% and 35.5% respectively. The sales volume of new energy vehicles accounted for 40.9% of the total sales volume of new vehicles, representing an increase of 9.3 percentage points compared with 2023. Among them, the sales volume of pure electric vechicles accounted for 60% of NEVs, representing a decrease of 10.4 percentage points compared with last year; and the sales volume of PHEVs accounted for 40% of NEVs, representing an increase of 10.4 percentage points compared with last year. The rapid growth of PHEVs has emerged as a new driving force for the growth of NEVs.

The overseas expansion of Chinese automobile companies continued to yield results, with export volumes increasing rapidly, which has become a crucial force in driving the growth of China's total automobile production and sales volume. Throughout the year, automobile exports totaled 5,859 thousand units, representing a year-on-year increase of 19.3%. In particular, passenger vehicle exports were 4,955 thousand units, representing a year-on-year increase of 19.7%; and commercial vehicles exports were 904 thousand units, representing a year-on-year increase of 17.5%. In terms of energy categories, 4,574 thousand traditional fuel-powered vehicles were exported, representing a year-on-year increase of 23.5%; and 1,284 thousand NEVs were exported, representing a year-on-year increase of 6.7%.

(II) ANALYSIS ON OPERATION OF THE COMPANY

In the face of the external environment of extreme price involution and dramatic changes in the competitive landscape in the automobile industry, the Group has launched the campaign of "in-depth reform, strengthened management and facilitated development, battling for improvement of quality and efficiency" in full swing, with a view to comprehensively enhance its product strength, brand strength, marketing strength, sales strength, service strength, and execution strength. The Group's automobile sales volume has maintained growth compared to the previous cycle for five consecutive months since August 2024. During the year, the Group's production and sales volume of vehicles amounted to 1,916.6 thousand units and 2,003.1 thousand units respectively, of which the production and sales volume of NEVs reached 436.2 thousand units and 454.7 thousand units respectively. During the reporting period, the proportion of the Group's sales volume generated from energy-efficient vehicles and NEVs had increased to 45.21%, of which the proportion of energy-efficient vehicles stood at approximately 22.51% whereas that of NEVs amounted to approximately 22.70%.

1. *Self-developed brands gained momentum to embrace transformation*

In 2024, the Group's self-developed brands achieved production and sales volume of 762.3 thousand units and 789.5 thousand units respectively, and the proportion of self-developed brands in the Group's total vehicle sales volume increased to approximately 39.41%. During the reporting period, self-developed brands accelerated their transformation towards new energy and intellectualisation, achieving a NEV sales volume of 430.8 thousand units, with self-developed brands' NEV sales volume accounting for approximately 55%.

(1) GAC Trumpchi

During the year, GAC Trumpchi achieved production and sales volume of 405.5 thousand units and 414.6 thousand units respectively, and the proportion of high-value models increased constantly. Among them, the sales volume of MPVs amounted to approximately 184 thousand units, representing a year-on-year increase of approximately 12%, ranking first among domestic MPV manufacturers, where M8, M6 and other model series continued to rank at the forefront in the market segment. Sales volume of PHEV models reached approximately 56 thousand units, representing a year-on-year growth of nearly 84%, while E8 and E9 models continued to sell well. GS3 Shadow Speed achieved a sales volume of approximately 95 thousand units, marking a year-on-year growth of 40%. Focusing on the transformation towards new energy and intellectualisation, GAC Trumpchi launched the EV+ new energy platform and i-GTEC 2.0 smart electric technology, and released its first new automobile model equipped with advanced intelligent driving function, Trumpchi S7. GAC Trumpchi has also deepened cooperation and joint innovation with Huawei, and has scheduled three flagship models equipped with Huawei's HarmonyOS smart cockpit and QianKun ADS3.0 advanced smart driving function for mass production in 2025.

(2) GAC AION

During the year, GAC AION achieved production and sales volume of 356.7 thousand units and 374.9 thousand units respectively, ranking firmly in the forefront of pure electric NEV manufacturers. Among them, AION S and AION Y ranked second[2] among domestic pure electric A-class sedans and pure electric A-class SUVs respectively in terms of terminal sales volume. During the reporting period, GAC AION unveiled its first global strategic model, the second-generation AION V as well as AION RT, taking the lead in popularising advanced intelligent driving function within the price range of RMB150 thousand. The launch of the third global strategic model AION UT and the new flagship model Hyptec HL under the Hyptec brand attracted great attention from the market. GAC AION's Changsha Smart Eco-Factory was completed and put into production to further improve the capacity layout. To promote the dual-brand operation, the AION letter logo was adopted for the AION brand and its products to shape globalised brand awareness. Hyper brand released its brand value 2.0, upgrading its English name to Hyptec, further consolidating the brand's premium image.

2 The vehicle end-use sales data in the report are sourced from China Automotive Technology Research Centre Ltd.

2. Joint venture brands accelerated transformation

During the year, GAC Toyota achieved production and sales volume of 736 thousand units and 738 thousand units respectively, among which the terminal sales volume of models such as Frontlander and Sienna ranked among the forefront in the domestic market segment. GAC Toyota continued to accelerate its electrification transformation, achieving sales of 369.4 thousand energy conservation and NEV models throughout the year, representing a year-on-year increase of 18%, with the proportion exceeding 50%. The terminal sales volume of HEV models ranked first in the domestic hybrid market. During the reporting period, GAC Toyota launched the ninth-generation Camry and released the pure electric model bZ3X. Simultaneously, GAC Toyota focused on cockpit intelligence and interior premiumisation to enhance several existing models such as Highlander and Sienna, thereby enhancing product competitiveness. The aggregate production and sales volume of GAC Honda amounted to 416.1 thousand units and 470.6 thousand units respectively, among which 20.6 thousand units were exported. During the reporting period, GAC Honda launched its new pure electric model e:NP2 and unveiled its new pure electric brand along with its first automobile model P7. GAC Honda's New Energy Factory was also completed and put into operation at the end of 2024, further accelerating its electrification process. GAC Hino completed its equity adjustment, and launched its first new energy heavy-duty truck T9 following obtaining approval for production of new energy trucks and buses, accelerating its transformation into intelligent new energy commercial vehicles. Wuyang Honda accelerated its product iteration and quickened the pace of intellectualisation, launching 17 new models throughout the year and achieving a sales volume of 643.9 thousand motorcycles (electric motorcycles inclusive), of which 155.8 thousand units were exported.

3. Internationalisation ushered in a new phase

In 2024, the Group achieved an overseas sales volume of approximately 127 thousand units, representing a year-on-year increase of approximately 67.6%, of which overseas sales of self-developed brands were approximately 106 thousand units, representing a year-on-year increase of 92.3%. In terms of products, 7 new overseas automobile models were introduced throughout the year, contributing to sales volume of more than 50 thousand units. In terms of channels, the self-developed brands have established their presence in 74 countries and regions, with a total of 490 outlets built. By actively promoting localised production, the international business has entered a brand-new stage where vehicle exports and local manufacturing proceed in parallel. Our CKD plant in Malaysia was completed and put into operation in April 2024, and its first locally assembled model was the GS3 Shadow Speed. In July 2024, GAC AION's Thailand Smart Factory was officially completed and put into production, with an initial production capacity of 50 thousand units per year, positioning it as the Group's automobile manufacturing hub in Southeast Asia. The Group continued to accelerate its global layout for localised operations. In 2024, it completed the registration of 11 subsidiaries including GAC International's subsidiaries in Europe and Brazil, as well as overseas subsidiaries in the sectors of logistics, parts and components, and energy, accelerating the deployment of major strategic footholds. In terms of ecosystem and industrial chain collaboration, GAC Business's logistics subsidiary in Mexico was put into operation, and GAC Component's seat manufacturing project in Thailand was put into production.

4. *Technological innovation achieved breakthroughs*

In the field of ICV, the Group obtained the qualification for being one of the first automobile enterprises in the country to carry out pilot programs of L3 autonomous driving on the road, laying a foundation for promoting the commercialisation and industrial development of L3 autonomous driving. The Group achieved nationwide coverage for its urban NDA with advanced intelligent driving technology, and pioneered the installation of intelligent driving assistance systems with laser radar on models priced at around RMB150,000, accelerating the popularisation of advanced intelligent driving technology. The Group launched the ADiGO SENSE large-scale terminal-cloud integrated model. In virtue of its innovative product function design and smooth interactive experience based on the large-scale AI model, it obtained the first A+ class AI smart cockpit capability certification in the automobile industry issued by CAERI Kairui Testing & Certification (Chongqing) Co., Ltd. (中汽院凱瑞檢測認證(重慶)有限公司).

In the fields of electrification and carbon reduction, the Group has pioneered the amorphous-carbon fiber electric drive, achieving a maximum motor efficiency of 98.5%, which will be mass-produced and installed on Hyptec HL. The Group has achieved major breakthrough in the research of efficient engine system technology, with the effective thermal efficiency of a multi-cylinder engine that can be equipped on a whole vehicle exceeding 46%, reaching the world's leading level in terms of technology.

In the field of forward-looking technology, driven by the needs for future three-dimensional travel and smart mobile life, the Group expedites the R&D of aerocar. The independently developed GOVE multi-rotor aerocar was awarded the special flight certificate for civil unmanned aerobat by the Civil Aviation Administration of China. The first composite-wing aerocar GOVY AirJet made its debut, and a new aerocar brand GOVY was released. The Group also actively explored the cutting-edge technologies of embodied intelligent robots and launched the embodied intelligent humanoid robot GoMate.

5. *Perfecting the industry ecosystem*

In the fields of parts and components, GAC Component accelerated the research and development of key system components, and strategically invested in Chenzhi Technology Co., Ltd. (辰致科技有限公司) to enhance the Group's software and hardware competitiveness in the field of intelligent digital chassis. It also pushed forward the construction of GAC Ogihara's new digital factory and accelerated the breakthrough of modular integrated die-casting technology. The construction of Lisheng Technology's Nansha factory was completed and the factory has been put into production, carrying out the mass production of products such as domain control units, T-BOX (on-board electrical components), and gateways.

In the fields of commercial and mobility transportation services, GAC Business deepened its new media marketing, and upgraded its sales outlet image, so as to enhance both marketing strength and sales strength. It achieved a sales volume of approximately 140 thousand vehicles for end consumers throughout the year. GAC Business scientifically and rationally expanded and optimized its sales channel network, adding 14 outlets of first-tier channel throughout the year. By the end of 2024, GAC Business had set up a total of 127 outlets of first-tier sales channel in 46 cities in 21 provinces across the country. ON TIME achieved steady business growth. The number of orders in 2024 exceeded 100 million, and the cumulative number of registered users exceeded 34.50 million.

In the fields of energy and ecosystem, IMPOW Battery achieved rapid production capacity ramp-up and yield rate improvement, with over 40,000 sets of power batteries installed and delivered. GAC Energy rapidly built a nationwide energy replenishment network, with 620 new charging stations, 9,601 charging terminals, and 6 battery swapping stations. It has built and operated a total of over 1,400 charging stations, over 14,000 charging terminals, and 68 battery swapping stations. The Company signed strategic cooperation framework agreements with China Southern Power Grid, NIO Power, etc. to promote the integration and interaction of its NEVs with the power grid, and the sharing of charging and swapping infrastructure resources.

In the fields of investment and finance, GAC-SOFINCO formulated "one factory, one policy" based on the product characteristics and market demand of the original equipment manufacturers (OEMs), and launched innovative and differentiated financial products to precisely assist the OEMs in vehicle sales. It also actively developed inventory financing business to alleviate the financial pressure on dealers. Urtrust Insurance vigorously expanded its NEV insurance business, achieving a premium income of RMB1.78 billion for NEV insurance in 2024, representing a year-on-year increase of 37.5%. Through actively carrying out equity investment along the ICV and NEV industry chain, GAC Capital completed investments in three leading domestic autonomous driving technology companies, including DIDI Autonomous Driving, WeRide, and Pony.ai. GAC-SOFINCO Leasing appointed Société de Financement Industriel et Commercial (SOFINCO) as its strategic investor, thereby further improving its capital structure and enhancing its risk resistance.

(III) DISCUSSION AND ANALYSIS BY THE BOARD ON OPERATION OF THE COMPANY DURING THE REPORTING PERIOD

During the reporting period, the Group realised revenue of approximately RMB401.65 billion on an aggregated basis, representing a year-on-year decrease of approximately 20.04%.

During the reporting period, the revenue of the Group amounted to approximately RMB107.784 billion, representing a year-on-year decrease of approximately 16.90%. The net profit attributable to owners of the parent company amounted to approximately RMB824 million, representing a year-on-year decrease of approximately 81.40%. The basic earnings per Share amounted to approximately RMB0.08, representing a year-on-year decrease of approximately 80.95%.

The major factors accounting for the variation of results during the reporting period included:

1. In 2024, affected by many factors such as price involution in the automobile industry and dramatic changes in the competitive landscape, the Group achieved a sales volume of 2,003.1 thousand vehicles, representing a year-on-year decrease of 20.04%, of which the sales volume of vehicles under our self-developed brands amounted to 789.5 thousand units, representing a year-on-year decrease of 10.95%. At the same time, in order to cope with the market competitions, the relevant enterprises have made additional investment in business.

2. In 2024, the Group achieved an overseas sales volume of approximately 127 thousand vehicles, representing a year-on-year increase of approximately 67.6%, of which overseas sales of self-developed brands were approximately 106 thousand vehicles, representing a year-on-year increase of approximately 92.3%. Meanwhile, companies providing supporting functions such as automotive parts and commercial services were deeply involved in the Group's internationalisation strategy, further improving the international logistics and parts support system to empower the development of the principal businesses of the Group.

(IV) ANALYSIS OF PRINCIPAL BUSINESS

Analysis of changes of items in the consolidated statement of profit or loss and the consolidated cash flow statement

Unit: 100 million Currency: RMB

Item	Current period	Corresponding period last year	Change (%)
Revenue	1,077.84	1,297.06	-16.90
Costs of sales	1,053.46	1,253.42	-15.95
Selling and distribution costs	54.17	50.32	7.65
Administrative expenses	58.34	56.57	3.13
Finance costs	5.63	4.67	20.56
Interest income	5.84	7.74	-24.55
Share of profits of joint ventures and associates	29.98	83.49	-64.09
Net cash flow generated from operating activities	82.99	46.04	80.26
Net cash flow generated from investing activities	-162.03	-53.33	203.83
Net cash flow generated from financing activities	48.18	60.25	-20.03

1. *Analysis on revenue and costs of sales*

During the reporting period, revenue of the Group amounted to approximately RMB107.784 billion, representing a year-on-year decrease of approximately 16.90%. This was mainly due to the "price war" and "involution" in the automobile industry this year. Throughout the year, GAC Trumpchi achieved an annual sales volume of 414.6 thousand vehicles, representing a year-on-year increase of 1.99%, and GAC AION achieved an annual sales volume of 374.9 thousand vehicles, representing a year-on-year decrease of approximately 21.90%;

During the reporting period, the Group recorded costs of sales of approximately RMB105.346 billion, representing a year-on-year decrease of approximately 15.95%. The gross profit amounted to RMB2.438 billion, representing a year-on-year decrease of approximately 44.13%. Gross profit margin decreased year-on-year by 1.1 percentage points, which was mainly due to the combined effect of the "price war" and "involution" in the automobile industry and the decrease in gross profit of the OEMs under its self-developed brands.

Principal business by industry

Unit: 100 million Currency: RMB

By industry	Revenue	Cost of sales	Gross profit margin (%)	Changes in revenue compared with last year (%)	Changes in cost of sales compared with last year (%)	Changes in gross profit margin compared with last year (%)
Automobile manufacturing industry	789.34	789.28	0.01	-16.04	-14.93	-99.24
Parts and components manufacturing industry	39.32	36.24	7.83	-11.22	-12.21	15.15
Commercial services	197.59	182.79	7.49	-26.69	-26.78	1.49
Financial services and others	51.59	45.15	12.48	19.69	30.08	-35.90
Total	1,077.84	1,053.46	2.26	-16.90	-15.95	-32.74

Principal business by product

Unit: 100 million Currency: RMB

By product	Revenue	Cost of sales	Gross profit margin (%)	Changes in revenue compared with last year (%)	Changes in cost of sales compared with last year (%)	Changes in gross profit margin compared with last year (%)
Passenger vehicles	789.34	789.28	0.01	-16.04	-14.93	-99.24
Vehicles related trades	236.91	219.03	7.55	-24.50	-24.71	3.57
Financial services and others	51.59	45.15	12.48	19.69	30.08	-35.90
Total	1,077.84	1,053.46	2.26	-16.90	-15.95	-32.74

Principal business by region

Unit: 100 million Currency: RMB

By region	Revenue	Cost of sales	Gross profit margin *(%)*	Changes in revenue compared with last year *(%)*	Changes in cost of sales compared with last year *(%)*	Changes in gross profit margin compared with last year *(%)*
Mainland China	960.44	953.34	0.74	-22.66	-20.94	-74.48
Overseas	117.40	100.12	14.72	112.64	110.25	7.05
Total	1,077.84	1,053.46	2.26	-16.90	-15.95	-32.74

Analysis of sales and production volume

Unit: Vehicle

Major products	Production volume	Sales volume	Inventory	Increase/decrease in production volume compared with last year *(%)*	Increase/decrease in sales volume compared with last year *(%)*	Increase/decrease in inventory compared with last year *(%)*
Sedans	181,632	193,975	2,087	-35.67	-29.14	-84.90
SUV	394,090	411,608	9,678	-14.09	-8.25	-59.78
MPV	186,555	183,892	9,615	14.24	12.02	39.29

Illustration on production and sales volume: mainly the production and sales data of GAC Trumpchi and GAC AION within the scope of consolidation.

Sales to major customers

Unit: 100 million Currency: RMB

Customers	Revenue	Ratio to revenue *(%)*
Total sales to top 5 customers	30.50	2.86

Major suppliers

Unit: 100 million Currency: RMB

Suppliers	Amount of procurement fees	Ratio to total procurement *(%)*
Total procurement from the top 5 suppliers	99.54	9.89

Amount of procurement fees paid to the largest supplier of the Group accounted for 4.19% of the total amount of procurement fees of the Group for the year.

During the reporting period, to the best of the Directors' knowledge, no Directors, Supervisors or their close associates or shareholders holding more than 5% of the Company's issued Shares have any interest in the top 5 suppliers.

2. *Expenses*

(1) The year-on-year increase of approximately RMB385 million in selling and distribution costs was mainly attributable to the combined effect of that the self-developed brands were facing new energy transformation and internationalisation, coupled with the increase in labor costs and advertising fees during the reporting period;

(2) The year-on-year increase of approximately RMB177 million in administrative expenses was mainly attributable to the combined effect of the corresponding increase in the routine expenses resulting from the enterprise development, as well as the increase in the expenses arising from depreciation and amortisation during the reporting period;

(3) The year-on-year increase of approximately RMB96 million in finance costs was mainly attributable to the increase in borrowings during the reporting period, which resulted in an increase in interest expenses on borrowings;

(4) The year-on-year decrease of approximately RMB190 million in interest income was mainly attributable to the decrease in interest income resulting from lowering of the interest rates by the banks during the reporting period.

3. *Research and development expenditures*

(1) Table of research and development expenditures

Unit: 100 million Currency: RMB

Expensed research and development expenses during the reporting period	14.39
Capitalised research and development expenses during the reporting period	57.15
Total research and development expenditures	71.54
Percentage of total research and development expenditures over total revenue (%)	6.64
Number of research and development staff	7,317
Number of research and development staff over total number of staff (%)	19.10
Percentage of capitalised research and development expenditures (%)	79.89

(2) During the reporting period, expenditures in research and development amounted to approximately RMB7.154 billion, representing a year-on-year decrease of approximately RMB1.064 billion, which was mainly attributable to the combined effect of adjusting the pace of R&D investment based on changes in the market environment, and promoting cost reduction and efficiency improvement during the reporting period.

4. Share of profit of joint ventures and associated companies

During the reporting period, the Group's share of profit of joint ventures and associated companies amounted to approximately RMB2.998 billion, representing a year-on-year decrease of approximately RMB5.351 billion, which was mainly attributable to the combined effect of the decrease in earnings from joint ventures.

5. Cash flows

(1) During the reporting period, net cash inflow generated from operating activities amounted to RMB8.299 billion, representing an increase in net inflow of RMB3.695 billion as compared with the net cash inflow of RMB4.604 billion in the corresponding period last year, which was mainly attributable to the increase in net cash flows from operating activities of financial enterprises during the reporting period;

(2) During the reporting period, net cash outflow generated from investing activities amounted to RMB16.203 billion, representing an increase in net outflow of RMB10.870 billion as compared with the net cash outflow of RMB5.333 billion in the corresponding period last year, which was mainly attributable to factors including the increased investments in financial enterprises and corporate certificates of deposit during the reporting period;

(3) During the reporting period, net cash inflow generated from financing activities amounted to RMB4.818 billion, representing a decrease in net inflow of approximately RMB1.207 billion as compared with the net cash inflow of RMB6.025 billion in the corresponding period last year, which was mainly attributable to the decrease in cash flows received from borrowings, and the decrease in dividend payment by the Group during the reporting period;

(4) As at 31 December 2024, cash and cash equivalent of the Group amounted to approximately RMB36.482 billion, representing a decrease of approximately RMB3.040 billion as compared with approximately RMB39.522 billion as at 31 December 2023.

6. Others

Income tax expenses amounted to approximately RMB-233 million, representing a year-on-year decrease of approximately RMB18 million, which was mainly attributable to the combined effect of changes in profit of certain enterprises and in deferred income tax during the reporting period.

To sum up, the Group's net profit attributable to equity shareholders of the Company for the reporting period amounted to approximately RMB824 million, representing a year-on-year decrease of approximately 81.40%. Basic earnings per Share amounted to approximately RMB0.08, representing a year-on-year decrease of approximately 80.95%.

(V) ANALYSIS OF ASSETS AND LIABILITIES

1. *Analysis table of assets and liabilities*

Unit: 100 million Currency: RMB

Item	Balance at the end of current period	Balance at the end of current period over total assets *(%)*	Balance at the end of the previous period	Balance at the end of the previous period over total assets *(%)*	Change *(%)*
Financial assets at fair value through other comprehensive income – non-current	117.16	5.04	50.94	2.33	130.00
Inventories	156.88	6.75	167.20	7.65	-6.17
Financial assets at fair value through other comprehensive income – current	142.38	6.12	56.34	2.58	152.72
Borrowings – non-current	119.69	5.15	103.84	4.75	15.26
Borrowings – current	233.22	10.03	177.32	8.12	31.52

2. *Analysis on change*

(1) Financial assets at fair value through other comprehensive income – non-current increased by 130.00% as compared with the balance at the end of the previous period, mainly attributable to the increase in large-value certificates of deposit held etc. during the reporting period;

(2) Inventories decreased by 6.17% as compared with the balance at the end of the previous period, mainly attributable to the combined effect of the decrease in inventories due to the decreases in automobile production and sales volumes during the reporting period;

(3) Financial assets at fair value through other comprehensive income – current increased by 152.72% as compared with the balance at the end of the previous period, mainly attributable to the combined effect of the increase in interbank deposit certificates during the reporting period;

(4) Borrowings – non-current increased by 15.26% as compared with the balance at the end of the previous year, mainly attributable to the combined effect of the increased demand for long-term funds due to the business development of certain enterprises during the reporting period;

(5) Borrowings – current increased by 31.52% as compared with the balance at the end of the previous year, mainly attributable to the combined effect of the increase in the demand of certain enterprises to replenish their working capital through short-term borrowings during the reporting period.

(VI) ANALYSIS OF FINANCIAL POSITION

1. Financial indicators

As at 31 December 2024, the Group's current ratio was approximately 1.22 times, representing a decrease from approximately 1.31 times as at 31 December 2023. The Group's quick ratio was approximately 1.05 times, representing a decrease from approximately 1.09 times as at 31 December 2023. Both ratios were within reasonable range.

2. Financial resources and capital structure

As at 31 December 2024, the Group's current assets amounted to approximately RMB111.086 billion, current liabilities amounted to approximately RMB90.778 billion and current ratio was approximately 1.22 times.

As at 31 December 2024, total borrowings amounted to approximately RMB35.291 billion, mainly consisting of borrowings from bank and financial institutions with closing balance of approximately RMB35.111 billion, etc. The above borrowings are payable upon maturity. The Group generally funds its business and operational capital needs with its own operating cash flow.

As at 31 December 2024, the Group's gearing ratio was approximately 22.46% (calculation of gearing ratio: (borrowings in non-current liabilities + borrowings in current liabilities)/(total equity + borrowings in non-current liabilities + borrowings in current liabilities)).

3. Foreign exchange risk

As the Group mainly conducts its business in the PRC and the sales and procurement in the PRC were denominated in RMB, changes in foreign exchange did not have any material effect on the Group's operating results and cash flow during the reporting period.

4. Contingent liabilities

As at 31 December 2024, financial guarantee given by the Company to controlled and whole-owned subsidiaries of the Group amounted to RMB0 (31 December 2023: RMB0).

As at 31 December 2024, independent third-party financial guarantee given by the Company amounted to RMB0 (31 December 2023: RMB0).

As at 31 December 2024, financial guarantee given by the Group to related parties outside the consolidation scope amounted to RMB0 (31 December 2023: RMB0).

(VII) ANALYSIS OF AUTOMOBILE MANUFACTURING INDUSTRY OPERATION

1. Sales and production volume of whole vehicles

By vehicle model

Vehicle types	Sales volume (units) Total number for the year	Total number for last year	Changes in total sales volume compared with the corresponding period last year	Production volume (units) Total number for the year	Total number for last year	Changes in total production volume compared with the corresponding period last year
Passenger vehicle	2,002,035	2,504,415	-20.06%	1,915,602	2,528,652	–24.24%
Sedans	672,112	1,016,050	-33.85%	644,440	1,022,387	–36.97%
SUV	1,014,317	1,198,042	-15.34%	962,522	1,213,383	–20.67%
MPV	315,606	290,323	8.71%	308,640	292,882	5.38%
Commercial vehicle	1,023	560	82.68%	1,013	170	495.88%
Total	2,003,058	2,504,975	-20.04%	1,916,615	2,528,822	–24.21%

By region

Vehicle types	Domestic sales (units) Total number for the year	Total number for last year	Changes in total sales volume compared with the corresponding period last year	Oversea sales (units) Total number for the year	Total number for last year	Changes in total sales volume compared with the corresponding period last year
Passenger vehicle	1,874,972	2,428,619	-22.80%	127,063	75,796	67.64%
Sedans	657,982	1,010,340	-34.88%	14,130	5,710	147.46%
SUV	921,832	1,132,954	-18.63%	92,485	65,088	42.09%
MPV	295,158	285,325	3.45%	20,448	4,998	309.12%
Commercial vehicle	1,023	560	82.68%	0	0	–
Total	1,875,995	2,429,179	-22.77%	127,063	75,796	67.64%

Note: The above sales and production data include that of the joint ventures and associated companies.

(VIII) MATERIAL DISPOSAL OF ASSETS AND EQUITY INTEREST

Disposal of Certain Equity Interest in ON TIME to GAIG

On 19 January 2024, China Lounge Investments, a wholly-owned subsidiary of the Company, entered into an agreement with GAIG in relation to its disposal of 8,797,226 ordinary shares of ON TIME, representing 5% of the then issued shares of ON TIME, to GAIG at a consideration of RMB267,875,531.70. As GAIG is the controlling shareholder of the Company and therefore a connected person of the Company, the aforesaid transaction constituted a connected transaction of the Company. As one or more of the applicable percentage ratios (as defined in the Listing Rules) were more than 0.1% but all of them were less than 5%, the aforesaid disposal was subject to the reporting and announcement requirements, but was exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. For details, please refer to the Company's announcement dated 19 January 2024.

After the completion of the above disposal, the Company continued to indirectly hold 26,202,774 ordinary shares of ON TIME, representing 12.84% of the issued shares of ON TIME after its listing on the Main Board of the Stock Exchange on 24 July 2024.

Capital Increase of GAC-SOFINCO Leasing, Constituting a Deemed Disposal by the Company of Equity Interest in Its Subsidiary

On 15 October 2024, GAC-SOFINCO Leasing (formerly abbreviated as GAC Leasing), a then indirect wholly-owned subsidiary of the Company, entered into a capital increase agreement with Crédit Agricole Personal Finance & Mobility ("Crédit Agricole"), pursuant to which the registered capital of GAC-SOFINCO Leasing was enlarged from RMB1.7 billion to RMB3.4 billion, and Crédit Agricole, as the successful bidder in the public tender, shall subscribe for the increased registered capital of GAC-SOFINCO Leasing of RMB1.7 billion at the consideration of RMB2.1325 billion. Parties completed the transfer of equity interest on 16 January 2025, and therefore GAC-SOFINCO Leasing has become a jointly-controlled entity of the Company and Crédit Agricole, and its financial results will cease to be consolidated into the financial results of the Group beginning from the financial year ending 31 December 2025.

As one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the aforesaid deemed disposal was more than 5% but all of them were less than 25%, the aforesaid transaction constituted a discloseable transaction of the Company and was subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Crédit Agricole is a substantial shareholder of GAC-SOFINCO, a principal jointly-controlled entity of the Company. Accordingly, Crédit Agricole is regarded as a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, the aforesaid transaction was only subject to the reporting and announcement requirements but was exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

For details, please refer to the Company's announcements dated 15 October 2024 and 23 December 2024.

Disposal of Equity Interests in an Associated Company, Guangzhou Juwan Technology Research Co., Ltd. (廣州巨灣技研有限公司) to GAIG

As approved by a resolution passed by the Board on 3 December 2024, and the relevant ordinary resolution being passed by the shareholders at the 2024 first extraordinary general meeting of the Company held on 20 December 2024, the Company, GAC Capital, GAIG and Guangzhou Juwan Technology Research Co., Ltd. ("**Guangzhou Juwan**") entered into an agreement on 30 December 2024, pursuant to which, the Company and GAC Capital, as vendors, shall dispose of 18.82% equity interest in Guangzhou Juwan to GAIG, the controlling shareholder of the Company, as purchaser, at the aggregate consideration of approximately RMB1,331 million. After completion of the above-mentioned disposal, the Group has continued to hold 15.60% of the equity interest in Guangzhou Juwan. For details, please refer to the Company's announcement and circular dated 3 December 2024, and the announcements dated 20 December 2024 and 30 December 2024.

Since GAIG is a controlling shareholder, and thus a connected person of the Company, the aforesaid transaction constituted a connected transaction of the Company. As one or more of the applicable percentage ratios (other than the profit ratio) exceeded 0.1% but all of them were less than 5%, the abovementioned disposal was only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but was exempted from the circular, independent financial advice and shareholders' approval requirements.

Save as disclosed above, the Group did not conduct any other material disposal of assets or equity interest during the year ended 31 December 2024.

(IX) ANALYSIS OF MAJOR SUBSIDIARIES AND JOINT VENTURES

Company name	Production volume during the reporting period (units)	Changes compared with the corresponding period last year	Sales volume during the reporting period (units)	Changes compared with the corresponding period last year	Revenue (RMB100 million)	Changes compared with the corresponding period last year
GAC Honda	416,127	-36.10%	470,633	–26.52%	682.50	–27.03%
GAC Toyota	736,008	-22.53%	738,000	–22.32%	1,095.45	–28.34%
GAC Trumpchi	405,528	0.31%	414,591	1.99%	540.10	-5.98%
GAC AION	356,749	-28.66%	374,884	–21.90%	374.21	–29.70%

(X) STRUCTURED ENTITIES UNDER THE CONTROL OF THE COMPANY

Not applicable.

(XI) DISCUSSION AND ANALYSIS ON THE COMPANY'S FUTURE DEVELOPMENT

1. Industry layout and trend

At present, China's automobile industry landscape has entered a period of profound reshaping, where the industry's development, primarily characterised by optimisation and adjustment of the existing structure, is becoming increasingly prominent. Firstly, the market penetration rate of new energy passenger vehicles continues to increase, remaining above 50% for several consecutive months in 2024, and the annual penetration rate is also close to 50%. It is expected that the domestic NEV penetration rate will further increase in 2025. Secondly, the market share of self-developed brands has steadily ramped up. In 2024, the share of passenger vehicles of self-developed brands in the domestic market exceeded 65%, reaching a record high. Self-developed brands have firmly occupied a dominant position in the domestic market, whereas the market space for joint venture brands has been further compressed. Thirdly, the waves of intellectualisation and electrification are propelling the accelerated reconstruction of the automobile industry, and the application and promotion of new quality productive forces in the automobile industry are being accelerated, while original and disruptive technologies are constantly emerging, with technological iterations speeding up. Fourthly, industry competition has shifted from price involution to multi-dimensional involution. While the price war continues, the intensive release of new automobile models, the acceleration of product iterations, and the increasing diversification and personalisation of product functions as well as service levels, have turned the multi-dimensional involution in prices, configurations, traffic, and services into the norm. Fifthly, automobile brands will accelerate the survival of the fittest, and the market concentration is further increasing, presenting a landscape where winner takes all with polarisation intensifying. Sixthly, automobile exports are expected to maintain a growth trend. Despite facing challenges such as trade barriers in the short term, as China's automobile enterprises accelerate the deployment of overseas localised production and continuously refine their sales and service systems, their international competitiveness is expected to usher in continuous enhancement.

According to the China Association of Automobile Manufacturers, it is predicted that China's automobile industry would maintain a basically stable and upward trend in 2025. It is preliminarily estimated that the annual automobile sales volume in 2025 would be around 32,900 thousand units, representing a year-on-year increase of 4.7%, of which passenger vehicles would be 28,900 thousand units, representing a year-on-year increase of 4.9%; commercial vehicles would be 4,000 thousand units, representing a year-on-year increase of 3.3%; NEVs would be 16,000 thousand units, representing a year-on-year increase of 24.4%; and automobile exports would be 6,200 thousand units, representing a year-on-year increase of 5.8%.

2. *Development strategy of the Company*

Looking forward, the Group will spare no effort to propel the "1578 Development Outline for Trillion GAC"and the objectives of the "14th Five-Year Plan". By 2030, the Group will endeavor to achieve one goal: annual production and sales volume exceeding 4,750 thousand vehicles, annual revenue (on a combined basis) amounting to RMB1 trillion, and profits tax amounting to RMB100 billion. The Group aims at becoming a world-class high-tech enterprise characterised by excellent products, distinguished brand image, cutting-edge innovation and modernised governance. The Group also aims to create momentum for five increment aspects, including transformative upgrading of whole vehicles, enhancement and extension of parts and components industry chain, intellectualisation of commerce and mobility transportation, energy and ecological empowerment, and courageous international expansion. The Group will consolidate seven segments, including research and development, manufacture of vehicles, parts and components, commercial services and mobility transportation, energy and ecology, internationalisation as well as investment and finance. The Group will implement eight initiatives, including deepening reform of the system and mechanism, paying equal attention to research and capital injection regarding technological innovation, fully upgrading its self-developed brands, reinforcing and extending the industry chain for structural optimisation, comprehensively developing energy ecology, arranging in-depth deployment of software business, seeking key breakthroughs in overseas markets, and exploring innovation in smart transportation models.

In order to deepen the implementation and execution of strategic planning, the Group has launched the three-year "Panyu Action" (2025-2027). It aims to accelerate the construction of five major guarantees, encompassing integrated organization, product development process, market-oriented system, high-level talents, and sufficient funds, through four major reformative measures, including brand leadership, product priority, cutting-edge technologies, and international market expansion, striving to attain over 60% of the Group's total sales volume from its self-developed brands by 2027, and targeting sales of 2 million vehicles under self-developed brands.

The year 2025 not only marks the conclusion of the "14th Five-Year Plan", but it is also the first year for GAC Group's three-year "Panyu Action" to take effect. Looking ahead to the critical development period in the next five years, the Group will comprehensively benchmark against and learn from Huawei's DSTE (Develop Strategy to Execute) management system, with a focus on the executability and practicality of strategic planning to formulate the "15th Five-Year" strategic plan for GAC Group.

To support the implementation of the national "Dual Carbon" target, the Group implemented the "GLASS Plan" to achieve full life cycle carbon neutrality of its products by 2050 (and strives to achieve the target by 2045).

3. *Operational plan*

In 2025, the Group will closely adhere to the goals of the three-year "Panyu Action", accelerate reform and transformation, and spare no effort to stabilise and recover its business performance, challenging the goal of a 15% year-on-year increase in annual automobile sales volume.

The major operational measures are as follows:

(1) The Group will seek progress while maintaining stability, bringing steady growth back on track. In accordance with the overall mission objectives and action roadmap formulated for the three-year "Panyu Action", self-developed brands are striving to surpass the production and sales scale of one million units and accelerate their progress towards the two-million-unit mark. Joint venture brands are accelerating adjustments in pursuit of stabilisation, speeding up transformation to intellectualisation and electrification, and stabilising the foundation and improving profitability.

(2) The Group will forge ahead courageously, blazing new trails through profound reforms. The Group will make every effort to promote the implementation of integrated operations, build an efficient operating system, achieve the integration of research, production, supply and marketing, human resources, finance and logistics, and promote centralised management, and intensive and efficient utilisation of human resources, finance and logistics. The Group will promote the three institutional reforms further and establish a remuneration distribution system based on value contribution and performance results.

(3) The Group will upgrade its brand value through brand leadership. It will complete the repositioning of its self-developed brands, and reshape the three inherent characteristics of the brand. The Group will improve the brand management system and mechanism, formulate the brand development path, and enrich the brand connotation. It will also innovate in brand communications, and enhance brand recognition and reputation.

(4) The Group will construct a robust matrix of star products through product priority. The Group will take the introduction of the IPD system as the core to reshape the product development system, scientifically formulate product plans, precisely develop star products, and create ultimate product competitiveness. In 2025, the Group will launch over 20 new, upgraded or facelifted automobile models.

(5) The Group will consolidate GAC's technological support with leading technologies. It will strengthen its R&D capabilities building with a focus on improving its software-defined vehicle capabilities. In the field of electrification, the Group will promote the R&D of new generation power battery technology. In the field of ICV, the Group will promote the mass production of cost-effective intelligent driving platforms, large-scale end-cloud integrated models and a new generation of multimodal interactive systems (ADiGO 6.0), and comprehensively improve their installation rate on intelligent equipment.

(6) The Group will put experiences first, and impel reforms in both sales and service models. It will enhance the experience in the course of sales and service, expand channel coverage, improve channel capabilities, and promote the construction of the energy ecosystem. The Group will strengthen the audio-visual experience at information touchpoints, and improve the organizational structure of new media marketing. It will also reinforce user-centric thinking and co-creation with users, and continuously improve the digital marketing "golden triangle".

(7) The Group will improve quality, increase quantity and accelerate the overseas expansion. It will adhere to the principle of product and service first, cultivate on-the-ground service teams, and enhance the capabilities of localised service self-reliance. The Group will accelerate its overseas market deployment, rapidly establish a network of distribution channels, increase user touchpoints, and build a high-quality overseas regional operation system. The Group will also optimise its overseas brand management system to improve the reputation of its brands and products.

(8) The Group will reduce loss, increase profitability and propel significant reductions in costs and expenses. It will strengthen the revenue management of automobile models and form a scientific automobile revenue model. The Group will deepen comprehensive budget management and rationally allocate resources. The Group will also consistently carry out cost reduction and efficiency enhancement, promote refined management and control over R&D costs, improve internal operation costs, control procurement costs, and accurately allocate sales expenses.

(9) The Group will create a fair and transparent cost-effective supply chain. It will integrate supply chain resources and adopt a transparent management approach based on the principle of survival of the fittest. The Group will vigorously promote business cost reduction, platformisation, and cost reduction of differentiated technologies. The Group will also strengthen the cultivation of core suppliers, advance the implementation of industrial cooperation projects, and strengthen investment in the industrial chain.

4. *Potential risks*

(1) Macro-environmental level

Global trade protectionism has been on the rise, with an increasing number of trade restriction measures imposed by various countries in key technologies and strategic industries. In particular, the trade sanctions imposed by Europe and the United States on China's NEVs will pose a threat to the stability of China's automobile industry and the global industrial chain and supply chain. China's economy is anchored by solid foundation, diversified strengths, robust resilience, and vast potential. While the supporting conditions and fundamental trend for a long-term positive outlook remain intact, it currently faces difficulties and challenges such as insufficient domestic demand.

(2) Industry level

The market landscape is undergoing dramatic changes. The penetration rate of NEVs is rising rapidly, while the market share of fuel-powered vehicles is shrinking further. The market share of passenger vehicles under self-developed brands is steadily ramping up, while the market space for joint venture brands is further compressed. Market competition is intensifying, accelerating the survival of the fittest among automobile brands and increasingly narrowing the profitability for enterprises upstream and downstream of the supply chain. Meanwhile, heightened competition in overseas markets, the spillover of internal rivalry among automobile enterprises and the trade protectionism phenomenon are amplifying uncertainties for automobile exports.

(3) Company level

The Group currently faces the following major issues and challenges:

(1) Product competitiveness requires improvement. The product structure of self-developed brands needs to be optimised, and there is a lack of competitive mass-selling automobile models in the fast-growing PHEV and REEV market segments. Joint venture brands lack competitive products characterised by electrification and intellectualisation, whereas the product strength of traditional fuel-powered models is declining.

(2) Weak global expansion capabilities. The overseas recognition of the Group's self-developed brands is insufficient, while its localised operations are still in the initial stage. The construction of on-the-ground teams and operation systems is still in the early stage of development. The integrated costs of our overseas products lack market competitiveness.

(3) Marketing transformation still requires to be accelerated. The Group's awareness of new media marketing needs to be enhanced. Its ability to amplify brand presence, attract traffic, accumulate followers, and achieve customer conversion through new media is still relatively weak.

(4) Inadequate cost competitiveness. The entire process of cost planning, from R&D to mass production, has not been fully integrated, and the independent decentralised procurement of multiple self-developed brands has not formed a scale effect of centralised procurement, so there is still room for improvement in cost reduction.

In response to the above issues and challenges, the Group will implement the following countermeasures:

(1) The Group will accelerate the implementation of the three-year "Panyu Action", speed up the improvement of the PHEV and REEV product matrix under its self-developed brands, and take the introduction of the IPD system as the core to reshape the product development system, scientifically formulate product plans, and precisely develop star products. The joint ventures will make full use of the strength of their shareholders to strengthen localised development capabilities, consolidate the advantages of hybrid automobile models, enhance the product competitiveness in terms of new energy and intellectualisation, and prompt an all-round renewal and upgrade of brand image as well as sales and service models.

(2) The Group will intensify its research on key international markets, continuously enhance the market adaptability and product advancement of overseas automobile models. It will cultivate on-the-ground service teams, establish a matrix service support system, and enhance the capabilities of localised service self-reliance. It will also accelerate the overseas market deployment, orderly promote exploration of the international market, rapidly set up channel networks, and build a high-quality overseas regional operation system to facilitate efficient localised operations. Further, the Group will formulate standards for a globalised brand value system, optimise the overseas brand management system, and increase the brand and product visibility.

(3) The Group will benchmark against outstanding enterprises in new media marketing, refine the organizational structure for new media marketing, forge a new media marketing matrix, and actively explore the creation of an integrated new media marketing model covering product packaging, customer acquisition, policies, finance and sales. It will strengthen user-centric thinking and co-creation with users, enhance platform content creation, increase brand traffic and promote sales conversion. It will also improve the design and content operation of each brand's APP, fully leverage the key role of APPs in marketing, and increase the application of cutting-edge technologies such as artificial intelligence.

(4) The Group will integrate research, production, sales and supply, mobilise all resources to reduce the cost of vehicle models, and ensure the competitiveness of products. The Group will build a sustainable global industrial chain ecosystem by implementing an independent industrialisation strategy, deepening the layout of local supporting facilities, and integrating overseas advantageous resources. Meanwhile, it will strive to create a cost control system covering the entire product life cycle and value stream, promote the optimisation and upgrading of platform-based and modular technical solutions, and enhance the sustainable development capacity of the supply chain. This will achieve the ultimate cost optimisation under the economies of scale and continuously enhance the market competitiveness of products.

OTHER DISCLOSURES

(I) PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

On 29 February 2024, due to the changes in the eligibility of participants of the Company's 2020 A share option and restricted share incentive scheme (such as retirement, resignation, assessment, etc.), the restricted A Shares granted to ineligible participants were repurchased and cancelled, and a total of 3,330,156 restricted A Shares had been cancelled.

The resolution on the share repurchase plan through centralised bidding was passed by shareholders at the Company's 2023 annual general meeting held on 20 May 2024. According to this repurchase mandate, the Company may make on-market repurchases of in total not more than 738,828,395 A Shares and 309,862,030 H Shares at the then current market prices on the Shanghai Stock Exchange and the Stock Exchange respectively during the relevant period.

The monthly distribution of Shares repurchased under the repurchase mandate by the Company during the reporting period is as follows:

2024	A Shares (on-market repurchase on the Shanghai Stock Exchange)				H Shares (on-market repurchase on the Stock Exchange)			
Month	Number of Shares repurchased	Highest price (RMB)	Lowest price (RMB)	Total repurchase value (RMB)	Number of Shares repurchased	Highest price (HKD)	Lowest price (HKD)	Total repurchase value (HKD)
January	N/A	–	–	–	N/A	–	–	–
February	N/A	–	–	–	N/A	–	–	–
March	N/A	–	–	–	N/A	–	–	–
April	N/A	–	–	–	N/A	–	–	–
May	0	–	–	–	0	–	–	0
June	1,930,000	7.81	7.71	14,998,342	4,310,000	2.83	2.76	12,018,460
July	5,975,970	7.82	7.10	44,928,833.50	91,104,000	2.95	2.61	255,335,444
August	1,353,200	7.45	7.31	9,999,365	0	–	–	0
September	4,252,280	7.42	7.14	31,062,734.40	38,060,000	2.52	2.29	90,021,976
October	0	–	–	0	7,850,000	2.73	2.67	21,203,760
November	0	–	–	0	25,524,000	3.12	2.72	75,254,880
December	0	–	–	0	93,908,000	3.72	3.29	329,003,200
Total	**13,511,450**	**7.82**	**7.10**	**100,989,274.90**	**260,756,000**	**3.72**	**2.29**	**782,837,720**

To sum up, as at 31 December 2024, a total of 13,511,450 A Shares were repurchased at the aggregate consideration of RMB100,989,274.90, and the Company had an increase of 13,511,450 A Shares as its treasury Shares. Meanwhile, a total of 260,756,000 H Shares were repurchased at the aggregate consideration of HK$782,837,720, and all such repurchased H Shares were cancelled.

Save as disclosed above, the Company has not redeemed any of its listed securities during the reporting period. Neither the Company nor any of its subsidiaries has purchased or sold any of the listed securities of the Company during the year.

(II) CORPORATE GOVERNANCE

During the year, the Company has complied with the code provisions under the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

(III) AUDIT COMMITTEE

The audit committee of the Company comprised three independent non-executive Directors, namely Mr. Wong Hakkun (Chairman), Mr. Xiao Shengfang and Mr. Song Tiebo. Their main responsibilities include supervising annual audit and internal audit system, financial information and disclosure thereof of the Company. The audit committee has mainly reviewed the quarterly, interim and final results and evaluated the internal control system during the reporting period. The audit committee has also reviewed the results and financial statements of the Group for the year ended 31 December 2024.

(IV) SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Nil.

(V) DIVIDEND

The Board recommended the payment of a final dividend for the year ended 31 December 2024 of RMB0.02 per Share (total dividend for 2024: RMB0.05 per Share) (total dividend for 2023: RMB0.15 per Share). The proposed final dividend for the year is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting. Details of the annual general meeting, the arrangement for closure of register of members and dividend payment date will be further announced.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms used shall have the following meanings set out below:

"A Share(s)"	domestic listed shares with par value of RMB1.00 each in the ordinary share capital of the Company which are listed on the Shanghai Stock Exchange (Stock Code: 601238)
"associate(s)", "associated company(ies)" or "associated enterprise(s)"	all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights of such entities
"Board"	the board of directors of the Company
"CATL GAC"	CATL GAC Energy Battery System Co., Ltd. (時代廣汽動力電池有限公司), an associated company jointly funded and established by the Company, GAC AION and Contemporary Amperex Technology Co., Ltd. in December 2018 under PRC law, in which the Company and GAC AION hold 49% equity interests in total
"China Lounge Investments"	China Lounge Investments Limited (中隆投資有限公司), a wholly-owned subsidiary of the Company incorporated in Hong Kong

"Company" or "GAC"	Guangzhou Automobile Group Co., Ltd. (廣州汽車集團股份有限公司)
"Director(s)"	the director(s) of the Company
"GAC AION"	GAC AION New Energy Automobile Co., Ltd. (廣汽埃安新能源汽車股份有限公司) (formerly known as Guangzhou Automobile New Energy Automobile Co., Ltd. (廣汽新能源汽車有限公司)), a controlling subsidiary of the Company incorporated in July 2017 under PRC law
"GAC Business"	GAC Business Co., Ltd. (廣汽商貿有限公司) (formerly known as Guangzhou Automobile Group Business Co., Ltd. (廣州汽車集團商貿有限公司)), a wholly-owned subsidiary of the Company incorporated in March 2000 under PRC law
"GAC Capital"	GAC Capital Co., Ltd. (廣汽資本有限公司), a wholly-owned subsidiary of the Company established in April 2013 under PRC law
"GAC Component"	GAC Component Co., Ltd. (廣汽零部件有限公司) (formerly known as Guangzhou Automobile Group Component Co., Ltd. (廣州汽車集團零部件有限公司)), a wholly-owned subsidiary incorporated in August 2000 under PRC law by the Company and its subsidiaries
"GAC Energy"	GAC Energy Technology Co., Ltd. (廣汽能源科技有限公司), a subsidiary established in July 2022 under PRC law, in which UPOWER Energy and GAC AION hold 55% and 45% equity interests, respectively
"GAC Finance Company"	Guangzhou Automobile Group Finance Co., Ltd. (廣州汽車集團財務有限公司), a wholly-owned subsidiary incorporated in January 2017 under PRC law by the Company
"GAC Hino"	GAC Hino Motors Co., Ltd. (廣汽日野汽車有限公司), a subsidiary of the Company, in which the Company holds 89.72% equity interests
"GAC Honda"	GAC Honda Automobile Co., Ltd. (廣汽本田汽車有限公司) (formerly known as Guangzhou Honda Automobile Co., Ltd. (廣州本田汽車有限公司)), a jointly controlled entity incorporated in May 1998 under PRC law by the Company, Honda Motor Co., Ltd. and Honda Motor (China) Investment Co., Ltd.
"GAC International"	GAC International Automobile Sales & Service Co., Ltd. (廣汽國際汽車銷售服務有限公司), a subsidiary established in May 2022 under PRC law by the Company
"GAC Ogihara"	GAC Ogihara Mold Stamping Co., Ltd. (廣州廣汽荻原模具沖壓有限公司), a subsidiary incorporated in 2009 under PRC law by the Company
"GAC Toyota Engine"	GAC Toyota Engine Co., Ltd. (廣汽豐田發動機有限公司), an associated company incorporated in February 2004 under PRC law by the Company and Toyota Motor Company, in which the Company holds 30% equity interests

"GAC Toyota"	GAC Toyota Motor Co., Ltd. (廣汽豐田汽車有限公司) (formerly known as Guangzhou Toyota Motor Co., Ltd. (廣州豐田汽車有限公司)), a jointly controlled entity incorporated in September 2004 under PRC law by the Company, Toyota Motor Company and Toyota Motor (China) Investment Co., Ltd.
"GAC Trumpchi"	GAC Motor Co., Ltd. (廣汽傳祺汽車有限公司) (formerly known as GAC Motor Co., Ltd. (廣汽乘用車有限公司), a wholly-owned subsidiary of the Company incorporated in July 2008 under PRC law
"GAC-SOFINCO"	GAC-SOFINCO Automobile Finance Co., Ltd. (廣汽匯理汽車金融有限公司), a jointly controlled entity incorporated in May 2010 under PRC law by the Company and Crédit Agricole Personal Finance & Mobility
"GAC-SOFINCO Leasing"	GAC-SOFINCO Financial Leasing Co., Ltd. (廣州廣汽匯理融資租賃有限公司) (formerly known as Guangzhou GAC Leasing Co., Ltd. (廣州廣汽融資租賃有限公司)), a limited liability company incorporated in February 2004 under PRC law, being a jointly controlled entity of the Company and Crédit Agricole Personal Finance & Mobility
"GAEI"	Guangzhou Automobile Group Company Automotive Engineering Institute (廣州汽車集團股份有限公司汽車工程研究院), a branch company of the Company established in June 2006 for the purpose of conducting research and development of the products and technology in which the Company has proprietary rights
"GAIG"	Guangzhou Automobile Industry Group Co., Ltd. (廣州汽車工業集團有限公司), a state-owned enterprise incorporated under the laws of the PRC in October 2000 and the controlling shareholder of the Company
"Group" or "GAC Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign shares with nominal value of RMB1.00 each in the ordinary share capital of the Company which are listed on the Stock Exchange (Stock Code: 2238)
"HEV"	hybrid electric vehicles
"IMPOW Battery"	IMPOW Battery Technology Co., Ltd. (因湃電池科技有限公司), a subsidiary established in October 2022 under PRC law
"joint venture(s)" or "jointly controlled entity(ies)"	joint venture companies under direct or indirect joint control, and no participating party has unilateral control power over the economic activities of such jointly controlled entity as a result of such direct or indirect joint control

"Lisheng Technology"	Lisheng Automotive Technology (Guangzhou) Co., Ltd. (立昇汽車科技(廣州)有限公司), established in June 2023 under PRC law by the Company, GAC Component and Luxshare Precision Industry Co., Ltd., and in which the Company and its wholly-owned subsidiary, GAC Component collectively hold 45% equity interests
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"MPV"	multi-purpose passenger vehicle
"ON TIME"	Chenqi Technology Limited (如祺出行科技有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 9680), in which the Group indirectly holds a total of 12.84% equity interests
"PHEV"	plug-in hybrid electric vehicles
"PRC" or "China"	the People's Republic of China
"REEV"	range extend electric vehicle
"RMB"	Renminbi, the lawful currency of the PRC
"Ruipai Power"	Ruipai Power Technology Co., Ltd. (銳湃動力科技有限公司), a subsidiary established in October 2022 under PRC law
"Shanghai Stock Exchange"	The Shanghai Stock Exchange
"Share(s)"	A Share(s) or H Share(s)
"Shareholder(s)"	holder(s) of the Company's share
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning ascribed to "subsidiary" under the Listing Rules
"Supervisor(s)"	supervisor(s) of the Company
"SUV"	sports utility vehicle

"Urtrust Insurance"	Urtrust Insurance Co., Ltd. (眾誠汽車保險股份有限公司), a subsidiary incorporated in June 2011 under PRC law by the Company, in which the Company directly and indirectly holds a total of 53.55% equity interests
"UPOWER Energy"	UPOWER Energy Technology (Guangzhou) Co., Ltd. (優湃能源科技(廣州)有限公司) (formerly known as Guangzhou GAC Business Renewable Resources Co., Ltd. (廣州廣汽商貿再生資源有限公司)), a wholly-owned subsidiary of the Company established in September 2010 under PRC law
"Wuyang Honda"	Wuyang Honda Motors (Guangzhou) Co., Ltd. (五羊－本田摩托(廣州)有限公司), a jointly controlled entity incorporated in July 1992 under PRC law by the Company, Honda Motor Co., Ltd. and Honda Motor (China) Investment Co., Ltd.

By order of the Board
Guangzhou Automobile Group Co., Ltd.
FENG Xingya
Chairman

Guangzhou, the PRC, 28 March 2025

As at the date of this announcement (and before the changes in certain non-executive Directors), the executive director of the Company is FENG Xingya, the non-executive directors of the Company are CHEN Xiaomu, DING Hongxiang, GUAN Dayuan, DENG Lei and WANG Yiwei, and the independent non-executive directors of the Company are ZHAO Fuquan, XIAO Shengfang, WONG Hakkun and SONG Tiebo.