

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

2025 INTERIM RESULTS ANNOUNCEMENT

IMPORTANT NOTICE

- (I) The Board, the supervisory committee and the directors, supervisors and senior management of the Company warrant that the contents contained herein are true, accurate and complete. There are no false representations or misleading statements contained in or material omissions from this announcement, and they will jointly and severally accept responsibility.
- (II) All directors of the Company have attended the meeting of the Board.
- (III) The condensed consolidated interim financial information of the Company is unaudited. The Audit Committee of the Company has reviewed the unaudited interim results of the Company for the six months ended 30 June 2025 and agreed to submit it to the Board for approval.
- (IV) Feng Xingya, the person in charge of the Company, Wang Dan, the person in charge of accounting function and Dong Yamin, the manager of the accounting department (Chief Accountant), warrant the truthfulness, accuracy and completeness of the condensed consolidated interim financial statements contained in this announcement.
- (V) The forward-looking statements contained in this announcement regarding the Company's future plans and development strategies do not constitute any substantive commitment to investors and investors are reminded of investment risks.
- (VI) There is no non-operational appropriation of the Company's funds by its controlling Shareholder and its related parties.
- (VII) The Company has not provided any third-party guarantees in violation of stipulated decision-making procedures.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Unaudited	
		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
Revenue	4	42,610,941	46,255,051
Cost of sales		<u>(44,460,416)</u>	<u>(44,453,769)</u>
Gross profit		(1,849,475)	1,801,282
Selling and distribution costs		(2,602,291)	(2,478,718)
Administrative expenses		(2,558,491)	(2,527,780)
Net impairment gains/(losses) on financial assets		3,811	(210,013)
Interest income		128,065	108,298
Other gains – net		<u>1,265,499</u>	<u>2,547,965</u>
Operating loss	5	(5,612,882)	(758,966)
Interest income		104,794	242,271
Finance costs	6	(340,227)	(323,806)
Share of net profit of joint ventures and associates	7	<u>1,923,079</u>	<u>2,010,925</u>
(Loss)/profit before taxation		(3,925,236)	1,170,424
Income tax credit	8	<u>445,019</u>	<u>45,437</u>
(Loss)/profit for the period		(3,480,217)	1,215,861
Attributable to:			
Equity shareholders of the Company		(2,538,251)	1,516,347
Non-controlling interests		<u>(941,966)</u>	<u>(300,486)</u>
(Loss)/profit for the period		(3,480,217)	1,215,861
(Loss)/earnings per share (expressed in RMB per share)			
Basic	9	(0.25)	0.14
Diluted	9	<u>(0.25)</u>	<u>0.14</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
Note	2025	2024
	RMB'000	RMB'000
(Loss)/profit for the period	(3,480,217)	1,215,861
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
– exchange differences on translation of foreign operations	13,464	39,366
– changes in the fair value of debt instruments at fair value through other comprehensive income	(9,263)	35,340
– impairment loss on debt instruments at fair value through other comprehensive income	54,285	38,996
Items that will not be reclassified subsequently to profit or loss		
– changes in the fair value of equity investments at fair value through other comprehensive income	<u>(185,574)</u>	<u>101,993</u>
Other comprehensive income for the period, net of tax	<u>(127,088)</u>	<u>215,695</u>
Total comprehensive income for the period	<u>(3,607,305)</u>	<u>1,431,556</u>
Attributable to:		
Equity shareholders of the Company	(2,671,537)	1,717,350
Non-controlling interests	<u>(935,768)</u>	<u>(285,794)</u>
Total comprehensive income for the period	<u>(3,607,305)</u>	<u>1,431,556</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
	<i>Note</i>		
Non-current assets			
Property, plant and equipment		27,637,110	28,395,996
Investment properties		950,409	984,353
Intangible assets		17,663,044	16,990,615
Right-of-use assets		9,111,195	9,430,513
Time deposits		462,690	940,000
Goodwill		93,706	93,706
Investments in joint ventures and associates	7	34,356,808	30,122,264
Financial assets at fair value through other comprehensive income		10,806,121	11,716,266
Financial assets at fair value through profit or loss		2,247,923	1,972,042
Prepayments and other long-term receivables		1,918,047	15,003,461
Deferred tax assets		6,208,020	5,777,101
		111,455,073	121,426,317
Current assets			
Financial assets at fair value through other comprehensive income		15,259,298	14,238,125
Financial assets at fair value through profit or loss		2,355,805	2,558,787
Inventories		17,529,216	15,688,476
Trade receivables and other current assets	11	27,107,255	28,002,526
Contract assets		32,833	18,790
Time deposits		12,120,501	9,939,925
Restricted cash		4,677,675	4,157,330
Cash and cash equivalents		22,187,606	36,482,090
		101,270,189	111,086,049

		Unaudited	Audited
		30 June	31 December
	<i>Note</i>	2025	2024
		RMB'000	RMB'000
Current liabilities			
Trade and other payables	12	57,046,617	63,226,725
Contract liabilities		3,494,484	2,573,115
Current taxation		341,315	415,478
Loans and borrowings		17,387,726	23,321,740
Lease liabilities		266,006	456,396
Provisions		874,324	784,606
		<u>79,410,472</u>	<u>90,778,060</u>
Net current assets		21,859,717	20,307,989
Total assets less current liabilities		133,314,790	141,734,306
Non-current liabilities			
Trade and other payables	12	3,865,235	4,193,388
Loans and borrowings		7,841,677	11,968,855
Lease liabilities		1,632,620	1,727,522
Deferred tax liabilities		625,722	579,744
Provisions		1,479,438	1,326,752
Contract liabilities		107,438	107,438
		<u>15,552,130</u>	<u>19,903,699</u>
NET ASSETS		117,762,660	121,830,607
CAPITAL AND RESERVES			
Share capital		10,197,066	10,341,518
Reserves		46,607,150	46,647,855
Retained earnings		54,529,929	57,418,733
Total equity attributable to equity shareholders of the Company		111,334,145	114,408,106
Non-controlling interests		6,428,515	7,422,501
TOTAL EQUITY		117,762,660	121,830,607

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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 Guangzhou, Guangdong, 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 the Main Board of The Stock Exchange of Hong Kong Limited and Shanghai Stock Exchange since 30 August 2010 and 29 March 2012, respectively.

This condensed consolidated interim financial information is presented in thousands of Renminbi (“RMB”) Yuan, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 29 August 2025.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, ‘Interim financial reporting’. The condensed consolidated interim financial information does not include all the notes of the type normally included in annual financial statements. Accordingly, this information is to be read in conjunction with the annual report for the year ended 31 December 2024 which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), and any public announcement made by the Company during the interim reporting period.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, the effects of changes in foreign exchange rates – Lack of exchangeability issued by the Hong Kong Institute of Certified Public Accountants to this interim financial report for the current accounting period. The amendments do not have a material impact on this condensed consolidated interim financial information as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

4 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 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.

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.

During the six months ended 30 June 2025, no revenue from transactions with a single external customer counted to 10% or more of the Group's total revenue.

The segment results for the six months ended 30 June 2025 and other segment items included in the interim condensed consolidated statement of comprehensive income are as follows:

	Vehicles and related operations RMB'000	Others RMB'000	Eliminations RMB'000	Unallocated RMB'000	Consolidated RMB'000
Six months ended 30 June 2025					
Total gross segment revenue	40,293,246	2,635,536	(317,841)	–	42,610,941
Inter-segment revenue	<u>(124,991)</u>	<u>(192,850)</u>	<u>317,841</u>	<u>–</u>	<u>–</u>
Revenue (from external customers)	40,168,255	2,442,686	–	–	42,610,941
Timing of revenue recognition under HKFRS 15					
– At a point in time	38,066,272	40,166			38,106,438
– Over time	1,946,876	319,060			2,265,936
Revenue from other sources	155,107	2,083,460			2,238,567
Segment results	(6,235,494)	297,623	(37,706)	368,703	(5,606,874)
Unallocated income – Interest income of headquarters	–	–	–	107,488	107,488
Unallocated costs – Expenditure of headquarters	–	–	–	(113,496)	<u>(113,496)</u>
Operating loss					(5,612,882)
Interest income	83,893	11,313	–	9,588	104,794
Finance costs	(295,472)	(8,578)	–	(36,177)	(340,227)
Share of net profit of joint ventures and associates	1,859,779	63,300			<u>1,923,079</u>
Loss before income tax					(3,925,236)
Income tax credit/(expenses)	579,714	(72,258)		(62,437)	<u>445,019</u>
Loss for the period					<u>(3,480,217)</u>

The segment results for the six months ended 30 June 2024 and other segment items included in the interim condensed consolidated statement of comprehensive income are as follows:

	Vehicles and related operations <i>RMB'000</i>	Others <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Six months ended 30 June 2024					
Total gross segment revenue	43,950,178	2,622,121	(317,248)	–	46,255,051
Inter-segment revenue	<u>(154,613)</u>	<u>(162,635)</u>	<u>317,248</u>	<u>–</u>	<u>–</u>
Revenue (from external customers)	43,795,565	2,459,486	–	–	46,255,051
Timing of revenue recognition under HKFRS 15					
– At a point in time	40,879,626	27,670	–	–	40,907,296
– Over time	2,064,935	393,849	–	–	2,458,784
Revenue from other sources	851,004	2,037,967	–	–	2,888,971
Segment results	(2,286,864)	1,536,359	(17,393)	–	(767,898)
Unallocated income – Interest income of headquarters	–	–	–	96,684	96,684
Unallocated costs – Expenditure of headquarters	–	–	–	(87,752)	<u>(87,752)</u>
Operating loss					(758,966)
Interest income	219,886	5,633	–	16,752	242,271
Finance costs	(294,773)	(3,413)	–	(25,620)	(323,806)
Share of net profits of joint ventures and associates	1,738,461	272,464	–	–	<u>2,010,925</u>
Profit before income tax					1,170,424
Income tax credit/(expenses)	300,931	(252,066)	–	(3,428)	<u>45,437</u>
Profit for the period					<u><u>1,215,861</u></u>

The segment assets and liabilities as at 30 June 2025 and 31 December 2024 are as follows:

	Vehicles and related operations	Others	Eliminations	Unallocated	Consolidated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total assets					
At 30 June 2025	146,866,610	69,120,877	(63,511,585)	60,249,360	212,725,262
At 31 December 2024	172,920,414	66,163,946	(67,710,897)	61,138,903	232,512,366
Total liabilities					
At 30 June 2025	97,380,641	52,771,713	(62,289,743)	7,099,991	94,962,602
At 31 December 2024	111,639,585	50,367,893	(59,887,629)	8,561,910	110,681,759

5 OPERATING LOSS

The following items have been charged to the operating loss during the period:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation and amortisation	3,234,169	4,359,232
Impairment charges of inventories	526,397	28,709
Net impairment (gains)/losses on financial assets	(3,811)	210,013
Staff costs	6,665,794	6,391,349
Gains on disposal of property, plant and equipment and intangible assets	(10,122)	(50,225)
Government grants	(210,393)	(1,051,657)
Donation	959	313
Warranty expenses*	370,242	351,170

- * For the period ended 30 June 2025, warranty expenses were included in cost of sales in profit or loss. Comparative figure that was previously recorded as selling and distribution costs for period ended 30 June 2024 has also been adjusted to conform to current period's presentation.

6 FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest expense	316,484	306,424
Others	23,743	17,382
	<u>340,227</u>	<u>323,806</u>

7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

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

	Unaudited	Audited
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
Investments in joint ventures	22,288,419	20,823,230
Investments in associates	12,232,354	9,462,999
Less: impairment losses	<u>(163,965)</u>	<u>(163,965)</u>
	<u>34,356,808</u>	<u>30,122,264</u>

The amounts recognised in the condensed consolidated statement of profit or loss and other comprehensive income are as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Share of profits of joint ventures (<i>Note (i)</i>)	1,470,450	1,818,579
Share of profits of associates (<i>Note (i)</i>)	<u>452,629</u>	<u>192,346</u>
	<u>1,923,079</u>	<u>2,010,925</u>

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

7.1 Investments in joint ventures

(a) *Movements of investments in joint ventures are set out as follows:*

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Beginning of the period	20,823,230	27,521,810
Additions (<i>Note (i)</i>)	2,390,895	914,720
Reduction	(77,633)	(5,478)
Share of net profits	1,516,221	1,846,554
Other equity changes	–	7,895
Dividends declared	(2,364,294)	(9,134,057)
End of the period	<u>22,288,419</u>	<u>21,151,444</u>

- (i) In the six months ended 30 June 2025, the additions mainly include the transformation of GAC-SOFINCO Leasing from a subsidiary to a joint venture, resulting in an addition of RMB2,132,500,000.

(b) *Summarised financial information for joint ventures*

Set out below is the summary of combined financial information for all the joint ventures of the Group (excluding goodwill). 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 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.

The information below reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the joint ventures.

Summarised statement of financial position

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Assets		
Non-current assets	<u>87,809,414</u>	<u>87,147,855</u>
Current assets		
– Cash and cash equivalents	33,631,472	41,120,903
– Other current assets	<u>24,894,321</u>	<u>25,783,209</u>
	<u>58,525,793</u>	<u>66,904,112</u>
Total assets	<u>146,335,207</u>	<u>154,051,967</u>
Liabilities		
Non-current liabilities		
– Financial liabilities (excluding trade and other payables)	23,220,340	28,911,282
– Other non-current liabilities (including trade and other payables)	<u>8,038,370</u>	<u>6,808,923</u>
	<u>31,258,710</u>	<u>35,720,205</u>
Current liabilities		
– Financial liabilities (excluding trade and other payables)	13,711,154	15,958,783
– Other current liabilities (including trade and other payables)	<u>54,728,975</u>	<u>57,539,208</u>
	<u>68,440,129</u>	<u>73,497,991</u>
Total liabilities	<u>99,698,839</u>	<u>109,218,196</u>
Net assets	46,636,368	44,833,771
Less: Non-controlling interests	<u>(8,288)</u>	<u>(8,641)</u>
	<u>46,628,080</u>	<u>44,825,130</u>

Summarised statement of profit or loss and other comprehensive income

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Revenue	84,345,369	91,827,280
Cost of sales	(67,704,828)	(74,083,358)
Other expenditures	(13,604,513)	(14,017,887)
Profit after tax	3,036,028	3,726,035
Less: profit attributable to non-controlling interests	(353)	(130)
	3,035,675	3,725,905
Other comprehensive income	(14,598)	—
Total comprehensive income	3,021,077	3,725,905

8 INCOME TAX CREDIT

Hong Kong profits tax and China enterprise income tax have been provided at the rate of taxation prevailing in the regions in which the Group operates respectively.

The amount of taxation credited to the condensed consolidated statement of comprehensive income:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax	(60,078)	384,231
Deferred income tax	(384,941)	(429,668)
	(445,019)	(45,437)

- (i) Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

The tax rates applicable to the Company and its major subsidiaries for the six months ended 30 June 2025 are 15% or 25%. (2024: 15% or 25%).

9 (LOSS)/EARNINGS PER SHARE

(a) Basic

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to ordinary equity shareholders of the Company and the weighted average of shares in issue less restricted shares during the period, calculated as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
(Loss)/profit attributable to ordinary equity shareholders	(2,538,251)	1,516,347
Weighted average number of ordinary shares in issue less restricted shares (thousands)	10,292,478	10,460,339
Basic (loss)/earnings per share (RMB per share)	(0.25)	0.14

(b) Diluted

The calculation of diluted (loss)/earnings per share is based on the (loss)/profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue less restricted shares, calculated as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
(Loss)/profit attributable to ordinary equity shareholders (diluted)	(2,538,251)	1,516,347
Weighted average number of ordinary shares in issue less restricted shares (thousands)	10,292,478	10,460,339
Diluted (loss)/earnings per share (RMB per share)	(0.25)	0.14

The amount of diluted loss per share is the same as basic loss per share as the effect of share options is anti-dilutive for the six months ended 30 June 2025.

10 DIVIDEND

Unaudited	
Six months ended 30 June	
2025	2024
RMB'000	RMB'000

Interim dividend declared: nil per ordinary share
(2024: RMB0.03 per ordinary share)

<u>–</u>	<u>311,467</u>
----------	----------------

Dividend paid in six months ended 30 June 2025 was approximately RMB203,645,000 (six months ended 30 June 2024: RMB1,048,690,000).

11 TRADE RECEIVABLES

Sales of passenger vehicles were normally made with advances from customers. Sales of other products were made on credit terms ranging from 1 to 365 days.

As at 30 June 2025 and 31 December 2024, the ageing analysis of these trade receivables is presented on the basis of the date of the relevant invoices as follows:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Trade receivables		
Within 1 year	3,015,659	3,165,129
Between 1 and 2 years	985,113	376,446
Between 2 and 3 years	451,346	592,550
Between 3 and 4 years	166,370	56,821
Between 4 and 5 years	71,801	31,066
Over 5 years	<u>205,178</u>	<u>216,995</u>
	4,895,467	4,439,007
Less: Provision for impairment	<u>(1,068,727)</u>	<u>(1,086,068)</u>
Trade receivables – net	<u><u>3,826,740</u></u>	<u><u>3,352,939</u></u>

12 TRADE PAYABLES AND BILLS PAYABLES

As at 30 June 2025 and 31 December 2024, ageing analysis of trade payables and bills payables is presented on the basis of the date of the relevant invoices as follows:

	Unaudited 30 June 2025 <i>RMB'000</i>	Audited 31 December 2024 <i>RMB'000</i>
Trade payables and bills payables		
Within 1 year	29,452,907	34,973,535
Between 1 and 2 years	572,478	358,409
Between 2 and 3 years	66,104	49,634
Over 3 years	111,991	114,196
	30,203,480	35,495,774

CHAIRMAN’S STATEMENT

During the first half of 2025, confronted with rigorous challenges encompassing an extremely hyper-competitive market, rapid evolution of demand structures and comprehensive reconstruction of the industrial ecosystem, the Group experienced downward pressure in terms of overall production, sales and operational performance. To effectively reverse the business situation, the Group persisted in advancing strategic transformation in a “wartime footing” all along, closely adhering to the three-year “Panyu Action”, and focusing on the three major tasks of “stabilizing joint ventures, fortifying independence, and expanding the ecosystem”. Through in-depth implementation of the three main initiatives of “transformation, reform and reconstruction”, we have made positive progress across several critical domains and accumulated momentum for breaking industry deadlocks and achieving a turnaround.

The deepening of reforms stimulated endogenous power. The Group has implemented an integrated reform by setting up a shared service center for its self-developed brands, thereby achieving an integrated operational control over research, production, supply, marketing and finance. The Group has reconstructed its macro research and development (R&D) architecture, promoting the procedural introduction of the IPD (integrated product development) management system to establish a “market + technology” dual-driven product development model. The standard development cycle for vehicle models will be shortened to 18 months. The Group has consolidated supply chain resources to establish an open, reliable and highly cost-competitive global industrial chain system, achieving a material reduction in procurement costs and improving both business and decision-making efficiency significantly. The Group has deepened its three institutional reforms, advancing the transformation of cadre management through the framework of “mission-driven selection, organization-oriented management, performance-anchored retention”, initiating competitive appointments for mid-level positions within the Group, and comprehensively implementing fixed-term appointments and contractual management, thereby collectively improving organizational efficiency.

The fortification of independence united efforts to break through obstacles and achieve a turnaround. Self-developed brands launched new models at an intensive pace, including the Trumpchi S7, Trumpchi M8 QianKun, AION UT and Hyptec HL, accelerating the renewal and upgrade of their product lineups. The international business experienced further expansion. In the first half of 2025, the overseas terminal sales volume exceeded 50,000 units. So far, the Group has expanded its global footprint to 84 countries and regions in aggregate. The Group strengthened its capacity for high-level technological self-reliance and self-improvement, with its independent R&D capabilities continuously improved. The Group filed over 1,600 new patent applications, and as of June 2025, its cumulative number of patent applications exceeded 22,000. In the field of carbon reduction, the independently developed third-generation hybrid system was successfully developed and put into mass production. In the field of ICV, the Group unveiled its smart technology brand, ADiGO, and launched the GAC GSD combined driving assistance system, with a “generative AI-based end-to-end architecture”. The Group unveiled the “GAC X-soul Safety Protection System” for the first time, providing users with comprehensive safety protection for intelligent travel. The Group collaborated with DiDi Autonomous Driving to jointly unveil the industry’s first mass-produced vehicle equipped with pre-installed L4 highly autonomous driving system featuring globalised adaptability. The Group also deepened its cooperation with Huawei by establishing Huawang Automobile as a carrier for bilateral collaboration, aiming to forge a new high-end intelligent new energy vehicle (NEV) brand. The first collaborative product is planned to be launched in 2026.

The stabilisation of joint ventures accelerated the transformation towards intellectualisation and electrification. GAC Toyota achieved a new breakthrough in its transformation towards electrification by launching its first co-developed pure electric model, the bZ3X. It has been top-selling among joint-venture pure electric models for two consecutive months since its market debut. The bZ7, as the first D-class sedan equipped with HarmonyOS cockpit, made its debut at Auto Shanghai and aroused widespread attention and favorable reviews. GAC Toyota’s main model, Camry, launched its smart travel version, enhancing the intelligence experience. In the first half of 2025, the sales volume of Camry increased by 44% year-on-year, remaining at the forefront of the market segment. GAC Honda officially launched the first strategic model P7 of its new electric vehicle brand based on Honda Yunchi’s architecture, integrating Honda’s most advanced pure electric technology and configurations and leading the brand’s transformation by leveraging the momentum of “nurturing innovation, envisioning intelligence”. By focusing on key model supplies and closely coordinating production and sales, the sales volume of its flagship models like Accord and Breeze all rebounded, thus consolidating its sales foundation.

The expansion of ecosystem synergistically empowered the main businesses. GAC Component focuses on areas including intelligent chassis, car lights, thermal management and power systems, continuously refining the layout of investment in the industrial chain. GAC Business launched the Sun+ Care service brand to promote the transformation from price-based marketing to value-based marketing. It accelerated the deployment of industrial chain of energy ecosystem, with the first phase of 18GWh power batteries production line of IMPOW Battery being fully completed and commenced mass production. The Company has cumulatively built more than 1,600 domestic charging stations and over 17,000 charging terminals, ranking at the forefront among automobile enterprises in terms of the scale of charging terminals. Through consumption credit, dealer inventory financing and diversified financial products, the financial sector promoted automobile sales and provided strong support for the development of the main businesses.

In response to the rapid evolution of market landscape, the Group is accelerating its efforts in reform and innovation as well as transformation and upgrading. However, there are still deficiencies in areas such as product competitiveness, operational efficiency of marketing system, and cost control. There is also tremendous pressure on short-term performance. Yet, challenges breed opportunities, and pressure fuels momentum. Drawing on GAC Group's 28-year entrepreneurial journey of resilience through struggles and triumphs, we possess the conviction to identify and create opportunities amid the turbulent situation, transforming risks into springboards. In the second half of the year, we will take the three-year "Panyu Action" as our guideline, while persistently adhering to the customer-centric approach, proactively embracing customer demands to enhance customer experience, and earnestly fighting the "three critical campaigns" with a user-oriented approach. The Group will advance the two major tasks of overseas market development and the construction of a competitive cost control system. We will spare no effort to reverse the headwinds to achieve stabilisation and recovery in performance.

Win the campaign for user demands by developing star bestsellers with precision. The Group will further refine the GAC's macro-R&D architecture that "spans from user insights to product delivery", focusing on fulfilling user demands thoroughly and ensuring that products not only possess solid practical and functional value, but also contain emotional value that resonates with users. The Group will continue to deepen the IPD reforms, achieve the integration of the main IPD process, and deeply integrate the workflows of various fields with product development activities to build an efficient decision-making system. The Group will establish a strategic system for star models, promoting the development of best-selling products from "accidental" to "inevitable". The Group will comprehensively enhance its ability to understand users, and fully excavate and address the pain points of users in different usage scenarios to create differentiated core selling points. The Group will accelerate the pace of new product launches, and promote the market entry of new models under self-developed brands, such as Trumpchi S9, Hyptec HL extended-range version, brand-new C-class luxury sedans and the second-generation AION V extended-range version. In terms of joint venture brands, the Group will strengthen the sharing of R&D technology platforms to empower the transformation towards intellectualisation and electrification, and accelerate the localised development of self-developed automobile models.

Win the campaign for product value by consolidating the competitive edge of products. The Group will focus on the identification and cultivation of future core strengths in technology, to construct a sustainable architecture seeking for technologically competitive advantage. The Group will refine the coordination mechanism between technological planning and product planning, so as to ensure more efficient conversion of technological innovation outcomes. The Group will promote the technological upgrade for electrification and intellectualisation, forge and deepen the technological branding with GAC characteristics, accelerate the R&D breakthrough of next-generation battery technology to attain leading battery technology. Taking the electronic and electrical architecture equipped with vehicle-cloud integration as the pedestal, the Group will empower the combination of driving assistance and cockpit with AI to drive the upgrade of intelligence experience. The Group will promote the “Automobile Chip Application Ecosystem Co-construction Plan”, strengthening the independent controllability of key links along the industrial chain and propelling the coordinated development of the entire industrial chain. The Group will deepen cooperation with partners such as Huawei, CATL and Tencent in areas like intellectualisation, connectivity and electrification, and continue to fulfill users’ personalized demands with technological innovation and superlative quality-price ratio, while creating more value for users.

Win the campaign for service experience by reconstructing the marketing and service system. The Group will fully implement the IPMS (Integrated Product Marketing and Sales) system and enhance the operational effectiveness of the vehicle model marketing team. The Group will build an integrated marketing and service process system centered on users, fully introduce the NPS (Net Promoter Score) indicator management and appraisal system, accurately identify the pain points of user satisfaction, and systematically optimise the user experience throughout the entire life cycle. The Group will strengthen its marketing service network system, accelerate its channel penetration in lower-tier cities, continuously promote the sharing of self-developed brand service networks, expedite the construction of “GAC Comprehensive Sales and Services Centers”, and create a new service system featuring “comprehensive coverage, multi-tier engagement, and online-offline integration”. Further, it will deepen the fresh user experience of the “golden triangle of marketing” encompassing “direct connection, direct service, and direct operation”.

Accelerate breakthrough in overseas markets, expanding growth potential. We remain steadfast in mobilising the entire Group's strengths to penetrate the international market, and concentrated our resources on planning and developing core markets with an annual sales volume ranging from 50,000 to 100,000 units. We will gain profound insights into the market demands in pivotal regions, ensuring precise alignment of the products with overseas market dynamics. We are dedicated to crafting multiple global star products with planned annual sales volume ranging from 50,000 to 100,000 units. Further, we will accelerate the construction and deployment of overseas KD (knockdown) plants, enhancing the scale and capacity utilisation rate of KD projects. We will also improve our overseas warehousing network, establish an active after-sales service system, deepen localised operations, and promote the overseas expansion of related supporting businesses such as automobile finance, mobility services, logistics and transportation, manufacturing and supply of parts, as well as energy ecosystems, thereby continuously enhancing our system capabilities.

Intensify superlative cost control as solid foundation for development. The Group will vigorously propel cost reduction through platform modularisation, establish a platform-based cross-departmental collaboration mechanism, strictly control product configuration requirements, and streamline both the specifications and quantities of core components, thus effectively enhancing the platformisation rate. The Group will carry out normalised and institutionalised technical benchmarking initiatives, delving into the optimal technical solutions within the industry, and implementing superlative technical cost reduction. Centering on the implementation of an integrated procurement strategy for products throughout the entire process, the Group will consistently and comprehensively open up the supply chain, introduce suppliers offering cost advantages, and comprehensively enhance its QCD (quality, cost, delivery) competitiveness, aiming to forge an open, reliable, and highly cost-competitive global industrial chain system to achieve independent controllability over the core industrial chain.

Standing at the critical juncture of industrial transformation, we will embrace change and rise to challenges more openly, with enhanced innovation and reinforced pragmatism, continuously igniting fresh momentum for high-quality development. We strive to achieve a sales volume of 2 million units for our self-developed brands by 2027. Through unwavering commitment to technology, safety, and high-quality products, we will revitalise GAC and achieve a second leap forward, consistently delivering increasingly comfortable mobility experiences for users!

SUMMARY OF BUSINESS OF THE COMPANY

(I) SUMMARY OF BUSINESS

The existing principal businesses of the Group consist of R&D, 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 automobile industry chain.

1. *Research and development*

With IPD process transformation at its core, the Company has built a large-scale R&D system and formed a “market + technology” dual-driven product development model. An end-to-end development process of “insight-demand-development-delivery” has been created to strengthen its systematic innovation capabilities.

2. *Manufacture of vehicles*

(1) Manufacture of passenger vehicles

The manufacture of passenger vehicles is mainly conducted through its subsidiaries, including GAC Trumpchi and GAC AION, and joint ventures, including GAC Honda and GAC Toyota. During the Reporting Period, the Group launched new, upgraded and facelifted vehicle models such as GAC Trumpchi M8 QianKun, GAC Trumpchi S7, GAC AION UT, GAC Hyptec HL, GAC Toyota bZ3X and GAC Honda P7, etc.

- **Products:** The Group’s passenger vehicles include 12 series of sedans, 23 series of SUV and 6 series of MPV. The commercial vehicles are mainly manufactured by the subsidiary, GAC Commercial Vehicle, 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 annual effective vehicle production capacity amounted to 2,890 thousand units.

- **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 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 over 2,200 4S sales outlets across 31 provinces, counties, autonomous regions and municipalities in the PRC. Overseas sales outlets of self-developed brands amounted to over 570, with its sales and service operations covering 84 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 its subsidiary GAC Component, the Group's subsidiaries Ruipai Power and Lisheng Technology, and the Group's joint ventures and associated companies, including GAC Toyota Engine and CATL GAC. The parts and components of vehicles mainly include engines, gearboxes, car seats, micro motors, shifter, power battery, electric drive, electric controller, and 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, secondhand vehicles, supporting services, mobility transportation, etc., mainly through its subsidiary, GAC Business (as well as its subsidiaries and investee companies) and investee company, ON TIME, 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 has been constantly enhanced.

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 “Lighthouse Factory”, 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, MPVs and SUVs, 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 vehicle models such as GAC Trumpchi M8 QianKun, GAC Trumpchi S7, GAC AION UT, GAC Hyptec HL, GAC Toyota bZ3X and GAC Honda 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’s powertrain independent R&D team was awarded the title of “National Outstanding Engineering Team”. During the Reporting Period, with IPD process transformation at its core, the Group has rebuilt a large-scale R&D system and formed a “market + technology” dual-driven product development model. An end-to-end development process of “insight-demand-development-delivery” has been created to further strengthen its systematic innovation capabilities.

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 NEVs. 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 and the magazine battery system safety technology, as well as electric drive technologies such as the deeply integrated “three-in-one” electric drive system, twelve-in-one integrated electric drive system with integrated charging and power transmission functions, and supercars’ dual-motor two-gear integrated electric drive. This led to the creation of the “AION” series and the “Hypotec” series, which are NEV product systems. The Group has also successfully introduced a variety of new energy products to its joint ventures. In the field of energy conservation powertrain, the Group independently developed industry-leading hybrid system technologies such as the fourth-generation engine system, the GMC 3.0 mechatronic coupling system, and high-efficiency range extenders adopting platform-based modular designs, which can be assembled into a powertrain system suitable for all types of hybrid models such as HEV, PHEV and REEV. In the field of ICV, the Group has self-developed the centralised computing electronic and electrical architecture “X-soul” equipped with vehicle-cloud integration. During the Reporting Period, the Group launched its smart technology brand, ADiGO, and the GAC GSD combined driving assistance system with a “generative AI-based end-to-end architecture”. It also unveiled the “GAC X-soul Safety Protection System” for the first time, providing users with comprehensive safety protection for intelligent travel by virtue of full-chain safety R&D system, all-domain safety technology and round-the-clock safety assurance. The self-developed Shenxing data simulation platform obtained the industry’s first A+ class AI intelligent driving simulation toolchain product certification issued by CAERI Kairui Testing & Certification (Chongqing) Co., Ltd. (中汽院凱瑞檢測認證(重慶)有限公司).

DISCUSSION AND ANALYSIS ON OPERATION

(I) ANALYSIS ON INDUSTRY ENVIRONMENT¹

In the first half of 2025, spurred by the sustained effectiveness of the trade-in policy, the Chinese automobile market continued to maintain a favorable momentum. The production and sales volume of vehicles from January to June 2025 reached 15,621 thousand units and 15,653 thousand units respectively, representing a year-on-year increase of 12.5% and 11.4% respectively. Among them, domestic sales volume of automobiles amounted to 12,570 thousand units, representing a year-on-year increase of 11.7%, while automobile exports came to 3,083 thousand units, representing a year-on-year increase of 10.4%.

From January to June 2025, the production and sales volume of passenger vehicles amounted to 13,522 thousand units and 13,531 thousand units respectively, representing a year-on-year increase of 13.8% and 13% respectively. Among them, the proportion of sales volume for the passenger vehicles of Chinese brands remained at a high level. From January to June 2025, 9,270 thousand units were sold, representing a year-on-year increase of 25%, and the sales proportion stood at 68.5%, representing a year-on-year increase of 6.6 percentage points.

From January to June 2025, the production and sales volume of commercial vehicles reached 2,099 thousand units and 2,122 thousand units respectively, representing a year-on-year increase of 4.7% and 2.6% respectively.

NEVs sustained the momentum of rapid growth. From January to June 2025, the production and sales volume of NEVs reached 6,968 thousand units and 6,937 thousand units respectively, representing a year-on-year increase of 41.4% and 40.3% respectively. NEVs accounted for 44.3% of the total sales volume of new automobiles.

(II) ANALYSIS ON OPERATION OF THE COMPANY

In the first half of 2025, in the face of the severe and complex market situation, the Group took multiple proactive measures to coordinate and promote reform and transformation as well as operational development, striving to achieve better work performance. However, due to the combined impact of multiple factors, the overall operational performance of the Group fell short of the expected targets. In the first half of the year, the Group achieved a total production and sales volume of 801.7 thousand units and 755.3 thousand units respectively, representing a year-on-year decrease of 6.73% and 12.48% respectively. Among them, the sales volume of NEVs was 154.1 thousand units, representing a year-on-year decrease of 6.08%, whereas that of energy-efficient vehicles amounted to 211.6 thousand units, representing a year-on-year increase of 13.43%. During the Reporting Period, the proportion of the Group's sales volume generated from energy-efficient vehicles and NEVs increased to 48.43%.

¹ In this announcement, relevant data of the industry are sourced from the China Association of Automobile Manufacturers.

1. Self-developed brands refreshed their product portfolio

In the first half of 2025, GAC Trumpchi, focusing on the transformation towards intellectualisation and electrification, adopted a strategy of “independent development” combined with “cooperation”, launching the “Xiangwang” NEV model series, and introducing new models such as S7 and M8 QianKun, further solidifying its mainstream, elegant and high-quality brand image. GAC Trumpchi engages in deep collaboration with Huawei, empowering its high-end models with Huawei’s QianKun ADS technology. The M8 QianKun is integrated with Huawei’s HarmonyOS cockpit and QianKun ADS, facilitating GAC Trumpchi to consolidate its edge in the mid-to-high-end MPV market. In the first half of the year, GAC Trumpchi achieved a sales volume of 35 thousand energy-efficient vehicles and NEVs, representing a year-on-year increase of 18%.

In the first half of 2025, GAC AION AION S and AION Y ranked at the forefront in the domestic pure electric vehicle market segments in term of terminal sales volume². During the Reporting Period, GAC AION launched the all-new entry-level pure electric hatchback sedan, the AION UT, further improving its product lineup and demonstrating a technological, trendy and high-quality brand image. GAC Hyptec unveiled a new logo, launching its all-new flagship luxury pure electric SUV, the Hyptec HL, alongside annual model updates for both the Hyptec GT and Hyptec HT. Through intelligence enhancement and performance optimisation, it has continuously enhanced its product competitiveness while highlighting its tech-forward, luxurious, and high-quality brand image.

² In this announcement, data of the terminal sales volume are sourced from China Automotive Technology and Research Center Limited.

2. *Joint venture brands sought transformation and breakthrough*

In the first half of 2025, GAC Toyota achieved a sales volume of 344.7 thousand units, representing a year-on-year increase of 2.58%, among which, the terminal sales volume of models such as Camry and Sienna ranked at the forefront in the domestic market segment. GAC Toyota achieved a new breakthrough in its transformation towards electrification by launching its first co-developed pure electric model, the bZ3X. Since its market debut, it has been top-selling among joint-venture pure electric models for two consecutive months. In the first half of the year, GAC Toyota achieved a sales volume of 202.3 thousand energy-efficient vehicles and NEVs, representing a year-on-year increase of 30.55%, the proportion of which rose to 58.70%. Among them, the terminal sales volume of HEV models ranked first in the domestic market. GAC Toyota has diversified its hybrid product lineup through multiple paths. It plans to launch the extended-range versions of Highlander and Sienna, and accelerate the development of high-performance and competitive PHEV models. It deepened cooperation with Huawei, Xiaomi and Momenta to build an AI ecosystem. GAC Honda officially launched the P7, the inaugural strategic model under its all-new electric vehicle brand, marking the beginning of a new chapter in its electrification journey. In virtue of thorough research on market needs and localised refinement, GAC Honda introduced the Accord Sport series, driving a sales recovery for its flagship model, the Accord. In collaboration with partners such as Momenta and DeepSeek, it enhanced intelligence experience. Wuyang Honda achieved a sales volume of 293.7 thousand units in the first half of the year, which remained largely the same as the previous year. Among them, 89 thousand units were exported, representing a year-on-year increase of 19%.

3. *International business expanded in depth*

The overseas product matrix of self-developed brands has been continuously refined, and the channel layout has been further expanded. In the first half of 2025, the Group introduced 4 new models overseas, and expanded its presence in 10 additional countries, covering over 100 additional outlets. So far, the Group has expanded its footprint to 84 countries and regions in aggregate, and over 570 outlets have been established. The Group comprehensively promoted the KD production layout and successfully completed the construction of its smart factory in Indonesia, putting it into operation in the first half of the year. Through multi-dimensional and stereoscopic brand promotion, the Group made its appearance at international brand events such as the Bangkok International Motor Show, the Hong Kong Auto Show, the Canton Fair, and the Milan Design Week, further enhancing its influence in overseas markets. Through deepened international business synergy, the Group yielded initial achievements in building a diversified ecosystem. GAC Business's AION Bangkok Experience Center was officially opened, while the China (Guangzhou) Auto Export Base, which had been constructed with investment, officially commenced operations, providing one-stop services for automobile exports. GAC Component promoted the export of its self-developed products and actively expanded overseas business. In the first half of the year, its export volume achieved a year-on-year growth of 24%. UPOWER Energy was awarded the first investment promotion license for electric vehicle battery maintenance services in Thailand, officially launching its battery service center in Thailand to provide professional battery maintenance services to local customers.

4. *Industry ecosystems interacted and advanced together*

In the fields of parts and components, GAC Component accelerated the R&D of key system components, promoting the development of 88 key products across four major sectors, namely chassis and body, interior and exterior trims and lighting, power systems, and ICV.

In the fields of commercial and mobility transportation services, GAC Business deepened its operational efficiency of new media. The “one store, one strategy” approach was adopted to enhance the quality of terminal operations. During the first half of 2025, the terminal sales volume reached 71 thousand units, representing a year-on-year growth of 15.9%. GAC Business continuously optimised the layout of its automobile sales network. In the first half of the year, two new outlets of first-tier channel and one new outlet of second-tier channel were added. As of June 2025, GAC Business had set up a total of 151 sales outlets in 45 cities and 21 provinces across the country. In the first half of the year, ON TIME recorded over 70 million completed orders in aggregate, representing a year-on-year growth of approximately 51%. It also initiated its “Robotaxi+” strategy to accelerate the large-scale commercialisation of Robotaxi.

In the fields of energy and ecosystem, the first phase of 18GWh power batteries production line of IMPOW Battery was fully completed and commenced mass production, which steadily promoted the yield rate, with over 66,000 sets being delivered in the first half of 2025. In the first half of the year, GAC Energy built 242 new charging stations and added 3,282 charging terminals. It has cumulatively built and operated over 1,600 charging stations and over 17,000 charging terminals (including over 12,000 fast-charging piles), ranking among the top in the automobile industry in terms of the scale of charging terminals. GAC's vehicle-to-grid pilot project was selected as one of the first batch of national vehicle-to-grid (V2G) large-scale application pilot projects.

In the fields of investment and finance, GAC-SOFINCO continuously strengthened its all-round cooperation with the original equipment manufacturers (OEMs), formulated "one factory, one policy" based on the product characteristics and market demand of OEMs, and launched innovative and differentiated financial products to precisely assist the OEMs in vehicle sales. GAC Finance Company provided sufficient financing support for its member enterprises to reduce their financing costs. GAC-SOFINCO Leasing developed innovative direct leasing products, actively exploring new business opportunities of separating vehicle and battery. Urtrust Insurance took the lead in launching the "ICV Device Liability Insurance" within the industry, providing insurance coverage for smart vehicle models. Focusing on extending and replenishing the industrial chain, GAC Capital has completed investment arrangements for nine enterprises in key areas such as electric drive and control, intelligent cockpit and charging equipment.

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

During the Reporting Period, the revenue of the Group amounted to approximately RMB42.611 billion on a consolidated basis, representing a year-on-year decrease of approximately 7.88%. The net profit attributable to shareholders of the parent company amounted to approximately RMB-2.538 billion, representing a year-on-year decrease of approximately 267.39%. The basic earnings per Share amounted to approximately RMB-0.25, representing a year-on-year decrease of approximately 278.57%.

The major factors accounting for the changes in results during the Reporting Period included:

1. In the first half of 2025, due to factors such as fierce competition in the domestic automobile industry and the rapid upgrading of demand structure, the Group sold 755.3 thousand automobiles in the first half of the year, representing a year-on-year decrease of 12.48%;

2. During the Reporting Period, the sales volume of several key NEV models launched by the Company was still in the growth stage and failed to reach the planned targets. Meanwhile, due to the fierce competition in the domestic automobile industry and other factors, the Company's earnings declined;
3. There was a structural mismatch between the existing sales system of the Group and its demand for new energy transition. Its sales channels remained predominantly reliant on traditional 4S dealerships, while the construction of new channels such as direct sales, agency, and internet-based platforms lagged behind the industry. Moreover, the improvement of the marketing system's efficiency was relatively slow;
4. It takes time for the integrated operational reform of the self-developed brands to take effect. During the Reporting Period, the Company continued to improve the efficiency of new product development and control costs in various fields.

(IV) ANALYSIS OF PRINCIPAL BUSINESS

1. *Analysis of changes of items in the consolidated statement of comprehensive income and the cash flow statement*

Unit: 100 million Currency: RMB

Item	Current period	Corresponding period last year	Change (%)
Revenue	426.11	462.55	-7.88
Costs of sales	444.60	444.54	0.01
Selling and distribution costs	26.02	24.79	4.96
Administrative expenses	25.58	25.28	1.19
Finance costs	3.40	3.24	4.94
Interest income	2.33	3.51	-33.62
Share of net profit of joint ventures and associates	19.23	20.11	-4.38
Net cash flow generated from operating activities	-114.61	18.48	-720.18
Net cash flow generated from investing activities	-55.90	-103.50	45.99
Net cash flow generated from financing activities	28.20	-37.29	175.62

2. *Revenue*

During the Reporting Period, revenue of the Group amounted to approximately RMB42.611 billion, representing a year-on-year decrease of 7.88%. This was mainly due to a combination of factors such as fierce competition in the domestic automobile industry and the rapid upgrading of demand structure, which led to a decline in automobile sales volume.

3. *Cost of sales and gross profit*

During the Reporting Period, the Group recorded costs of sales of approximately RMB44.460 billion, representing a year-on-year increase of approximately 0.01%. Total gross profit amounted to approximately RMB-1.849 billion, representing a year-on-year decrease of approximately RMB3.650 billion. Gross profit margin decreased year on year by 8.23%, which was mainly due to the combined factors such as fierce competition in the domestic automobile industry and the rapid upgrading of demand structure, which led to a decline in automobile sales volume.

4. Expenses

- (1) The year-on-year increase of approximately RMB123 million in selling and distribution costs was mainly attributable to the combined factors including the launch of new vehicle models during the Reporting Period, which resulted in an increase in advertising and publicity fees;
- (2) The year-on-year increase of approximately RMB30 million in administrative expenses was mainly attributable to the combined effect of the corresponding increase in the administrative expenses resulting from enterprise development, as well as the year-on-year increase in the capitalization of R&D expenditures during the Reporting Period etc.;
- (3) The year-on-year increase of approximately RMB16 million in finance costs was mainly attributable to the combined factors including the year-on-year increase in interest expenses during the Reporting Period;
- (4) The year-on-year decrease of approximately RMB118 million in interest income was mainly attributable to the combined factors including the year-on-year decrease in non-operational interest income during the Reporting Period.

5. Cash flows

- (1) During the Reporting Period, net cash outflow generated from operating activities amounted to RMB11.461 billion, representing an increase in net outflow of RMB13.309 billion as compared with the net cash inflow of RMB1.848 billion in the corresponding period last year, which was mainly attributable to the combined factors including the decrease in net cash inflow resulting from declining sales volume during the Reporting Period;
- (2) During the Reporting Period, net cash outflow generated from investing activities amounted to RMB5.590 billion, representing a decrease in net outflow of RMB4.760 billion as compared with the net cash outflow of RMB10.350 billion in the corresponding period last year, which was mainly attributable to the combined factors including the increased recovery of investments in financial enterprises and corporate certificates of deposit as well as a year-on-year decrease in dividends received from joint ventures during the Reporting Period;

- (3) During the Reporting Period, net cash inflow generated from financing activities amounted to RMB2.820 billion, representing an increase in net inflow of approximately RMB6.549 billion as compared with the net cash outflow of RMB3.729 billion in the corresponding period last year, which was mainly attributable to the combined factors including the increase in the Group's supply chain finance business, and the decrease in dividend payment by the Group during the Reporting Period;
- (4) As at 30 June 2025, cash and cash equivalents of the Group amounted to approximately RMB22.188 billion, representing a decrease of RMB5.347 billion as compared with RMB27.535 billion as at 30 June 2024.

6. *Share of net profit of joint ventures and associated enterprises*

During the Reporting Period, the Group's share of net profit of joint ventures and associated enterprises amounted to approximately RMB1.923 billion, representing a year-on-year decrease of approximately RMB88 million, which was mainly attributable to the combined factors including the decrease in income resulting from the declining sales volume of the joint ventures during the Reporting Period.

7. *Others*

Income tax expenses amounted to approximately RMB-445 million, representing a year-on-year decrease of approximately RMB400 million, which was mainly attributable to changes in profit of certain enterprises during the Reporting Period.

To sum up, the Group's net profit attributable to shareholders of the parent company for the Reporting Period amounted to approximately RMB-2.538 billion, representing a year-on-year decrease of approximately 267.39%; basic earnings per Share amounted to approximately RMB-0.25, representing a year-on-year decrease of approximately 278.57%.

(V) ANALYSIS BY INDUSTRY, PRODUCT OR REGIONAL OPERATION

1. 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	246.50	269.10	-9.17	-19.39	-11.07	-978.87
Parts and components manufacturing industry	21.05	20.31	3.52	9.81	16.46	-61.05
Commercial services	131.32	128.80	1.92	15.67	21.45	-70.87
Financial services and others	27.24	26.39	3.12	13.22	43.04	-86.62
Total	426.11	444.60	-4.34	-7.88	0.01	-211.44

2. 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	243.90	265.89	-9.02	-20.24	-12.13	-964.26
Vehicles-related trades	154.97	152.32	1.71	16.78	23.35	-75.36
Financial services and others	27.24	26.39	3.12	13.22	43.04	-86.62
Total	426.11	444.60	-4.34	-7.88	0.01	-211.44

3. *Principal business by region*

Unit: 100 million Currency: RMB

By region	Revenue	Changes in revenue compared with last year (%)
Mainland China	359.15	-11.76
Overseas	66.96	20.56
Total	426.11	-7.88

4. *Principal business by sales model*

Unit: 100 million Currency: RMB

By sales model	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 (%)
Distributor sales model	246.50	269.10	-9.17	-19.39	-11.07	-978.87
Others	179.61	175.50	2.29	14.58	23.64	-75.78
Total	426.11	444.60	-4.34	-7.88	0.01	-211.44

(VI) 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 (%)
Prepayments and other long-term receivables	19.18	0.90	150.03	6.45	-87.22
Investments in joint ventures and associates	343.57	16.15	301.22	12.96	14.06
Inventories	175.29	8.24	156.88	6.75	11.74
Borrowings – non-current	78.42	3.69	119.69	5.15	-34.48
Borrowings – current	173.88	8.17	233.22	10.03	-25.44
Trade and other payables – current	570.47	26.82	632.27	27.19	-9.77

2. Analysis on the changes

- (1) Prepayments and other long-term receivables decreased by 87.22% as compared with the balance at the end of the previous period, mainly attributable to the combined factors including the transformation of GAC-SOFINCO Leasing from a subsidiary to a joint venture, which resulted in the decrease of relevant long-term receivables during the Reporting Period;
- (2) Investments in joint ventures and associates increased by 14.06% as compared with the end of the previous period, mainly attributable to the combined factors including the addition of new joint ventures and associates during the Reporting Period, the increase of capital in joint ventures and associates, the recognition of investment income in joint ventures and associates, and the profit distribution from joint ventures and associates;
- (3) Inventories increased by 11.74% as compared with the balance at the end of the previous period, mainly attributable to the combined factors including the increase in inventory goods within the automobile manufacturing factories, coupled with the decrease in dealers' inventories during the Reporting Period;

- (4) Borrowings – non-current decreased by 34.48% as compared with the balance at the end of the previous period, mainly attributable to the combined factors including the transformation of GAC-SOFINCO Leasing from a subsidiary to a joint venture, which resulted in the reduction in related borrowings – non-current during the Reporting Period;
- (5) Borrowings – current decreased by 25.44% as compared with the balance at the end of the previous period, mainly attributable to the combined factors including the transformation of GAC-SOFINCO Leasing from a subsidiary to a joint venture, which resulted in the reduction in related borrowings – current during the Reporting Period;
- (6) Trade and other payables – current decreased by 9.77% as compared with the balance at the end of the previous period, mainly attributable to the combined factors including payments made to suppliers during the Reporting Period.

(VII) ANALYSIS OF FINANCIAL POSITION

1. *Financial indicators*

As at 30 June 2025, the Group's current ratio was approximately 1.28 times, representing an increase from approximately 1.22 times as at 31 December 2024. The Group's quick ratio was approximately 1.05 times, remaining consistent with the approximately 1.05 times as at 31 December 2024. Both ratios were within reasonable range.

2. *Financial resources and capital structure*

As at 30 June 2025, the Group's current assets amounted to approximately RMB101.270 billion, current liabilities amounted to approximately RMB79.410 billion and current ratio was approximately 1.28 times.

As at 30 June 2025, the Group's total borrowings amounted to approximately RMB25.229 billion, mainly consisting of borrowings from bank and financial institutions with closing balance of approximately RMB25.049 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 30 June 2025, the Group's gearing ratio was approximately 17.64% (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 30 June 2025, financial guarantee given by the Company to controlled and whole-owned subsidiaries of the Group amounted to RMB0 (31 December 2024: RMB0).

As at 30 June 2025, independent third-party financial guarantee given by the Company amounted to RMB0 (31 December 2024: RMB0).

As at 30 June 2025, financial guarantee given by the Group to related parties outside the consolidation scope amounted to RMB0 (31 December 2024: RMB0).

(VIII) 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	165,262	-10.52%	154,647	-25.63%	226.25	-26.23%
GAC Toyota	348,912	2.72%	344,672	2.58%	523.10	0.31%
GAC Trumpchi	153,123	-20.91%	146,287	-22.55%	179.56	-29.47%
GAC AION	133,002	-5.17%	108,677	-13.97%	103.04	-16.91%

OTHER DISCLOSURES

1. Potential risks

Industry level

The domestic automobile market has entered a phase of moderate to slow growth, where the industry competition has shifted from incremental expansion to the optimisation of existing resources, with involution and frequent price wars occurring in multiple dimensions. The profit margin of the automobile manufacturing industry is lower than the average level of downstream industrial enterprises. The growth rate of automobile exports has slowed down due to unfavorable factors such as trade barriers and geopolitical conflicts in overseas markets. The market landscape is undergoing continual polarisation. The penetration rate of NEVs is rising continuously, while the market share of fuel-powered vehicles is shrinking further. The market share of passenger vehicles under self-developed brands is constantly ramping up, while the market space for joint venture brands is further compressed.

Company level

The Group currently faces the following major issues and challenges:

- (1) **Capability to understand users requires improvement.** The Group lacks systematic product definition methods and tools, and its grasp of user demands is not precise enough. Its ability to plan best-selling models needs to be improved.
- (2) **Product competitiveness requires enhancement.** The Group's brand positioning lacks clarity and distinctiveness. There is insufficient alignment between technology R&D outcomes and market needs, and its technological strengths are not prominent.
- (3) **Marketing system effectiveness exhibits relatively slow improvement.** There is a structural mismatch between the existing sales system of the Group and its demand for new energy transition. Its sales channels remain predominantly reliant on traditional 4S stores, while the development of new channels such as direct sales, agency and internet-based platforms lags behind the industry. Additionally, its digital marketing capabilities are relatively weak, and its channel coverage in the lower-tier markets is relatively inadequate.
- (4) **Overseas expansion urgently requires acceleration.** The export scale of the Group is still relatively small, with a low proportion of sales volume. There has been no synergy formed in aspects such as channel development, product management and operational coordination.

- (5) **Deficiencies in cost control.** The progress of cost reduction in commercial affairs and technologies is relatively slow, and there is room for improvement in platformisation rate, generalisation rate and commonality rate.

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

- (1) The Group will continue to deepen the IPD reforms, achieve the integration of the main IPD process, and deeply integrate the workflows of various fields with product development activities. The Group will enhance precision in planning and strategising, establish a strategic system for star models, systematically establish standardized insight methods throughout the entire journey and user demand-oriented product definition methods and tools. The Group will set up a special working group for quality improvement, strengthening the development of perceptual quality throughout the entire process spanning from demand undertaking, development control to verification and acceptance, in order to comprehensively enhance the customer experience. The Group will also accelerate product updates and iterations by accurately grasping user demands, and promote the market entry of new models, such as Trumpchi S9, Hyptec HL extended-range version, brand-new C-class luxury sedans and the second-generation AION V extended-range version.
- (2) The Group will clearly define the positioning of its three major brands, namely, Trumpchi, AION and Hyptec, and review and update its product planning. The Group will enhance technological planning and the transformation of research results, refine the coordination mechanism between technological planning and product planning, so as to achieve interlocking along the entire chain, from demand, planning to implementation, installation, evaluation and assessment etc., to ensure more efficient conversion of technological innovation outcomes, and effectively empower the enhancement of product competitiveness and commercial success. The Group will promote the technological upgrade for electrification and intellectualisation, forge and deepen the technological branding with GAC characteristics, accelerate the R&D breakthrough of next-generation battery technology to attain leadership in battery technology. Taking the electronic and electrical architecture equipped with vehicle-cloud integration as the pedestal, the Group will empower the combination of driving assistance and cockpit with AI to drive the upgrade of intelligence experience.
- (3) The Group will accelerate the revolution of IPMS in the marketing field, and enhance the operational effectiveness of the vehicle model marketing team. The Group will fully introduce the NPS (net promoter score) indicator management to ensure continuous satisfaction of users throughout the entire service cycle. The Group will develop an omni-channel content strategy, dig deep into the core selling points of the product, and execute targeted communication based on the pain points of target users in different usage scenarios to enhance the conversion effectiveness of traffic leads. The Group will also increase its deployment of sales and service outlets in cities below the third-tier level and rural areas to tap into the growth potential of the market.

- (4) The Group will conduct in-depth research on key countries and markets, enhance the precision of product introduction and market fit, and strive to create overseas best-selling models. The Group will fortify the alignment of domestic vehicle model planning and feasibility studies, optimise overseas regulatory certification processes, and enhance product development efficiency. The Group will focus on high-potential yet high-barrier markets such as Europe, Australia, New Zealand and Brazil to accelerate channel development, targeting to add more than 170 new outlets throughout the year. The Group will also accelerate the construction and deployment of overseas KD factories, while expanding the scale and enhancing the capacity utilisation rate of KD projects.
- (5) In terms of platformisation and component technology solutions, the Group will keep up with the technological iterations in the industry, reduce the number of configurations and components, and enhance the competitiveness of modules and the generalisation rate of vehicles. The Group will delve into the best technical solutions in the industry, eliminate redundancies, and implement ultimate technological cost reduction. The Group will establish an open, reliable and highly cost-competitive global industrial chain system, continuously and comprehensively open up the supply chain, and introduce suppliers with cost advantages. The Group will implement an end-to-end innovative procurement model for R&D, marketing, and investment functions etc., in the field of comprehensive procurement. The demand end will adopt unified purchasing, bundled procurement, platform sourcing, and horizontal integration. The supply end will drive the vertical integration of the tier-2 and tier-3 supply chains and expand the pool of candidates.

2. Other disclosures

In order to thoroughly implement the relevant requirements of the “Opinions on Further Improving the Quality of Listed Companies” and the “Initiative on Conducting the ‘Quality Improvement, Efficiency Enhancement, and Focus on Returns’ Special Action of Companies Listed on the Shanghai Stock Exchange”, the Company has formulated and released the “Action Plan on ‘Quality Improvement, Efficiency Enhancement, and Focus on Returns’”. Since the release of the plan, the Company has undertaken proactive execution to enhance corporate quality, increase returns for investors and boost investors’ sense of achievement.

- 1. **Deepen reforms to drive growth.** In the face of the severe and complex market situation, in order to promote business improvement and sustainable development, the Company has formulated the three-year “Panyu Action”. In the first half of 2025, the Company steadily advanced the implementation of an integrated reform by setting up a shared service center for its self-developed brands. It has achieved an integrated operational control over research, production, supply, marketing and finance, as well as established a macro-R&D architecture. It is gradually promoting deep transformation and reengineering of procedural, organisational and decision-making mechanisms in accordance with the reform plan.

2. **Sustain stable cash dividends.** The Company has formulated the “Dividend Distribution Plan for Shareholders of GAC Group (2024-2026)”. The Company’s dividend distributed in cash each year shall be no less than 10% of the distributable profits realised in such year, whereas the dividend distributed in cash for these three consecutive years shall be no less than 30% of the average distributable profits realised in such three years. Since its listing, the Company has maintained cash dividends twice a year, at mid-year and year-end for many years, with the annual cash dividend payout ratio above 30%. In the first half of 2025, the Company implemented the 2024 final cash dividend on 21 June 2025, combined with the interim cash dividend, the cumulative cash dividend payout ratio throughout the year exceeded 62%.
3. **Implement the Share repurchase plan.** Based on confidence in the Company’s future development prospects and a high recognition of its value, in order to enhance the Company’s investment value and strengthen investors’ confidence, the Company has announced a Share repurchase plan with a total amount ranging from RMB500 million to RMB1 billion. The Company strictly implemented the Share repurchase plan during the repurchase period, and completed the repurchase plan in the first half of 2025. More than 300 million Shares in total were repurchased throughout the repurchase period, accounting for 2.94% of the Company’s total Shares, and the cumulative repurchase amount amounted to approximately RMB900 million (transaction fees exclusive).
4. **Strengthen communication with investors.** Since 2025, the Company has been under considerable pressure in terms of its operating and business performance. To enhance investors’ confidence, the Company has further strengthened its communication with the capital market and improved communication efficiency. The Company has intensified its liaison and communication with investors through a combination of multiple online and offline methods, including investor hotlines, mailbox of investor relations, the Shanghai Stock Exchange e-interaction portal, analyst meetings, on-site meetings and results briefings. In addition, the Company has conducted on-site roadshows in places such as Hong Kong and Singapore to enhance its coverage among overseas investors. It has maintained smooth communication with investors at multiple levels and conveyed the Company’s investment value and developmental philosophy.

To effectively enhance the market capitalisation, the Company has formulated and released the “Valuation Enhancement Plan”, which aims to adequately consider the interests and returns of investors in areas such as corporate governance, business improvement, mergers and acquisitions, equity incentives and employee stock ownership and cash dividends, thereby continuously enhancing the investment value of the Company. Meanwhile, the Company revised the “Market Capitalisation Management System”, clarifying the behavioral status of market capitalisation management in terms of strategic management and the responsibilities of market capitalisation management at all levels, as well as clarifying the monitoring and forewarning mechanism and emergency measures.

Subsequently, the Company will continuously assess the implementation of specific measures under the “Quality Improvement, Efficiency Enhancement, and Focus on Returns” action plan, fulfill its obligation of information disclosure in a timely manner, persistently deepen reforms, and unceasingly fortify the Company’s core competitiveness and profitability. Through excellent performance, standardized corporate governance and stable returns for investors, the Company will earnestly fulfill its responsibilities and obligations as a listed company and promote the stable and healthy development of the capital market.

SIGNIFICANT EVENTS

1. Proposed Profit Distribution Plan or Conversion of Capital Reserves

Formulated half-year profit distribution plan and conversion of capital reserves

Whether making profit distribution or converting capital reserves into share capital	No
Number of bonus Share for every 10 Shares	0
Amount of cash dividend for every 10 Shares (RMB) (tax inclusive)	0
Number of Shares converted for every 10 Shares	0
Relevant Explanation on Profit Distribution Plan or Plan to Convert Capital Reserves into Shares	
During the Reporting Period, the Company achieved a net profit attributable to Shareholders of the listed company of RMB-2.538 billion, and no profit distribution was implemented during the Reporting Period.	

2. Matters Relating to Insolvency or Restructuring

On account of its insolvency, the joint venture of the Company, GAC Fiat Chrysler Automobiles Co., Ltd., filed for winding-up in accordance with relevant requirements of laws and regulations in 2022. On 29 November 2022, the Intermediate People’s Court of Changsha issued the “Civil Judgment” to formally accept its winding-up application. On 6 March 2023, Beijing Yingke (Changsha) Law Firm was designated by the Intermediate People’s Court of Changsha to act as the administrator.

On 8 July 2025, the administrator announced that the bankruptcy of GAC Fiat Chrysler Automobiles Co., Ltd. had been officially declared by the Intermediate People's Court of Changsha, and the distribution plan of winding-up property had been approved by the creditors' vote. Meanwhile, the administrator was actively cooperating with the local government's investment promotion department to engage with prospective enterprises and revitalise the core assets. The Company and its subsidiaries have fully provided for the receivables they hold therein in accordance with the rules, and the relevant matters will not have a significant impact on the Company's production and operation.

3. Material Litigation and Arbitration

The Company had no material litigation and arbitration during the Reporting Period.

4. Events Occurring after the Reporting Period

There were no important events affecting the Company and its subsidiaries which had occurred since the end of the six months ended 30 June 2025.

CHANGES IN SHARE CAPITAL

During the Reporting Period, as the 2020 A Share option and restricted Share incentive scheme failed to meet the performance conditions for the third unlocking period, the Company completed the repurchase and cancellation of 26,048,350 restricted A Shares on 16 January 2025. Upon completion of the cancellation, the Company no longer had any restricted Shares. In addition, 118,404,000 repurchased H Shares were cancelled by the Company on 27 February 2025 in accordance with the Share repurchase scheme. Such factors collectively contributed to a reduction in the total number of the Company's Shares by 144,452,350 Shares during the Reporting Period.

CORPORATE GOVERNANCE

On 3 February 2025, Mr. Zeng Qinghong resigned from his positions as the chairman of the Board (the "Chairman") and executive director of the Company as he had reached the retirement age. On the same day, Mr. Feng Xingya was appointed as the Chairman and continued to serve as the general manager of the Company concurrently. Pursuant to code provision C.2.1 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, the roles of chairman and chief executive of a listed issuer should be separate and should not be performed by the same individual concurrently so as to achieve a balanced distribution of power and authority. The Company will implement relevant arrangements to comply with the aforesaid requirements depending on the needs of its business development.

Save as aforesaid, the Company has complied with the code provisions of the Corporate Governance Code in force as set out in Appendix C1 to the Listing Rules during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Pursuant to the “Resolution on the Share Repurchase Plan through Centralised Bidding” which was passed by Shareholders at the 2023 annual general meeting held on 20 May 2024, 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 “Repurchase Mandate”).

The monthly distribution of Shares repurchased under the Repurchase Mandate by the Company during the Reporting Period is as follows:

2025 Month	A Shares (on-market repurchase on the Shanghai Stock Exchange)				H Shares (on-market repurchase on the Stock Exchange)			
	Number of Shares repurchased	Highest price (RMB)	Lowest price (RMB)	Total repurchase value (RMB) (excluding transaction fees)	Number of Shares repurchased	Highest price (HKD)	Lowest price (HKD)	Total repurchase value (HKD) (excluding transaction fees)
January	0*	–	–	–	24,496,000	3.16	3.02	75,785,420
February	0	–	–	–	0	–	–	–
March	0	–	–	–	0	–	–	–
April	1,288,404	7.79	7.73	9,999,365.48	0	–	–	–
May	0	–	–	–	0	–	–	–
June	N/A	–	–	–	N/A	–	–	–
Total	<u>1,288,404</u>	<u>7.79</u>	<u>7.73</u>	<u>9,999,365.48</u>	<u>24,496,000</u>	<u>3.16</u>	<u>3.02</u>	<u>75,785,420</u>

* As the 2020 A Share option and restricted Share incentive scheme failed to meet the performance conditions for the third unlocking period, the Company completed the repurchase and cancellation of 26,048,350 restricted A Shares on 16 January 2025. However, such repurchase was made by the Company directly from the relevant scheme participants, rather than in accordance with the Repurchase Mandate.

To sum up, as at 30 June 2025, a total of 1,288,404 A Shares were repurchased at the aggregate consideration of RMB9,999,365.48 (excluding transaction fees), and the Company had an increase of 1,288,404 A Shares as its treasury Shares. Meanwhile, a total of 24,496,000 H Shares were repurchased at the aggregate consideration of HK\$75,785,420 (excluding transaction fees) 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 Reporting Period.

DEFINITIONS

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

“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
“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)
“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 interest 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)
“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 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 Commercial Vehicle”	GAC New Energy Commercial Vehicle Co., Ltd. (廣汽領程新能源商用車有限公司) (formerly known as GAC Hino Motors Co., Ltd. (廣汽日野汽車有限公司)), a subsidiary in which the Company holds 89.72% equity interest
“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 by the Company, in which UPOWER Energy and GAC AION hold 55% and 45% equity interest 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 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 by the Company under PRC law, in which the Company, GAC Trumpchi and GAC AION hold 40%, 30% and 30% equity interest respectively
“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

“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 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 interest
“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
“Group” or “GAC Group”	the Company and its subsidiaries
“HEV”	hybrid electric vehicles
“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)
“Huawang Automobile”	Huawang Automobile Technology (Guangzhou) Co., Ltd. (華望汽車技術 (廣州) 有限公司), a company incorporated in March 2025 under PRC law, in which the Company and GAC AION directly hold 71.43% and 28.57% equity interest respectively
“IMPOW Battery”	IMPOW Battery Technology Co., Ltd. (因湃電池科技有限公司), a subsidiary of the Company established in October 2022 under PRC law, in which UPOWER Energy and GAC AION hold 49% and 51% equity interest respectively
“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 Company Limited (立訊精密工業股份有限公司), and in which the Company and GAC Component collectively hold 45% equity interest
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“MPV”	multi-purpose passenger vehicle
“ON TIME”	a mobile mobility platform established in April 2019 and launched by the Company through Chenqi Technology Limited (including its subsidiaries) established by China Lounge Investments and Tencent, and its controlling company, the shares of which are listed on the Stock Exchange (Stock Code: 9680), and in which the Group indirectly holds 12.84% equity interest
“PHEV”	plug-in hybrid electric vehicles
“PRC” or “China”	the People’s Republic of China
“REEV”	extended-range electric vehicles
“Reporting Period”	six months ended 30 June 2025
“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, in which GAC Trumpchi, GAC Group and GAC AION hold 26%, 23% and 51% equity interest respectively
“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(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to “subsidiary” under the Listing Rules

“SUV”	sports utility vehicle
“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
“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 interest
“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, 29 August 2025

As at the date of this announcement, the executive director of the Company is FENG Xingya, the non-executive directors of the Company are CHEN Xiaomu, DENG Lei, ZHOU Kaiquan, WANG Yiwei and HONG Suli and the independent non-executive directors of the Company are ZHAO Fuquan, XIAO Shengfang, WONG Hakkun and SONG Tiebo.