



广汽集团
GAC GROUP

匠于心 品于行
CRAFTED BY THE DRIVEN

H Share Stock Code: 2238
A Share Stock Code: 601238

2025

INTERIM REPORT



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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 report, 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 report.**

- (V) The forward-looking statements contained in this report 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.**

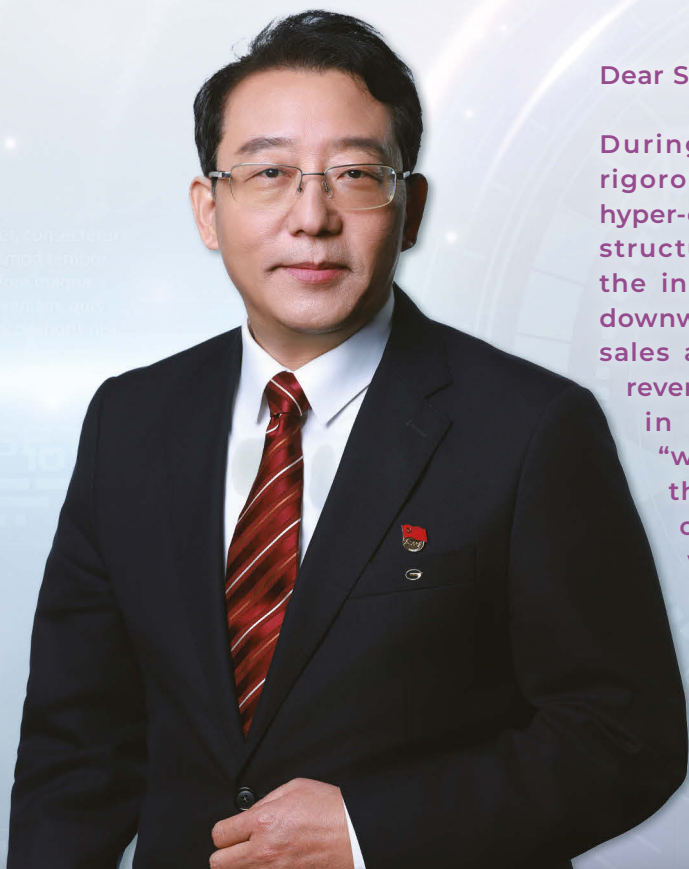
CHAIRMAN'S STATEMENT



CHAIRMAN'S STATEMENT

Dear Shareholders,

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.



Feng Xingya *Chairman*

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.

CHAIRMAN'S STATEMENT

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.



CHAIRMAN'S STATEMENT

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.

CHAIRMAN'S STATEMENT

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".

CHAIRMAN'S STATEMENT

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!

CORPORATE PROFILE AND SUMMARY OF BUSINESS



Chapter 2

CORPORATE PROFILE AND SUMMARY OF BUSINESS

I. CORPORATE INFORMATION

Chinese name of the Company	廣州汽車集團股份有限公司
Chinese abbreviation	廣汽集團
English name of the Company	Guangzhou Automobile Group Co., Ltd.
English abbreviation	GAC Group
Legal representative	Feng Xingya

II. CONTACT PERSON AND CONTACT METHOD

	Company Secretary/Secretary to the Board
Name	Liu Xiangneng
Address	No. 668 Jinshan Road East, Panyu District, Guangzhou
Telephone	020-83151139
Facsimile	020-83150319
E-mail	ir@gac.com.cn

III. BASIC INFORMATION

Registered address of the Company	23/F, Chengyue Building, 448-458 Dong Feng Zhong Road, Yuexiu District, Guangzhou
Office address of the Company	No. 668 Jinshan Road East, Panyu District, Guangzhou
Postal code of the Company's office address	511434
Head office and principal place of business of the Company in Hong Kong	Room 808, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong
Company's website	www.gac.com.cn
E-mail	ir@gac.com.cn
Investor hotline	020-83151139 Ext.3

IV. INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers selected by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Website designated by the CSRC for publishing the interim report	www.sse.com.cn
Website designated by the Stock Exchange for publishing the interim report	www.hkexnews.hk
Place of inspection of the interim report of the Company	No. 668 Jinshan Road East, Panyu District, Guangzhou

CORPORATE PROFILE AND SUMMARY OF BUSINESS

V. INFORMATION ON THE COMPANY'S SHARES

Class of shares	Stock exchange of listing shares	Stock abbreviation	Stock code
A Shares	SSE	GAC GROUP	601238
H Shares	Stock Exchange	GAC GROUP	02238

VI. 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.

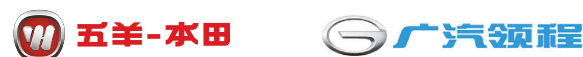
1. Research and development

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.



CORPORATE PROFILE AND SUMMARY OF BUSINESS

- **Products:** The Group's passenger vehicles include 12 series of sedans, 23 series of SUV and 6 series of MPV.

The Group's products mainly comprise:

							
GAC Trumpchi	Trumpchi M8	Trumpchi M6	Trumpchi E8	Trumpchi GS8	Trumpchi GS3	Trumpchi Empow	Trumpchi S7
							
GAC AION	AION S Plus	AION Y Plus	AION RT	AION UT	Second-generation AION V	AION LX Plus	
							
GAC Hyptec	Hyptec SSR	Hyptec GT	Hyptec HT	Hyptec HL			
							
GAC Honda	Accord	Integra	Breeze	Avancier	Odyssey	e:NP2	P7
							
GAC Toyota	Camry	Levin	Highlander	Wildlander	Frontlander	Sienna	bZ3X

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.

CORPORATE PROFILE AND SUMMARY OF BUSINESS

- **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.



CORPORATE PROFILE AND SUMMARY OF BUSINESS

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.



CORPORATE PROFILE AND SUMMARY OF BUSINESS

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.



(VII) 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.



CORPORATE PROFILE AND SUMMARY OF BUSINESS

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.

CORPORATE PROFILE AND SUMMARY OF BUSINESS

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 “Hyptec” 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

Chapter 3

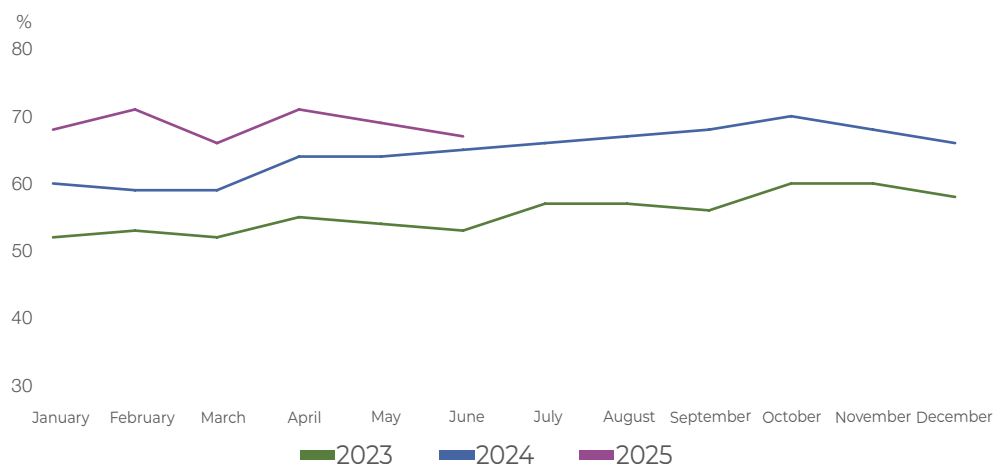
DISCUSSION AND ANALYSIS ON OPERATION

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.

Changes in the Market Share of Chinese Brand Passenger Vehicles in Terms of Sales Volume

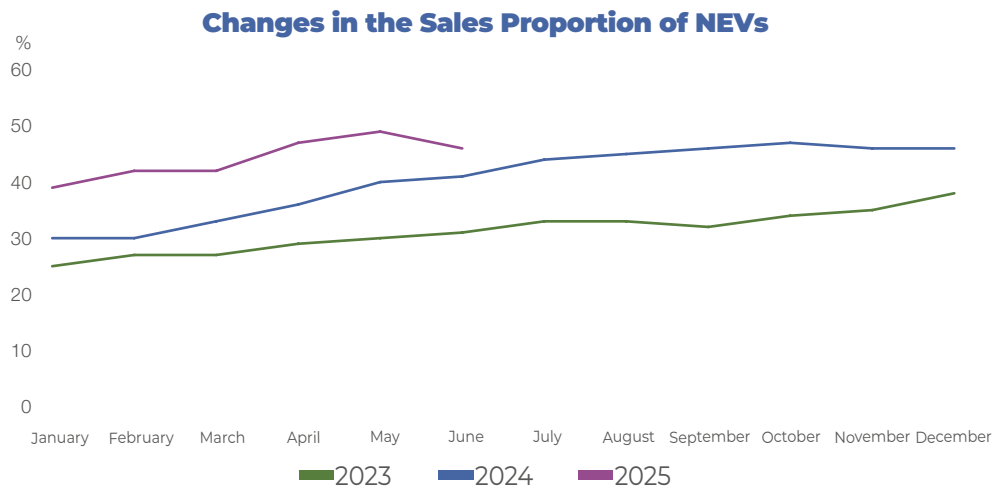


¹ In this report, relevant data of the industry are sourced from the China Association of Automobile Manufacturers.

DISCUSSION AND ANALYSIS ON OPERATION

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%.

DISCUSSION AND ANALYSIS ON OPERATION

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 report, data of the terminal sales volume are sourced from China Automotive Technology and Research Center Limited.

DISCUSSION AND ANALYSIS ON OPERATION



Trumpchi S7

Launched in March 2025, Trumpchi S7 is positioned as a mid-to-large sized intelligent SUV for elite families, with a length of 4,900mm, a height of 1,780mm, and a wheelbase of 2,880mm. It is equipped with seats featuring heating, ventilation and massaging functions and the maximum reclining angle of the second-row seats is 137 degrees. The entire series comes standard with the Qualcomm 8295P chip, a 27-inch high-definition HUD as well as a 17.3-inch 3K ceiling-mounted high-definition screen, and is equipped with a combined driving assistance system. It is a plug-in hybrid/extended-range dual-mode vehicle that allows for seamless switching, with a CLTC maximum range of 1,150 km under comprehensive operating conditions.



Trumpchi M8 QianKun

Launched in May 2025, Trumpchi M8 QianKun is the first product released under the joint innovation program of Trumpchi and Huawei. With a length of 5,251mm and a wheelbase of 3,070mm, it features dual zero-gravity seats in both rows, providing a comfortable driving and riding experience. It is equipped with Huawei's QianKun ADS and HarmonyOS cockpit, and is fitted with the world-leading 192-line laser radar and 4D millimeter-wave radar. It is powered by Trumpchi's high thermal efficiency 2.0TM engine and CATL's Freevoy Super Hybrid battery, offering a WLTC combined range of 1,177km.



Hytec HL

Launched in April 2025 and positioned as a neo-luxury intelligent SUV for families, Hytec HL has a wheelbase of 3,088mm and is available in five-seater and 2+2+2 six-seater configurations. The exterior adopts the design concept of a land yacht and is equipped with mountain-sea horizon headlights, intelligent interactive lighting and full-width taillights. The entire series is equipped with standard configurations including the air suspension and SDC intelligent variable damping shock absorber, Qualcomm Snapdragon 8295P chip, laser radar, and ADIGO Space 6.0 intelligent in-vehicle system. In terms of power, it offers two power versions including pure electric and extended range. The pure electric version has a CLTC maximum range of up to 750km, whereas the extended range version has a CLTC pure electric range of 350km and a CLTC combined range of 1,369km, which supports 800V 5C fast charging technology.



AION UT

Launched in February 2025, AION UT features a superior wheelbase of 2,750mm and a rear lateral space of 1,385mm compared to its counterparts. It is equipped with a 100kW Quark motor and 215mm wide tires for a smoother driving experience. It is equipped with an AI intelligent cockpit and a 14.6-inch + 8.8-inch high-definition dual large screen. It is designed in accordance with the Sino-European double five-star vehicle body safety standards, and is fitted with safety configurations such as new-generation magazine battery and V-type side air curtains and reverse AEB.

DISCUSSION AND ANALYSIS ON OPERATION

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%.



GAC Toyota bZ3X

Launched in March 2025, bZ3X is GAC Toyota's first independently developed strategic model in China, deeply integrating Chinese localised solutions with global standards. It is equipped with laser radar, OrinX chips, and Momenta 5.0 driving assistance. The vehicle features a high-strength steel frame structure and incorporates nearly 100 Toyota's safety components to ensure the security of batteries, providing all-round protection for passengers. The standard configurations include the 8155 chip, a 14.6-inch large screen, and four-zone voice recognition, creating a comfortable and entertaining cabin space. bZ3X offers seven variants with three CLTC range options (430km, 520km, and 610km).



GAC Honda P7

Launched in April 2025, GAC Honda P7, the inaugural premium pure electric vehicle under the "Ye" brand, is forged based on Honda's Yunchi smart and efficient pure electric W architecture, featuring high rigidity, low center of gravity, and light weight. The newly developed three-in-one high-power motor, offering both single-motor rear-wheel drive and dual-motor four-wheel drive power options. Its 50:50 front-rear weight distribution enables exceptional driving control, providing users with new driving pleasure in the electric era. Additionally, P7 integrates the latest Honda SENSING 360+ driving assistance system and Honda CONNECT 4.0 intelligent connectivity, marking a comprehensive upgrade in smart technology.

DISCUSSION AND ANALYSIS ON OPERATION

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.

DISCUSSION AND ANALYSIS ON OPERATION

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;

DISCUSSION AND ANALYSIS ON OPERATION

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

DISCUSSION AND ANALYSIS ON OPERATION

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.;

DISCUSSION AND ANALYSIS ON OPERATION

- (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;

DISCUSSION AND ANALYSIS ON OPERATION

- (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%.

DISCUSSION AND ANALYSIS ON OPERATION

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

DISCUSSION AND ANALYSIS ON OPERATION

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

DISCUSSION AND ANALYSIS ON OPERATION

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;

DISCUSSION AND ANALYSIS ON OPERATION

- (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: $(\text{borrowings in non-current liabilities} + \text{borrowings in current liabilities}) / (\text{total equity} + \text{borrowings in non-current liabilities} + \text{borrowings in current liabilities})$).

DISCUSSION AND ANALYSIS ON OPERATION

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 wholly-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%

Chapter 4

SIGNIFICANT EVENTS

I. 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.

II. 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.

III. MATERIAL LITIGATION AND ARBITRATION

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

SIGNIFICANT EVENTS

IV. APPOINTMENT OR DISMISSAL OF ACCOUNTANTS

EXPLANATION ON APPOINTMENT OF ACCOUNTING FIRMS

As considered and approved at the 62nd meeting of the 6th session of the Board, the 20th meeting of the 6th session of the Supervisory Committee and the 2023 annual general meeting of the Company, the Company appointed ShineWing Certified Public Accountants LLP and KPMG as auditors of the Company for the year 2024. As considered and approved at the 3rd meeting of the 7th session of the Board, the 27th meeting of the 6th session of the Supervisory Committee and the 2024 annual general meeting of the Company, the Company reappointed ShineWing Certified Public Accountants LLP and KPMG as auditors of the Company for the year 2025.

V. EVENTS AFTER THE REPORTING PERIOD

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

VI. SHARE OPTION INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER STAFF INCENTIVES OF THE COMPANY AND THE IMPACTS THEREOF

A-Share Option

A-Share option represents the right granted to a participant by the Company to acquire certain number of A Shares of the Company at a pre-determined price and conditions within a particular period of time. The source of the underlying Shares shall be the ordinary A Shares to be issued by the Company to the participants.

Restricted Shares

Restricted Shares represent a certain number of A Shares of the Company granted to the participants by the Company under the conditions and at the price as stipulated in the incentive scheme, which are subject to the lock-up period and can only be unlocked for trading when the unlocking conditions under the incentive scheme are satisfied. The source of the underlying Shares shall be the ordinary A Shares to be issued by the Company to the participants.

SIGNIFICANT EVENTS

(I) 2020 A SHARE OPTION AND RESTRICTED SHARE INCENTIVE SCHEME (THE “2020 INCENTIVE SCHEME”)

The 2020 Incentive Scheme shall be effective from the date on which the Share options and the restricted Shares have been granted and registered, and end on the date on which all the Share options granted to the participants have been exercised or cancelled and all the restricted Shares granted to the participants have been unlocked or repurchased and cancelled respectively, which shall not exceed 60 months, i.e. still effective until December 2025 with approximately two months remaining. The vesting period and the lock-up period of Share options and restricted Shares respectively were 24 months, 36 months, 48 months from the date of completion of grant and registration. For details regarding the exercise period for Share options and the unlocking period for restricted Shares, and the relevant timetable, please refer to the section on the 2020 Incentive Scheme in the 2024 annual report of the Company.

Since all the 102,101,330 A Share options and 102,101,330 restricted A Shares available for grant under the 2020 Incentive Scheme were granted on 4 December 2020, the number of options and awards available for grant under the scheme mandate of the 2020 Incentive Scheme at the beginning and the end of the Reporting Period were both 0. As no service provider is eligible to be a participant under the 2020 Incentive Scheme, the service provider sublimit is not applicable to the 2020 Incentive Scheme.

A Share options under the 2020 Incentive Scheme

1. Under the first exercise period, such A Share options had become exercisable since 12 December 2022, expiring on 10 December 2023 (subject to the relevant restriction period).
2. Under the second exercise period, such A Share options had become exercisable since 11 December 2023, expiring on 10 December 2024 (subject to the relevant restriction period). Share options that had not been exercised during the second exercise period became lapsed on 11 December 2024 and were cancelled on 16 January 2025.
3. Under the third exercise period, such A Share options had become exercisable since 11 December 2024, expiring on 10 December 2025 (subject to the relevant restriction period). Due to the failure to satisfy the performance conditions during the Reporting Period, all such A Share options granted for the third exercise period were cancelled. For details, please refer to the announcement (Announcement No.: Lin 2024-080) disclosed on the website of the Stock Exchange in the form of overseas regulatory announcement on 10 October 2024.

SIGNIFICANT EVENTS

Restricted A Shares under the 2020 Incentive Scheme

Due to the failure to satisfy the performance assessment conditions, the restricted Shares corresponding to the third unlocking period fully lapsed on 11 December 2024. The Company repurchased and cancelled such 26,048,350 restricted A Shares on 16 January 2025, with a repurchase price of RMB4.20 per Share. For details of the repurchase and cancellation, please refer to the announcement disclosed on the website of the Stock Exchange in the form of overseas regulatory announcement on 13 January 2025 (Announcement No.: Lin 2025-007). Details of the repurchase price of the relevant restricted A Shares which have to be cancelled and the corresponding adjustments to the repurchase price are also set out on pages 130 to 132 of the 2024 annual report of the Company.

(II) 2022 A SHARE OPTION INCENTIVE SCHEME (THE “2022 INCENTIVE SCHEME”)

1. Purpose

In order to further establish and improve the long-term incentive mechanism of the Company, attract and retain talented individuals, fully mobilise the enthusiasm of the senior management, other management personnel who have a direct impact on the Company's operating performance and key core technical (business) personnel of the Company, and effectively bond the interests of the Shareholders, the Company and individuals of core teams together, making all parties to attend to the long-term development of the Company, on the premise of fully protecting the interests of the Shareholders and on the principle of income equivalent to contribution, the Company formulated the 2022 Incentive Scheme, which has been duly approved by way of special resolutions passed at the 2023 first extraordinary general meeting and the 2023 first class meetings for A and H Shareholders of the Company respectively held on 20 January 2023.

2. Scheme Participants

The participants under the 2022 Incentive Scheme are all employee participants as defined under Rule 17.03A(1)(a) of the Listing Rules, including the directors, senior management, other management personnel who have a direct impact on the Company's operating performance and key core technical (business) personnel of the Company.

3. Number of Granted Options and the Basis of Determining the Exercise Price of the Share Options

A total of 233,896,200 A Share options were granted to 3,089 participants on 20 January 2023, and the exercise price was RMB11.99 per Share, which was determined with reference to the highest of the following and shall not be lower than the nominal amount of the A Shares:

- (1) the average trading price of the A Shares of the Company on the trading day preceding the date of the proposal announcement (i.e. 13 December 2022) which is RMB11.82; and
- (2) one of the average trading prices of the A Shares of the Company for 20 trading days, 60 trading days or 120 trading days preceding the date of the proposal announcement.

SIGNIFICANT EVENTS

The adjustment details for the exercise price of Share options since the implementation of the 2022 Incentive Scheme are as follows:

- Since 16 June 2023, as a result of the implementation of the profit distribution plan for 2022, the exercise price of Share options was adjusted to RMB11.81/A Share accordingly under the 2022 Incentive Scheme. For details, please refer to the “Announcement on Adjusting the Exercise Price of the Share Option and Restricted Share Repurchase Price in the Share Option Incentive Scheme of the Company” (Announcement No.: Lin 2023-050) disclosed on the websites of SSE and the Stock Exchange on 8 June 2023.
- Since 18 September 2023, as a result of the implementation of the interim profit distribution plan for 2023, the exercise price of Share options was adjusted to RMB11.76/A Share accordingly under the 2022 Incentive Scheme. For details, please refer to the “Announcement on Adjusting the Exercise Price of the Share Option and Restricted Share Repurchase Price in the Share Option Incentive Scheme of the Company” (Announcement No.: Lin 2023-080) disclosed on the websites of SSE and the Stock Exchange on 8 September 2023.
- Since 13 June 2024, as a result of the implementation of the final profit distribution plan for 2023, the exercise price of Share options was adjusted to RMB11.66/A Share accordingly under the 2022 Incentive Scheme. For details, please refer to the “Announcement on Adjusting the Exercise Price of the Share Option and Restricted Share Repurchase Price” (Announcement No.: Lin 2024-042) disclosed on the websites of SSE and the Stock Exchange on 4 June 2024.
- Since 18 October 2024, as a result of the implementation of the interim profit distribution plan for 2024, the exercise price of Share options was adjusted to RMB11.63/A Share accordingly under the 2022 Incentive Scheme. For details, please refer to the “Announcement on the Price Adjustment and Partial Cancellation of Equity under the Share Option Incentive Scheme” (Announcement No.: Lin 2024-080) disclosed on the websites of SSE and the Stock Exchange on 10 October 2024.
- Since 27 June 2025, as a result of the implementation of the profit distribution plan for 2024, the exercise price of Share options was adjusted to RMB11.61/A Share accordingly under the 2022 Incentive Scheme. For details, please refer to the “Announcement on Adjusting the Exercise Price under the Share Option Incentive Scheme” (Announcement No.: Lin 2025-48) disclosed on the websites of SSE and the Stock Exchange on 20 June 2025.

SIGNIFICANT EVENTS

The closing price of the Company's A Shares on the date immediately before the grant date of the 2022 Incentive Scheme was RMB11.37 per Share. Within any 12-month period, none of the participants were granted or will be granted options and awards in aggregate exceeding 1% of the total issued A Shares of the Company under all effective Share option incentive schemes of the Company. Details of the maximum entitlement (i.e. A Share options) that each director and senior management of the Company may be granted under the 2022 Incentive Scheme are set out in the Company's circular disclosed on the website of the Stock Exchange on 4 January 2023, and the maximum entitlement that can be granted to each other individual participant shall not be higher than the above-mentioned maximum entitlement limit. No amount is payable by the participants on application or acceptance of the A Share options under the 2022 Incentive Scheme.

4. Validity period, vesting period and exercise period

The 2022 Incentive Scheme shall be effective from the date on which the Share options were granted (i.e. 20 January 2023), and end on the date on which all the Share options granted to the participants have been exercised or cancelled, and for no more than 60 months, i.e. until January 2028 with two years and three months remaining. The vesting period of the respective portions are 24 months, 36 months and 48 months from the date on which the Share options were granted.

As of the date of this report (i.e., 26 September 2025), the total number of securities issuable under the 2022 Incentive Scheme was 186,764,320 Shares, representing approximately 1.83% of the total issued Shares of the Company then.

Since the 2022 Incentive Scheme was adopted on 20 January 2023, and given that all the 233,896,200 A Share options available for grant under the 2022 Incentive Scheme were granted on 20 January 2023 (and no Share award is available for grant under the 2022 Incentive Scheme), the number of options and awards available for grant under the scheme mandate of the 2022 Incentive Scheme at the beginning and the end of the Reporting Period were both 0. As no service provider is eligible to be a participant under the 2022 Incentive Scheme, the service provider sublimit is not applicable to the 2022 Incentive Scheme.

SIGNIFICANT EVENTS

The arrangements of exercise period and the duration of each exercise period for the Share options are as follows:

Exercise arrangement	Exercise period	Exercisable proportion
First exercise period	Commencing from the first trading day after expiry of the 24-month period from the grant date and ending on the last trading day of the 36-month period from the grant date	20%
Second exercise period	Commencing from the first trading day after expiry of the 36-month period from the grant date and ending on the last trading day of the 48-month period from the grant date	40%
Third exercise period	Commencing from the first trading day after expiry of the 48-month period from the grant date and ending on the last trading day of the 60-month period from the grant date	40%

The participants shall complete the exercise of the Share options within the relevant exercise period. If the exercise conditions are not satisfied, the A Share options for the corresponding period shall not become exercisable. If the exercise conditions are satisfied, but such relevant A Share options are not fully exercised within the stipulated exercise period, such Share options will automatically lapse and be cancelled by the Company.

During the Reporting Period, there were no A Share options or restricted Shares available for grant in accordance with the scheme mandate limit and service provider sublimit respectively defined under Rule 17.03(3) of the Listing Rules.

The details of the A Share options under the 2022 Incentive Scheme for (i) directors and senior management and (ii) other employee participants during the Reporting Period are as follows:

SIGNIFICANT EVENTS

A Share options under the 2022 Incentive Scheme

Unit: Share(s) (A Share) Currency: RMB

Name	Position/Type of Participants	Number of outstanding A Share options held at the beginning of the Reporting Period ^(Note 1)	Number of A Share options newly granted during the Reporting Period	Weighted average closing price immediately before the dates on which the A Share options were granted (RMB)	Number of A Share options exercisable during the Reporting Period ^(Note 2)	Shares issued			Exercise price of A Share options (RMB)	Number of A Share options held at the end of the Reporting Period
						upon exercise of A Share options during the Reporting Period	Number of A Share options cancelled during the Reporting Period	Number of A Share options lapsed during the Reporting Period		
Feng Xingya	Chairman, Director and General Manager	400,000	0	N/A	0	0	0	0	N/A	400,000
Deng Lei	Non-executive Director, Chairwoman of the Labour Union	340,000	0	N/A	0	0	0	0	N/A	340,000
Yan Zhuangli (resigned on 18 September 2025)	Deputy General Manager	360,000	0	N/A	0	0	0	0	N/A	360,000
Wang Dan	Chief Accountant and Person in Charge of Accounting Function	360,000	0	N/A	0	0	0	0	N/A	360,000
Gao Rui	Deputy General Manager	360,000	0	N/A	0	0	0	0	N/A	360,000
Jiang Xiuyun	Deputy General Manager	360,000	0	N/A	0	0	0	0	N/A	360,000
Yu Jun	Deputy General Manager	360,000	0	N/A	0	0	0	0	N/A	360,000
Zheng Heng	Deputy General Manager	360,000	0	N/A	0	0	0	0	N/A	360,000
Xia Xianqing	Deputy General Manager	360,000	0	N/A	0	0	0	0	N/A	360,000
Liu Xiangneng	Secretary to the Board and Company Secretary	184,000	0	N/A	0	0	0	0	N/A	184,000
	Middle level and other core businesses, technical and management key personnel (i.e. 3,073 other employee participants in total)	183,320,320	0	N/A	0	0	0	0	N/A	183,320,320
Total (together with that of the directors and senior management):										
		3,083	186,764,320	0	/	0	0	0	/	186,764,320

SIGNIFICANT EVENTS

Notes:

1. During the Reporting Period, A Share options under the 2022 Incentive Scheme have not become exercisable yet. Details of the vesting period, the exercise period and exercise price for the relevant A Share options under the 2022 Incentive Scheme are set out on pages 38 to 41 of this report.
2. All A Share options under the 2022 Incentive Scheme have been granted to the participants (including the above-mentioned directors and senior management) on 20 January 2023. The above Share options granted are subject to the fulfillment of the performance appraisal requirements and the individual performance appraisal requirements by the Company and participants respectively during each of the relevant exercise periods. For details, please refer to Appendix VI to the circular of the Company dated 4 January 2023 in relation to, among other things, the Fourth Share Option Incentive Scheme. As the Company's operating performance failed to meet the exercise conditions for the first exercise period of the Fourth Share Option Incentive Scheme, all Share options granted to participants were cancelled. For details, please refer to the "Announcement on the Price Adjustment and Partial Cancellation of Equity under the Share Option Incentive Scheme" (Announcement No.: Lin 2024-080) disclosed on the websites of SSE and the Stock Exchange on 10 October 2024.

The Company granted a total of 0 A Share option and 0 Share award in respect of all Share schemes (including the 2020 Incentive Scheme and the 2022 Incentive Scheme referred to above) during the Reporting Period, and the number of Shares that may be issued in respect of all options granted (assuming that all the options are exercisable) was 0 A Share, representing 0% of the issued A Shares (excluding treasury Shares) during the Reporting Period, with the weighted average number of issued A Shares (excluding treasury Shares) during the Reporting Period being 7,369,541,943.

SIGNIFICANT EVENTS

VII. 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.

VIII. UTILISATION OF PROCEEDS FROM NON-PUBLIC ISSUANCE OF A SHARES

The non-public issuance of A Shares of the Company was completed in November 2017 (details of which are set out in the announcement of the Company dated 17 November 2017).

The Shares issued under the non-public issuance of A Shares are RMB denominated ordinary Shares (A Shares) with a nominal value of RMB1.00 per Share listed on the SSE. The number of Shares issued was 753,390,254 Shares with an issue price of RMB19.91/A Share. The net price to the Company of each security was RMB19.80. The five target subscribers for the non-public issuance of A Shares are Guangzhou Huiyin Tianyue Equity Investment Fund Management Co., Ltd., Guangzhou State-owned Assets Development Holdings Co., Ltd., GFHAM Wealth Management Select No.3 Private Investment Fund, Guangzhou Light Industry and Trade Group Co., Ltd. and Suiyong Holdings Co., Ltd. The closing price of A Shares under the non-public issuance of A Shares on 17 October 2017, being the date on which the Company received the relevant approval from the CSRC, was RMB19.03.

SIGNIFICANT EVENTS

The actual amount of gross proceeds raised was RMB14,999,999,957.14 and the actual amount of net proceeds raised, after deducting the issuance expenses of RMB83,050,000.00 was RMB14,916,949,957.14.

Proceeds from non-public issuance of A Shares facilitated the comprehensive and sustainable development of the Company's business. The implementation of the investment projects using the proceeds from the non-public issuance, on one hand, further strengthened the research and development capability of the Company's self-developed brands, promoted the establishment of its range of self-developed brands and enriched the product mix under such brands, while on the other hand, enabled the Company to keep abreast of future trend in new energy development of the vehicle industry, laying a solid foundation for the Company to seize a share in the new energy vehicle market. In addition, the proceeds from the non-public issuance optimised the Company's capital structure and lowered the gearing ratio, which reduced the Company's financial risk and cost of debt financing.

Details of utilisation of the proceeds raised as at 30 June 2025 are set out below:

AS AT 30 JUNE 2025

As at 30 June 2025, the amount of proceeds carried forward was RMB226,762,506.17 whereas the total cumulative amount of utilised proceeds was approximately RMB13,392,277,778.85 (inclusive of issuance expenses). Save for the items 7.9 and 7.10 specified below, there was no inconsistency between the utilisation of the proceeds and the original intended use.

SIGNIFICANT EVENTS

Details of utilisation of the proceeds raised are set out below:

Unit: 0'000 Currency: RMB

No.	Investment project	Total amount of investment commitment from the proceeds raised	Amount invested for this half year	Cumulative amount invested	Estimated time of completion
1	New energy vehicles and R&D of prospective technology project	480,000.00	0.00	479,422.30	Completed
2	GAEI phase 1 base expansion project	60,000.00	0.00	50,743.99	Completed
3	GAEI phase 2 base construction project	100,000.00	0.00	76,518.68	Completed
4	GAC proprietary brand project of Xinjiang	80,000.00	0.00	22,782.95	Completed
5	GAC improvement project of Hangzhou	220,000.00	0.00	152,350.38	Completed
6	GAC proprietary brands technological reformation project	250,000.00	0.00	212,165.22	Completed
7	GAC proprietary brands vehicle models projects	215,000.00	20,521.00	244,320.82	Completed
7.1	GAMC A16 project	20,000.00	0.00	18,780.34	Completed
7.2	GAMC A35 project	35,000.00	0.00	32,329.64	Completed
7.3	GAMC A5H project	30,000.00	0.00	30,547.98	Completed
7.4	GAMC A10 project	40,000.00	0.00	36,841.51	Completed
7.5	GAMC A30 project	15,000.00	0.00	15,000.00	Completed

SIGNIFICANT EVENTS

No.	Investment project	Total amount of investment commitment from the proceeds raised	Amount invested for this half year	Cumulative amount invested	Estimated time of completion
7.6	GAMC A32 project	10,000.00	0.00	10,000.00	Completed
7.7	GAMC A06 project	35,000.00	0.00	35,140.89	Completed
7.8	GAMC A7M project	30,000.00	0.00	23,144.00	Completed
7.9	GAMC A66 project	0.00 (37,733.79)*	11,604.93	23,021.89	Second half of 2025
7.10	GAMC T68 project	0.00 (24,424.00)*	8,916.07	19,514.57	September 2025
8	GAMC engine project	50,000.00	0.00	48,581.73	Completed
9	GAMC gearbox project	30,000.00	0.00	29,036.72	Completed
10	P6 gearbox development project	15,000.00	0.00	15,000.00	Completed
11	Issuance expenses	–	0.00	8,305.00	–
	Total	1,500,000.00	20,521.00	1,339,227.79	

SIGNIFICANT EVENTS

- * As at 28 March 2024, as approved by the 60th meeting of the sixth session of the Board and the 19th meeting of the sixth session of Supervisory Committee of the Company, the Company proposed to redirect the unused remaining proceeds (including interest and cash management revenue) of a total of approximately RMB621.5779 million of the original fund-raising project “GAC proprietary brand project of Xinjiang” to the new fund-raising project “GAC proprietary brands vehicle models projects”, i.e. “A66 project” under item 7.9 and “T68 project” under item 7.10. The total investment of the new fund-raising project amounted to approximately RMB1,355.83 million (of which the total investment of the A66 project was approximately RMB671.92 million, and that of the T68 project was approximately RMB683.91 million). The proceeds intended for utilisation was approximately RMB621.5779 million (exact amount shall be subject to the balance in the special project account upon actual carrying forward), and the remaining funds were financed by the self-owned funds or self-raised funds. Reasons of the changes are that the second phase of investment in production capacity will be temporarily suspended in accordance with the development trend of the industry and the utilisation of the Company’s production capacity. Subsequently, feasibility studies will be further promoted, along with the industrial chain layout and sales volume, which shall be implemented with self-owned funds after being proved to be feasible. At the same time, the use of such certain proceeds raised will be adjusted to the development of new automobile models of self-developed brands.

For further information on the utilisation of proceeds raised from the non-public issuance, please refer to the “2025 Half-year Specific Report on the Deposit and Utilisation of the Proceeds by Guangzhou Automobile Group Co., Ltd.” published by the Company on 29 August 2025 by way of overseas regulatory announcement. For information on the construction of GAC proprietary brand project of Xinjiang, please see “Announcement on the Changes of Use of Certain Proceeds Raised” published by the Company on 28 March 2024 by way of overseas regulatory announcement.

SIGNIFICANT EVENTS

IX. 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.

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “Model Code”) as set out in Appendix C3 to the Listing Rules. After making specific enquiries with all directors by the Company, all directors have confirmed that they have fully complied with the Model Code and its code of conduct regarding directors’ securities transactions throughout the Reporting Period.

X. TRANSACTIONS IN RELATION TO PRINCIPAL JOINT VENTURES

At the time of listing of the Company, the Stock Exchange granted a conditional waiver from strict compliance with the requirements of Chapters 14 and 14A of the Listing Rules in respect of immaterial joint ventures. The Company is required to review whether the immaterial joint ventures met the conditions in the waiver on a yearly basis. Based on the financial statements for the year ended 31 December 2024, the principal joint ventures of the Company were GAC Toyota, GAC Honda and GAC-SOFINCO.

SIGNIFICANT EVENTS

XI. 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.

SIGNIFICANT EVENTS

- (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.

SIGNIFICANT EVENTS

- (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.

SIGNIFICANT EVENTS

- (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.

SIGNIFICANT EVENTS

- 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).

SIGNIFICANT EVENTS

- 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

3. SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITION AND DISPOSAL

Save as disclosed in the most recent published annual report of the Group for the year ended 31 December 2024, the Group has not had any significant investments and has not conducted any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

4. FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS

Save as disclosed in the most recent published annual report of the Group for the year ended 31 December 2024, the Group does not have any future plans for material investments or acquisition of capital assets.

5. REMUNERATION AND LEGAL RIGHTS OF EMPLOYEES

As at 30 June 2025, there are 84,135 registered employees in the Group (including its investee enterprises).

Taking into account of various factors, such as industry attributes, economic benefits and levels of employee remuneration, the Group continuously improved and optimised the remuneration distribution system. Besides, the Group attached importance to maintaining the market competitiveness of its remuneration level, and reviewed the remuneration level through the research and analysis on market salary and in light of industry benchmarking, so as to ensure that the remuneration system plays an incentive role in retaining talents. The Group advocated the implementation of performance-linked remuneration policy and continuously improved the corporate performance appraisal mechanism, individual performance appraisal measures, and employee promotion system, and formulated performance-linked remuneration policies that are both incentivising and binding.

SIGNIFICANT EVENTS

The Group strictly complies with the national, provincial and municipal laws and regulations on labor protection and provides employees with competitive remuneration and a wide range of welfare benefits, including housing provident fund, supplementary medical insurance, enterprise annuity, health check-up, etc., to safeguard and protect the rights and interests of employees and their health in multiple aspects. At the same time, the Group encourages its investee enterprises to further enhance the flexibility and security of their employee welfare systems.

In the first half of 2025, the Group focused on training programs in areas such as IPD, working methods with GAC's characteristics, AI empowerment, product general managers, and international talent development, training a total of 427,000 personnel. By restructuring the training system and integrating resources to conduct various transformation-focused training sessions, the Group aimed to "shift mindsets", "change awareness" and "transform work styles", thereby building a proactive learning organization.

6. PLEDGE OF ASSETS

As at 30 June 2025, the Group had secured inventories of RMB2,546,615,123 and trade receivables of RMB1,988,584, respectively, which were pledged as collaterals for borrowings.

Chapter 5

CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

Unit: Share

	Before change		Increase/decrease in the change (+, -)					After change	
	Number	Percentage (%)	Issue of new Shares	Bonus issue	Conversion from contributed capital surplus	Others	Subtotal	Number	Percentage (%)
I. Restricted Shares	26,048,350	0.25				-26,048,350	-26,048,350	0	0
1. State-owned Shares									
2. Shares held by state-owned legal person									
3. Shares held by other domestic entities									
Including: Shares held by domestic non-state-owned legal persons									
Shares held by domestic natural persons	26,048,350	0.25				-26,048,350	-26,048,350	0	0
4. Shares held by foreign entities									
Including: Shares held by overseas legal persons									
Shares held by overseas natural persons									
II. Non-restricted tradable Shares	10,315,469,900	99.75				-118,404,000	-118,404,000	10,197,065,900	100
1. RMB-denominated ordinary Shares	7,383,697,595	71.40						7,383,697,595	72.41
2. Domestically-listed foreign Shares									
3. Overseas listed foreign Shares	2,931,772,305	28.35				-118,404,000	-118,404,000	2,813,368,305	27.59
4. Others									
III. Total Shares	10,341,518,250	100				-144,452,350	-144,452,350	10,197,065,900	100

Explanation on changes in Shares

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.

CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

II. 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	1,288,404	7.79	7.73	9,999,365.48	24,496,000	3.16	3.02	75,785,420

* 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.

CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

III. SHARE INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 2025, the interests and short positions of the persons (other than directors, chief executive and supervisors of the Company) interested in 5% or more of the respective classes of issued capital, as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO are set out below:

Name	Class of Shares	Capacity	Number of Shares ^(Note 1)	Percentage in the class of issued Share capital (%)	Percentage of total Share capital (%)
GAIG ^(Note 2)	A Shares	Beneficial owner	5,206,932,069(L)	70.52	51.06
	H Shares	Interest of a controlled corporation and beneficial owner	301,228,000(L) ^(Note 3)	10.71	2.95
Hong Zejun (洪澤君)	H Shares	Beneficial owner	374,000,000(L)	13.29	3.67

Notes:

- (L) – Long Position, (S) – Short Position, (P) – Lending Pool.
- The number of Shares reflected that as at 30 June 2025, the total number of A Shares of the Company actually held by GAIG was 5,206,932,069 Shares, representing approximately 70.52% of the A Share capital of the Company. At the same time, through Southbound Trading of Shanghai-Hong Kong Stock Connect and Guangzhou Auto Group (Hong Kong) Limited (a wholly-owned subsidiary of GAIG), GAIG held 301,228,000 H Shares of the Company in total, representing approximately 10.71% of the H Share capital of the Company. The total number of A and H Shares of the Company held by GAIG was 5,508,160,069 Shares, representing approximately 54.02% of the total Share capital of the Company.
- Of the 301,228,000 H Shares held by GAIG, 174,610,800 Shares are held through its wholly-owned subsidiary Guangzhou Auto Group (Hong Kong) Limited, while 126,617,200 Shares are held by it as beneficial owner.

Chapter 6

PROFILES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT

I. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

On 3 February 2025, Mr. Zeng Qinghong ceased to be the Chairman and the chairman of the Strategy Committee of the Board and its member due to reaching the age of retirement. Mr. Feng Xingya was elected by the Board as the new Chairman and the chairman of the Strategy Committee of the Board.

On 28 March 2025, the Company held the election of the seventh session of the Board. Mr. Ding Hongxiang and Mr. Guan Dayuan did not stand for re-election for the seventh session of the Board due to work reasons, with Mr. Ding ceasing to act as a member of the Remuneration and Assessment Committee, the Nomination Committee and the Strategy Committee of the Board and Mr. Guan ceasing to act as a member of the Strategy Committee of the Board. Their tenure ended at the conclusion of the general meeting on 28 March 2025.

Mr. Zhou Kaiquan and Ms. Hong Suli were elected as new non-executive directors at the general meeting on 28 March 2025, the other directors of the seventh session of the Board are members of the sixth session of the Board. Among them, Mr. Zhou was appointed as a member of the Remuneration and Assessment Committee, the Nomination Committee and the Strategy Committee of the Board, while Ms. Hong was appointed as a member of the Strategy Committee. Meanwhile, Ms. Deng Lei was re-elected by the staff representative meeting of the Company as a staff representative director of the seventh session of the Board. The terms of office of the directors of the seventh session of the Board are three years commencing on 28 March 2025.

Before Mr. Zhou Kaiquan and Ms. Hong Suli's director appointments became effective, on 24 March 2025, they obtained the legal advice from a firm of solicitors qualified to advise on Hong Kong laws referred to in Rule 3.09D of the Listing Rules and confirmed that they have understood their responsibilities as non-executive directors and the requirements under the Listing Rules that are applicable to them as non-executive directors and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

PROFILES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT

II. INTERESTS OF INCUMBENT AND RESIGNED DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN SHARES DURING THE REPORTING PERIOD

As at 30 June 2025, the interests or short positions of the incumbent and resigned directors, supervisors and senior management of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she was deemed or taken to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code under the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name	Position	Class of Shares	Capacity	Number of Shares held	Number of interests in underlying Shares held under equity derivatives	Total	Percentage in the class of issued Share capital	Percentage of total Share capital
Zeng Qinghong ^{Note 2}	Chairman and Party Secretary	A Shares	Beneficial owner	398,300	–	398,300	0.0054%	0.0039%
Feng Xingya	Director, General Manager, Deputy Party Secretary; Chairman, General Manager and Party Secretary	A Shares	Beneficial owner	603,933	400,000	1,003,933	0.0136%	0.0098%
Chen Xiaomu	Director and Deputy Party Secretary	A Shares	Beneficial owner	97,367	–	97,367	0.0013%	0.0010%
		H Shares	Beneficial owner	98,000	–	98,000	0.0035%	0.0010%
Deng Lei	Director	A Shares	Beneficial owner	191,130	340,000	531,130	0.0072%	0.0052%
Wang Yuan	Staff Representative Supervisor	A Shares	Beneficial owner	25,160	128,800	153,960	0.0021%	0.0015%
Zhu Chun	Staff Representative Supervisor	A Shares	Beneficial owner	124,687	184,000	308,687	0.0042%	0.0030%
		H Shares	Beneficial owner	2,000	–	2,000	0.0001%	0.0000%
Yan Zhuangli (resigned on 18 September 2025)	Deputy General Manager	A Shares	Beneficial owner	182,000	360,000	542,000	0.0073%	0.0053%
Wang Dan	Chief Accountant and Person in Charge of Accounting Function	A Shares	Beneficial owner	576,968	360,000	936,968	0.0127%	0.0092%
Gao Rui	Deputy General Manager	A Shares	Beneficial owner	120,000	360,000	480,000	0.0065%	0.0047%
Jiang Xiuyun	Deputy General Manager	A Shares	Beneficial owner	–	360,000	360,000	0.0049%	0.0035%
Yu Jun	Deputy General Manager	A Shares	Beneficial owner	269,500	360,000	629,500	0.0085%	0.0062%
Zheng Heng	Deputy General Manager	A Shares	Beneficial owner	277,479	360,000	637,479	0.0086%	0.0063%
Xia Xianqing	Deputy General Manager	A Shares	Beneficial owner	110,300	360,000	470,300	0.0064%	0.0046%
Liu Xiangneng	Secretary to the Board, Company Secretary	A Shares	Beneficial owner	26,940	184,000	210,940	0.0029%	0.0021%

PROFILES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT

Notes:

1. In view of good practice of corporate governance, interests of senior management (other than the chief executive) in the Company are also disclosed in the above table.
2. On 3 February 2025, Mr. Zeng Qinghong ceased to be the Chairman due to reaching the age of retirement. Mr. Feng Xingya was elected by the Board as the new Chairman. Therefore, the information regarding the number of Shares held by Mr. Zeng Qinghong, the number of interests in underlying Shares held under equity derivatives by Mr. Zeng Qinghong, the related total amount etc., is as of 3 February 2025, being the last date on which the Company could confirm Mr. Zeng Qinghong's interests.

Save as disclosed above, so far as the directors of the Company are aware, as at 30 June 2025, none of the directors, supervisors or chief executives of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept as referred to in section 352 of the SFO or were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

CONDENSED
CONSOLIDATED
INTERIM
FINANCIAL
INFORMATION



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	5	27,637,110	28,395,996
Investment properties	5	950,409	984,353
Intangible assets	5	17,663,044	16,990,615
Right-of-use assets	6	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	9	10,806,121	11,716,266
Financial assets at fair value through profit or loss	9	2,247,923	1,972,042
Prepayments and other long-term receivables		1,918,047	15,003,461
Deferred tax assets	8	6,208,020	5,777,101
		111,455,073	121,426,317
Current assets			
Financial assets at fair value through other comprehensive income	9	15,259,298	14,238,125
Financial assets at fair value through profit or loss	9	2,355,805	2,558,787
Inventories	10	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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Current liabilities			
Trade and other payables	13	57,046,617	63,226,725
Contract liabilities		3,494,484	2,573,115
Current taxation		341,315	415,478
Loans and borrowings	14	17,387,726	23,321,740
Lease liabilities	6	266,006	456,396
Provisions		874,324	784,606
		79,410,472	90,778,060
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	13	3,865,235	4,193,388
Loans and borrowings	14	7,841,677	11,968,855
Lease liabilities	6	1,632,620	1,727,522
Deferred tax liabilities	8	625,722	579,744
Provisions		1,479,438	1,326,752
Contract liabilities		107,438	107,438
		15,552,130	19,903,699
NET ASSETS			
		117,762,660	121,830,607

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
CAPITAL AND RESERVES			
Share capital	12	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

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Unaudited
Six months ended 30 June

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	42,610,941	46,255,051
Cost of sales		(44,460,416)	(44,453,769)
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		1,265,499	2,547,965
Operating loss	15	(5,612,882)	(758,966)
Interest income		104,794	242,271
Finance costs	16	(340,227)	(323,806)
Share of net profit of joint ventures and associates	7	1,923,079	2,010,925
(Loss)/profit before taxation		(3,925,236)	1,170,424
Income tax credit	17	445,019	45,437
(Loss)/profit for the period		(3,480,217)	1,215,861

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Unaudited Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Attributable to:			
Equity shareholders of the Company		(2,538,251)	1,516,347
Non-controlling interests		(941,966)	(300,486)
(Loss)/profit for the period		(3,480,217)	1,215,861
(Loss)/earnings per share (expressed in RMB per share)			
Basic	18	(0.25)	0.14
Diluted	18	(0.25)	0.14

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

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

Unaudited
Six months ended 30 June

Note	2025 RMB'000	2024 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	(185,574)	101,993
Other comprehensive income for the period, net of tax	(127,088)	215,695
Total comprehensive income for the period	(3,607,305)	1,431,556
Attributable to:		
Equity shareholders of the Company	(2,671,537)	1,717,350
Non-controlling interests	(935,768)	(285,794)
Total comprehensive income for the period	(3,607,305)	1,431,556

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited

Attributable to equity shareholders of the Company

	Share capital RMB'000	Reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
Balance as at 1 January 2025	10,341,518	46,647,855	57,418,733	114,408,106	7,422,501	121,830,607
Changes in equity for the period						
Loss for the period	-	-	(2,538,251)	(2,538,251)	(941,966)	(3,480,217)
Other comprehensive income	-	(133,286)	-	(133,286)	6,198	(127,088)
Total comprehensive income	-	(133,286)	(2,538,251)	(2,671,537)	(935,768)	(3,607,305)
Dividend declared by the Company and subsidiaries	-	-	(203,645)	(203,645)	(88,586)	(292,231)
Repurchase and cancellation of shares	(118,404)	38,426	-	(79,978)	-	(79,978)
Employee share scheme						
– Cancellation of restricted shares	(26,048)	26,048	-	-	-	-
Others	-	28,107	(146,908)	(118,801)	30,368	(88,433)
Balance as at 30 June 2025	10,197,066	46,607,150	54,529,929	111,334,145	6,428,515	117,762,660

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited					
	Attributable to equity shareholders of the Company					
	Share capital RMB'000	Reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
Balance as at 1 January 2024	10,490,234	47,317,286	57,966,657	115,774,177	8,679,635	124,453,812
Changes in equity for the period						
Profit/(loss) for the period	-	-	1,516,347	1,516,347	(300,486)	1,215,861
Other comprehensive income	-	201,003	-	201,003	14,692	215,695
Total comprehensive income	-	201,003	1,516,347	1,717,350	(285,794)	1,431,556
Dividend declared by the Company and subsidiaries	-	-	(1,048,690)	(1,048,690)	(108,294)	(1,156,984)
Repurchase and cancellation of shares	-	(25,988)	-	(25,988)	-	(25,988)
Employee share scheme						
- Proceeds from shares issued	14	112	-	126	-	126
- Cancellation of restricted shares	(3,330)	3,330	-	-	-	-
Others	-	(104,718)	-	(104,718)	217,271	112,553
Balance as at 30 June 2024	10,486,918	47,391,025	58,434,314	116,312,257	8,502,818	124,815,075

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Operating activities		
Cash (used in)/generated from operations	(11,136,407)	2,005,601
Interest received	234,696	685,649
Interest paid	(252,993)	(479,864)
Income tax paid	(306,477)	(363,365)
Net cash (used in)/generated from operating activities	(11,461,181)	1,848,021
Investing activities		
Purchases of property, plant and equipment, right-of-use assets and intangible assets	(4,380,648)	(4,782,600)
Proceeds from sales of property, plant and equipment and intangible assets	45,804	54,533
Additional capital injection in joint ventures	(195,975)	(886,500)
Additional capital injection in associates	-	(215,381)
Acquisition and set-up of joint ventures	(62,420)	(28,220)
Acquisition of subsidiaries, net of cash acquired	-	(14,900)
Acquisition and set-up of an associate	(2,621,731)	-
Disposals of subsidiaries, net of cash acquired	(354,643)	-
Disposals of joint ventures and associates	20,801	295,930
Acquisition of investment on financial assets at fair value through profit or loss, other comprehensive income and amortised cost	(30,608,644)	(19,027,081)
Disposal of investment on financial assets at fair value through profit or loss, other comprehensive income and amortised cost	30,389,431	8,985,261
Proceeds from investment income from financial instruments	324,730	166,846
Granting of entrusted loans	-	(57,814)
Proceeds from repayment of entrusted loans	-	43,097
Receipt of government grants related to assets	433,844	257,941
Dividends received	3,199,410	10,054,271
Increase in time deposits	(1,779,679)	(5,195,157)
Net cash used in investing activities	(5,589,720)	(10,349,774)

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Unaudited Six months ended 30 June

	2025 RMB'000	2024 RMB'000
Financing activities		
Proceeds from issuance of ordinary shares under employee share-based awards scheme	–	126
Contribution from non-controlling shareholders of subsidiaries	28,580	77,841
Dividend paid to shareholders of the Company	(203,645)	(1,048,690)
Dividend paid to non-controlling interests in subsidiaries	(86,530)	(64,572)
Proceeds from bank borrowings (excluding securitization debts)	19,717,896	15,759,444
Proceeds from securitization debts	–	132,901
Proceeds from deposits for financing activities	–	1,355
Repayments of bank borrowings (excluding securitization debts)	(16,755,054)	(16,103,122)
Repayments of securitization debts	–	(2,295,287)
Proceed from repurchasing financial assets	326,051	–
Principal elements of lease payments	(120,731)	(78,952)
Other payments of financing expenses	(6,669)	(84,385)
Share repurchase payment	(79,978)	(25,988)
Net cash generated from/(used in) financing activities	2,819,920	(3,729,329)
Net decrease in cash and cash equivalents	(14,230,981)	(12,231,082)
Cash and cash equivalents at beginning of the period	36,482,090	39,522,331
Effect of foreign exchange rate changes	(63,503)	244,015
Cash and cash equivalents at end of the period	22,187,606	27,535,264

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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 HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report 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 most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

- Vehicles and related operations segment: production and sale of a variety of passenger vehicles, commercial vehicles, automotive parts and related operations.
- Others: mainly production and sale of motorcycles, automobile finance and insurance, other financing services and investing business.

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

4 SEGMENT INFORMATION (Continued)

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 profit or loss and other 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	(124,991)	(192,850)	317,841	-	-
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)	(113,496)
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	-	-	1,923,079
Loss before income tax					(3,925,236)
Income tax credit/(expenses)	579,714	(72,258)	-	(62,437)	445,019
Loss for the period					(3,480,217)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

4 SEGMENT INFORMATION (Continued)

The segment results for the six months ended 30 June 2024 and other segment items included in the interim condensed consolidated statement of profit or loss and other 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 2024					
Total gross segment revenue	43,950,178	2,622,121	(317,248)	-	46,255,051
Inter-segment revenue	(154,613)	(162,635)	317,248	-	-
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)	(87,752)
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	-	-	2,010,925
Profit before income tax					1,170,424
Income tax credit/(expenses)	300,931	(252,066)	-	(3,428)	45,437
Profit for the period					1,215,861

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

4 SEGMENT INFORMATION (Continued)

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

	Vehicles and related operations RMB'000	Others RMB'000	Eliminations RMB'000	Unallocated RMB'000	Consolidated RMB'000
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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND INTANGIBLE ASSETS

	Property, plant and equipment RMB'000	Investment properties RMB'000	Intangible assets RMB'000
Six months ended 30 June 2025			
Opening net book amount as at 1 January 2025	28,395,996	984,353	16,990,615
Additions	2,268,967	–	3,599,530
Transfers	(61,788)	(5,346)	–
Disposals	(47,117)	–	(194,007)
Decrease caused by disposal of subsidiaries	(807,929)	–	(22,247)
Depreciation and amortisation	(2,111,019)	(28,598)	(2,710,847)
Closing net book amount as at 30 June 2025	27,637,110	950,409	17,663,044
	Property, plant and equipment RMB'000	Investment properties RMB'000	Intangible assets RMB'000
Six months ended 30 June 2024			
Opening net book amount as at 1 January 2024	24,929,595	1,061,628	16,375,995
Additions	2,835,150	–	2,735,929
Transfers	(116,087)	116,087	–
Disposals	(57,588)	(6,827)	(141,497)
Depreciation and amortisation	(1,579,548)	(35,292)	(2,677,599)
Closing net book amount as at 30 June 2024	26,011,522	1,135,596	16,292,828

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 LEASES

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Right-of-use assets		
Land-use rights (Note (i))	6,955,567	7,284,866
Properties	2,088,635	2,066,524
Vehicles	53,340	59,973
Others	13,653	19,150
	9,111,195	9,430,513
Lease liabilities		
Current	266,006	456,396
Non-current	1,632,620	1,727,522
	1,898,626	2,183,918

(i) **Movements of the land-use rights for the period are as follows:**

	Land-use rights RMB'000
Net book value at 1 January 2025	7,284,866
Additions	67,134
Depreciation	(101,474)
Decrease caused by disposal of subsidiaries	(294,959)
Net book value at 30 June 2025	6,955,567
Net book value at 1 January 2024	6,617,307
Additions	255,837
Depreciation	(79,330)
Net book value at 30 June 2024	6,793,814

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

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

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

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 RMB'000	2024 RMB'000
Share of profits of joint ventures (Note (i))	1,470,450	1,818,579
Share of profits of associates (Note (i))	452,629	192,346
	1,923,079	2,010,925

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

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 (Note (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	22,288,419	21,151,444

(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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

7.1 Investments in joint ventures (Continued)

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

Name of joint venture	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest						Principal activity
				Group's effective interest		Held by the Company		Held by a subsidiary		
				30 June 2025	December 2024	30 June 2025	December 2024	30 June 2025	December 2024	
GAC Honda Automobile Co., Ltd. ("GAC Honda") * 廣汽本田汽車有限公司	Incorporated	Mainland China	USD 541,000,000/ 541,000,000	50%	50%	50%	50%	0%	0%	Manufacture and sale of automobile and automotive parts
GAC Toyota Motor Co., Ltd. ("GAC Toyota") * 廣汽豐田汽車有限公司	Incorporated	Mainland China	USD 1,333,896,000/ 1,333,896,000	50%	50%	50%	50%	0%	0%	Manufacture and sale of automobile and automotive parts
GAC-SOFINCO Automobile Finance Co., Ltd. ("GAC-SOFINCO") * 廣汽匯理汽車金融有限公司	Incorporated	Mainland China	RMB 4,100,000,000/ 4,100,000,000	50%	50%	50%	50%	0%	0%	Provision of automotive financing services
Wuyang-Honda Motors (Guangzhou) Co., Ltd. ("Wuyang-Honda") * 五羊-本田摩托(廣州)有限公司	Incorporated	Mainland China	USD 49,000,000/ 49,000,000	50%	50%	50%	50%	0%	0%	Manufacture and sale of motorcycle and motorcycle parts

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)**7.1 Investments in joint ventures (Continued)***(c) 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	87,809,414	87,147,855
Current assets		
– Cash and cash equivalents	33,631,472	41,120,903
– Other current assets	24,894,321	25,783,209
	58,525,793	66,904,112
Total assets	146,335,207	154,051,967

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

7.1 Investments in joint ventures (Continued)

(c) Summarised financial information for joint ventures (Continued)

Summarised statement of financial position (Continued)

	Unaudited	Audited
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
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)	8,038,370	6,808,923
	31,258,710	35,720,205
Current liabilities		
– Financial liabilities (excluding trade and other payables)	13,711,154	15,958,783
– Other current liabilities (including trade and other payables)	54,728,975	57,539,208
	68,440,129	73,497,991
Total liabilities	99,698,839	109,218,196
Net assets	46,636,368	44,833,771
Less: Non-controlling interests	(8,288)	(8,641)
	46,628,080	44,825,130

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

7.1 Investments in joint ventures (Continued)

(c) Summarised financial information for joint ventures (Continued)

Summarised statement of profit or loss and other comprehensive income

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 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)
Other comprehensive income	3,035,675 (14,598)	3,725,905 –
Total comprehensive income	3,021,077	3,725,905

Set out below are the assets, liabilities, revenue and dividends of the material joint ventures of the Group:

Name of material joint ventures	Assets		Liabilities		Revenue		Dividends received	
	As at 30-Jun	As at 31-Dec	As at 30-Jun	As at 31-Dec	Six months ended 30 June		Six months ended 30 June	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
GAC Honda	25,082,828	30,497,287	15,837,500	20,850,429	22,624,706	30,668,293	–	–
GAC Toyota	44,392,997	48,517,036	30,859,213	33,875,111	52,309,603	52,150,156	2,210,240	8,859,211
GAC SOFINCO	46,279,608	56,319,831	36,583,449	46,970,453	1,755,140	2,016,382	–	–
Wuyang-Honda	2,654,042	2,665,361	1,330,286	1,289,808	2,311,311	2,278,851	40,380	112,376
Total	118,409,475	137,999,515	84,610,448	102,985,801	79,000,760	87,113,682	2,250,620	8,971,587

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

7.1 Investments in joint ventures (Continued)

(c) Summarised financial information for joint ventures (Continued)

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

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Assets	118,409,475	137,999,515
Less: Liabilities	(84,610,448)	(102,985,801)
Non-controlling interests	(8,288)	(8,641)
Net assets excluding non-controlling interests	33,790,739	35,005,073
Percentage of ownership interest	50%	50%
Interests in material joint ventures	16,895,370	17,502,537
Goodwill	21,259	21,259
– Wuyang-Honda	21,259	21,259
Carrying amount of investments in material joint ventures	16,916,629	17,523,796

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

7.2 Investments in associates

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

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Beginning of the period	9,462,999	9,638,058
Additions (Note (i))	3,303,121	248,844
Capital reduction	–	(22,576)
Share of profits less losses	390,243	191,410
Other equity changes	–	15,409
Dividend declared	(924,009)	(1,206,117)
End of the period	12,232,354	8,865,028

(i) In the six months ended 30 June 2025, the additions mainly represent the Group's capital contribution of RMB2,100,000,000 to Xinjiang Kunlun Blue Diamond Mining Development Co., Ltd.

(b) In the opinion of the board, there are no associates individually material to the Group. Set out below is the Group's share of associates' results:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Associates		
Profits less losses	452,629	192,346
Total comprehensive income	452,629	192,346

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

8 DEFERRED INCOME TAX

The net movements on the deferred income tax account are as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Beginning of the period	5,197,357	4,126,123
Tax recognised in profit or loss (Note 17)	384,941	429,668
End of the period	5,582,298	4,555,791

9 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

9.1 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

**9 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS
(Continued)****9.1 Fair value hierarchy (Continued)**

The following table presents the Group's financial assets that are measured at fair value at 30 June 2025.

	Level 1 RMB'000 Note (a)	Level 2 RMB'000 Note (b)	Level 3 RMB'000 Note (c)	Total RMB'000
Assets				
Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss				
– Bond investments	16,344,174	–	–	16,344,174
– Fund investments	–	127,162	–	127,162
– Financial products	–	–	7,285,032	7,285,032
– Stocks	2,964,245	–	–	2,964,245
– Other equity investment	–	–	2,573,916	2,573,916
– Others	–	536,481	838,137	1,374,618
Total	19,308,419	663,643	10,697,085	30,669,147

The following table presents the Group's financial assets that are measured at fair value at 31 December 2024.

	Level 1 RMB'000 Note (a)	Level 2 RMB'000 Note (b)	Level 3 RMB'000 Note (c)	Total RMB'000
Assets				
Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss				
– Bond investments	14,349,715	–	–	14,349,715
– Fund investments	76,827	340,875	–	417,702
– Financial products	–	–	9,136,811	9,136,811
– Stocks	1,767,153	–	–	1,767,153
– Other equity investment	–	–	2,781,383	2,781,383
– Others	–	525,977	1,506,479	2,032,456
Total	16,193,695	866,852	13,424,673	30,485,220

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

9 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

9.1 Fair value hierarchy (Continued)

(a) *Financial instruments in level 1*

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on arm's length basis. The quoted market price used for the financial assets included in level 1 held by the Group is the current bid price.

There were no significant transfers of financial assets between level 1 and level 2 fair value hierarchy classifications.

(b) *Financial instruments in level 2*

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

9 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

9.1 Fair value hierarchy (Continued)

(c) Financial instruments in level 3

The following tables present the changes in level 3 instruments for the six months ended 30 June 2025 and 2024.

	Other equity investment RMB'000	Financial products RMB'000	Others RMB'000	Total RMB'000
Opening balance as at 1 January 2025	2,781,383	9,136,811	1,506,479	13,424,673
Purchase	1,040,333	1,285,506	9,120,759	11,446,598
(Loss)/gains for the period recognised in profit or loss	(278,555)	9,360	–	(269,195)
Disposal	(969,245)	(3,146,645)	(9,789,101)	(13,904,991)
Closing balance as at 30 June 2025	2,573,916	7,285,032	838,137	10,697,085
Opening balance as at 1 January 2024	1,777,338	2,946,114	1,812,480	6,535,932
Purchase	1,608,468	2,592,173	7,105,331	11,305,972
(Loss)/gains for the period recognised in profit or loss	(36,479)	6,136	–	(30,343)
Disposal	(1,573,671)	(180,734)	(6,941,770)	(8,696,175)
Closing balance as at 30 June 2024	1,775,656	5,363,689	1,976,041	9,115,386
Includes unrealised gains or losses recognised in profit or loss attributable to balances held at the end of the reporting period				
2025	(278,555)	9,360	–	(269,195)
2024	(36,479)	6,136	–	(30,343)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

9 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

9.1 Fair value hierarchy (Continued)

(c) Financial instruments in level 3 (Continued)

Quantitative information about fair value measurements using significant unobservable inputs (Level 3) is as follow:

	Fair value at 30 June 2025 RMB'000	Valuation technique (s)	Unobservable input	Range (weighted average)
- Financial products	6,708,216	Discounted cash flow	Discount rate	1.9%-3.3%
	576,816	Summation Method	Value of each asset/liability	N/A
- Other equity investment (Note (i))	2,573,916	Summation Method	Value of each asset/liability	N/A
- Unlisted notes receivable	838,137	Discounted cash flow	Discount rate	1.14%-1.925%
	Fair value at 30 June 2024 RMB'000	Valuation technique (s)	Unobservable input	Range (weighted average)
- Financial products	5,006,951	Discounted cash flow	Discount rate	1.85%-3.30%
	356,738	Summation Method	Value of each asset/liability	N/A
- Other equity investment (Note (i))	1,775,656	Summation Method	Value of each asset/liability	N/A
- Unlisted notes receivable	1,976,041	Discounted cash flow	Discount rate	1.0%-1.65%

(i) Other equity investments in Level 3 represent the Group's investment in interests of non-listed company.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 INVENTORIES

	Unaudited	Audited
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
Raw materials and consumables	3,920,124	3,569,966
Work-in-progress	504,240	461,931
Finished goods and merchandise	14,019,263	12,284,747
	18,443,627	16,316,644
Less: provision for impairment	(914,411)	(628,168)
	17,529,216	15,688,476

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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	205,178	216,995
	4,895,467	4,439,007
Less: Provision for impairment	(1,068,727)	(1,086,068)
Trade receivables – net	3,826,740	3,352,939

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 SHARE CAPITAL

	RMB ordinary shares of		Foreign shares listed		Total	
	RMB1 each		out of mainland China of			
	Number of shares (thousands)	Share capital RMB'000	Number of shares (thousands)	Share capital RMB'000	Number of shares (thousands)	Share capital RMB'000
As at 31 December 2024	7,409,746	7,409,746	2,931,772	2,931,772	10,341,518	10,341,518
Shares repurchased	-	-	(118,404)	(118,404)	-	(118,404)
Employee share-based awards scheme						
- Cancellation of restricted shares	(26,048)	(26,048)	-	-	-	(26,048)
As at 30 June 2025	7,383,698	7,383,698	2,813,368	2,813,368	10,341,518	10,197,066

(a) Equity-settled share-based payments – Restricted Share Incentive Scheme

On 4 December 2020, according to the resolution of the extraordinary shareholders' meeting, total 102,101,330 Restricted Shares ("RS") were granted to 2,872 individuals, including directors, senior management and selected key employees (the "RS Recipients"). The grant date is 4 December 2020 (the "Grant Date III").

All restricted shares granted are subject to a lock-up period of 24 months commencing from the grant date, followed by an unlocking period of 1 to 3 years (three batches in proportion of 40%, 30% and 30% for each 12 months). During the lock-up period, the RS Recipients shall not possess the right of disposal, such that the shares shall not be transferred, used as collateral or used for debt repayment. After the lock-up period, RS Recipients will be entitled to the related shares provided that all of the required performance conditions are met and the RS Recipients are still in employment with the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 SHARE CAPITAL (Continued)

(a) Equity-settled share-based payments – Restricted Share Incentive Scheme (Continued)

On 4 December 2020, the Company issued 102,101,330 restricted shares at a price of RMB4.99 and recorded an amount of RMB509,486,000 received from participants, which was included in other payables as equity incentive repurchase obligation of the Company. The weighted average fair value of restricted shares, as estimated at the Grant Date III, was RMB8.30 per share.

On 10 October 2024, 26,048,350 restricted shares (Batch III RS) were forfeited due to failure to meet the performance conditions. The Company repurchased these shares in December 2024 and cancelled these shares through the China Securities Depository & Clearing Corporation Limited on 16 January 2025.

As at 30 June 2025, the number of outstanding RS is nil.

(b) Equity-settled share-based payments – The Forth A Share Options Scheme

On 20 January 2023, according to the resolution of the extraordinary shareholders' meeting, total 233,896,200 A Share Options ("SO-IV") were granted to 3,089 individuals, including directors, senior management and selected key employees (the "SO-IV Recipients"). The grant date is 20 January 2023 (the "Grant Date IV").

Pursuant to a supplementary announcement issued on 8 March 2023, 440,800 units of 6 recipients were given up for personal reasons. After registration, total 233,455,400 units of SO-IV were granted to 3,083 recipients.

Each share option represents the right granted to the SO-IV Recipients to acquire one share of the Company at pre-determined exercise price of RMB11.99 and conditions in the validity period as set out in the Forth A Share Options Scheme ("SO-IV Scheme"). The weighted average fair value of SO-IV, as estimated at the Grant Date IV, was RMB2.72 per share option. This was calculated using the Black-Scholes share option pricing model.

20%, 40% and 40% of the SO-IV granted to the SO-IV Recipients will become exercisable once per year in three years starting two years from the Grant Date IV, respectively, subject to the Group achieving the performance conditions as set out in the SO-IV Scheme. The option has a contractual option term of 5 years starting from the grant date. The Company has no legal or constructive obligation to purchase or settle the granted share options in cash.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 SHARE CAPITAL (Continued)

(b) Equity-settled share-based payments – The Forth A Share Options Scheme (Continued)

On 10 October 2024, pursuant to a resolution of the Company's meeting of directors, 46,691,080 units of Batch I SO-IV ("Batch I of SO-IV") were forfeited due to failure to meet the performance conditions.

As at 30 June 2025, there are total 186,764,320 units of outstanding options in SO-IV.

(c) No expenses were recognised in profit or loss for RS and SO-IV for the period of six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

13 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 RMB'000	Audited 31 December 2024 RMB'000
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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

14 LOANS AND BORROWINGS

	Unaudited	Audited
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
Bank loans		
– secured (note (a))	12,407,357	4,875,355
– unsecured (note (a))	12,128,273	28,236,018
	24,535,630	33,111,373
Securitization debts (note (a))	–	1,939,810
Recourse financing (note (a))	–	38,108
Borrowings related to lease-back (note (a))	607	741
Corporate bonds – unsecured (note (b))	502,399	–
Interest payables (note (a))	10,594	20,390
Entrusted loans – unsecured	180,173	180,173
	25,229,403	35,290,595
Less: amount included under “current liabilities”	(17,387,726)	(23,321,740)
Amount included under “non-current liabilities”	7,841,677	11,968,855

(a) Due to the disposal of GAC-SOFINCO Leasing the balance of loans and borrowings related to GAC-SOFINCO Leasing was nil as at 30 June 2025.

(b) In March 2025, GAC Capital Co., Ltd. issued three-year period corporate bonds with par value of RMB5,000,000,000 at the fixed interest rate of 2.2% per annum. The related interest is payable on an annual basis. These corporate bonds are unsecured or otherwise enhanced in credit.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

15 OPERATING LOSS

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

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

16 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
	340,227	323,806

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17 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 profit or loss and other 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%).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

18 (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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

19 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)	–	311,467

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

20 CAPITAL COMMITMENTS

Capital commitments at the balance sheet date but not yet incurred are as follows:

	Unaudited	Audited
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
Contracted for:		
– acquisition of property, plant and equipment	2,636,149	3,495,525
– acquisition of intangible assets	74,629	101,308
– outbound investment	–	3,600
Authorised but not contracted for:		
– acquisition of property, plant and equipment	1,149,667	539,621
– acquisition of Intangible assets	2,292,801	2,050,963
	6,153,246	6,191,017

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

21 RELATED-PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. The Group is subject to the control of the PRC Government.

In accordance with HKAS 24 “Related Party Disclosures”, other state-owned enterprises and their subsidiaries, directly or indirectly controlled by the PRC Government (“State-owned Enterprises”) are regarded as related parties of the Group.

In addition to the related party information shown elsewhere in the interim condensed consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary and usual course of business and balances between the Group and its related parties, during the period.

These transactions were conducted in the ordinary and usual course of business in accordance with terms agreed between the Group and its related parties.

(a) Significant related party transactions

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Sales of goods		
Sales of automotive parts and steels		
– Joint ventures	551,071	392,462
– Associates	247,667	27,140
– Subsidiaries of GAIG	6,952	6,635
	805,690	426,237
Sales of passenger vehicles		
– Joint ventures	22,658	42,951
– Associates	40,951	492,198
	63,609	535,149
	869,299	961,386

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

21 RELATED-PARTY TRANSACTIONS (Continued)

(a) Significant related party transactions (Continued)

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Rendering of labour and insurance services		
– Joint ventures	743,924	878,348
– Associates	103,163	171,601
– Subsidiaries of GAIG	2,984	2,471
	850,071	1,052,420
Purchases of goods		
Purchases of automotive parts and materials		
– Joint ventures	949,087	596,949
– Associates	2,129,125	1,043,531
	3,078,212	1,640,480
Purchases of passenger vehicles		
– Joint ventures	4,129,840	2,263,950
– Associates	10,152	215,070
	4,139,992	2,479,020
	7,218,204	4,119,500

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

21 RELATED-PARTY TRANSACTIONS (Continued)

(a) Significant related party transactions (Continued)

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Purchases of labour services and settlement of insurance claims		
– Joint ventures	35,747	26,070
– Associates	10,540	16,908
– Subsidiaries of GAIG	39,239	18,195
	85,526	61,173
Rental from related parties		
– Joint ventures	22,179	28,101
– Associates	9,208	6,437
– Subsidiaries of GAIG	5,938	6,432
	37,325	40,970
Interest charges for lease liabilities to related parties		
– Joint ventures	642	2,055
– Associates	73	–
– GAIG	130	429
– Subsidiaries of GAIG	807	11
	1,652	2,495
Provision of entrusted loans to related parties		
– Joint ventures	–	280,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

21 RELATED-PARTY TRANSACTIONS (Continued)

(a) Significant related party transactions (Continued)

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Borrowings from a related party		
– A joint venture	346,662	809,099
Repayment of borrowings to a related party		
– A joint venture	599,232	1,124,619
Loans to related parties		
– Joint ventures	1,764,967	1,097,472
– Associates	104,590	177,321
	1,869,557	1,274,793
Repayment of loans from related parties		
– Joint ventures	1,971,328	1,344,215
– Associates	107,518	277,832
	2,078,846	1,622,047

(b) Key management compensation

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Salaries and other short-term employee benefits	8,139	8,911

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

21 RELATED-PARTY TRANSACTIONS (Continued)**(c) Transactions with other state-owned enterprises in the PRC**

The Group operates in an economic environment predominated by state-owned enterprises. During the period, the Group had transactions with state-owned enterprises including, but not limited to, sales of automobiles and other automotive parts and purchases of raw materials and automotive parts.

For the purpose of related party transactions disclosure, the Group has in place procedures to assist the identification of the immediate ownership structure of its customers and suppliers as to whether they are state-owned enterprises. However, many state-owned enterprises have multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatisation programs. Nevertheless, the Directors consider that transactions with other state-owned enterprises are activities in the ordinary course of the Group's business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and other state-owned enterprises are ultimately controlled or owned by the PRC Government.

The Group has also established pricing policies for products and services, and such pricing policies do not depend on whether or not the customers are state-owned enterprises. Having due regard to the substance of the relationships, the Directors are of the opinion that none of these transactions are material related party transactions that require separate disclosure except for the transactions with state-owned financial institutions as disclosed below.

(i) Balances with state-owned financial institutions

As at 30 June 2025 and 31 December 2024, majority part of the Group's bank balances and borrowings were deposited in or financed from various state-owned financial institutions. The Directors are of opinion that such transactions were conducted in the ordinary course of business and in accordance with normal commercial terms.

(ii) Guarantees given by state-owned enterprises and GAIG

As at 30 June 2025 and 31 December 2024, no guarantee was given by state-owned enterprises and GAIG.

(d) Guarantees to associates

As at 30 June 2025, there is no financial guarantees provided by the Group (2024: Nil) to an associate.

It is expected that the financial guarantees provided by the Group will not lead to any significant liabilities.

DEFINITIONS

In this report, 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)
“CSRC”	China Securities Regulatory Commission
“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

DEFINITIONS

“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
“GAEI”	Guangzhou Automobile Group Company Automotive Engineering Institute (廣州汽車集團股份有限公司汽車工程研究院), a branch company of the Company established in June 2006 for the purpose of conducting research and development of the products and technology in which the Company has proprietary rights

DEFINITIONS

“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
“GAIG”	Guangzhou Automobile Industry Group Co., Ltd. (廣州汽車工業集團有限公司), a state-owned enterprise incorporated under the laws of the PRC in October 2000 and the controlling shareholder of the Company
“GAMC”	GAC Motor Co., Ltd. (廣汽乘用車有限公司), predecessor of GAC Motor Co., Ltd. (廣汽傳祺汽車有限公司)
“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

DEFINITIONS

“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Shanghai Stock Exchange” or “SSE”	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. (五羊一本田摩托(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.