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GUANGZHOU AUTOMOBILE GROUP CO., LTD.

廣州汽車集團股份有限公司

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

(Stock Code: 2238)

2025 ANNUAL RESULTS ANNOUNCEMENT

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2025 together with the comparative figures of the corresponding period ended 31 December 2024. The result has been reviewed by the audit committee of the Company and the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2025

(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
Revenue	2	96,542,390	107,783,807
Cost of sales		<u>(101,967,311)</u>	<u>(105,345,899)</u>
Gross (loss)/profit		(5,424,921)	2,437,908
Selling and distribution costs		(5,890,788)	(5,416,689)
Administrative expenses		(5,385,720)	(5,833,509)
Net impairment losses on financial assets		(103,951)	(1,032,182)
Interest income		249,101	312,678
Other net gains	3	<u>2,488,351</u>	<u>6,097,914</u>
Operating loss		(14,067,928)	(3,433,880)
Interest income		161,433	271,571
Finance costs	4(a)	(638,948)	(562,994)
Share of net profit of joint ventures and associates	7	<u>2,485,260</u>	<u>2,998,268</u>
Loss before taxation		(12,060,183)	(727,035)
Income tax credit	5	<u>578,456</u>	<u>232,988</u>
Loss for the year		<u>(11,481,727)</u>	<u>(494,047)</u>
Attributable to:			
Equity shareholders of the Company		(8,783,621)	823,579
Non-controlling interests		<u>(2,698,106)</u>	<u>(1,317,626)</u>
Loss for the year		<u>(11,481,727)</u>	<u>(494,047)</u>
(Loss)/earnings per share (expressed in RMB per share)			
Basic	6	<u>(0.85)</u>	<u>0.08</u>
Diluted	6	<u>(0.85)</u>	<u>0.08</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

(Expressed in Renminbi)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the year	<u>(11,481,727)</u>	<u>(494,047)</u>
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss:		
Equity investments at FVOCI – net movement in fair value reserves (non-recycling)	60,441	(263,241)
Share of other comprehensive income of joint ventures and associates accounted for using the equity method	(7,475)	(4,333)
Remeasurement of defined benefit plan obligations	(13,778)	(5,033)
Income tax relating to these items	<u>(9,803)</u>	<u>138,530</u>
	<u>29,385</u>	<u>(134,077)</u>
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	12,318	15,351
Changes in the fair value of debt instruments at fair value through other comprehensive income	28,281	44,961
(Reversal of impairment loss)/impairment loss on debt instruments at fair value through other comprehensive income	(6,356)	5,167
Share of other comprehensive income of joint ventures and associates accounted for using the equity method	(4,944)	283
Income tax relating to these items	<u>(4,490)</u>	<u>(12,607)</u>
	<u>24,809</u>	<u>53,155</u>
Other comprehensive income for the year	<u>54,194</u>	<u>(80,922)</u>
Total comprehensive income for the year	<u>(11,427,533)</u>	<u>(574,969)</u>
Attributable to:		
Equity shareholders of the Company	(8,755,096)	740,765
Non-controlling interests	<u>(2,672,437)</u>	<u>(1,315,734)</u>
Total comprehensive income for the year	<u>(11,427,533)</u>	<u>(574,969)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	<i>Note</i>	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment		27,064,287	28,395,996
Investment properties		1,296,884	984,353
Right-of-use assets		8,845,264	9,430,513
Intangible assets		17,074,046	16,990,615
Time deposits		1,679,461	940,000
Goodwill		93,835	93,706
Investments in joint ventures and associates	7	35,555,649	30,122,264
Financial assets at fair value through other comprehensive income (“FVOCI”)		7,551,277	11,716,266
Financial assets at fair value through profit or loss (“FVPL”)		5,061,883	1,972,042
Prepayments and other long-term receivables		6,539,412	15,003,461
Deferred tax assets		6,204,446	5,777,101
		116,966,444	121,426,317
Current assets			
Financial assets at FVOCI		13,436,397	14,238,125
Financial assets at FVPL		4,382,112	2,558,787
Inventories		16,445,554	15,688,476
Trade receivables and other current assets	9	26,320,405	28,002,526
Contract assets		2,689	18,790
Time deposits		7,228,413	9,939,925
Restricted cash		6,372,038	4,157,330
Cash and cash equivalents		23,843,381	36,482,090
		98,030,989	111,086,049
Current liabilities			

	<i>Note</i>	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade and other payables	10	54,663,948	63,226,725
Contract liabilities		2,965,855	2,573,115
Current taxation		83,951	415,478
Loans and borrowings		28,082,981	23,321,740
Lease liabilities		391,492	456,396
Provisions		913,774	784,606
		<u>87,102,001</u>	<u>90,778,060</u>
Net current assets		<u>10,928,988</u>	<u>20,307,989</u>
Total assets less current liabilities		<u>127,895,432</u>	<u>141,734,306</u>
Non-current liabilities			
Trade and other payables	10	4,539,157	4,193,388
Loans and borrowings		9,697,265	11,968,855
Lease liabilities		1,808,514	1,727,522
Deferred tax liabilities		465,762	579,744
Provisions		1,560,764	1,326,752
Contract liabilities		86,252	107,438
		<u>18,157,714</u>	<u>19,903,699</u>
NET ASSETS		<u>109,737,718</u>	<u>121,830,607</u>
CAPITAL AND RESERVES			
Share capital		10,197,066	10,341,518
Reserves		46,660,474	46,647,855
Retained earnings		48,428,018	57,418,733
Total equity attributable to equity shareholders of the Company		105,285,558	114,408,106
Non-controlling interests		<u>4,452,160</u>	<u>7,422,501</u>
TOTAL EQUITY		<u>109,737,718</u>	<u>121,830,607</u>

NOTE:

1 GENERAL INFORMATION

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

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

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

(a) Statement of compliance

These financial statements are presented in thousands of Renminbi Yuan (“**RMB**”), unless otherwise stated. The consolidated results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended 31 December 2025 but are extracted from those consolidated financial statements which have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries and the Group’s interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the financial assets are stated at their fair value.

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

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

(c) Changes in accounting policies

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to the financial statements for the current accounting period. The amendments do not have a material impact on the financial statements 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.

2 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

(i) *Disaggregation of revenue*

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Sales of vehicles and related products	86,781,817	95,569,307
– Maintenance, transportation and other services	4,621,648	5,864,451
	91,403,465	101,433,758
Revenue from other sources (note)	5,138,925	6,350,049
	96,542,390	107,783,807

Note: Revenue from other sources includes insurance service income, financing service income and rental income.

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

No revenue from an individual customer contributed over 10% of total revenue of the Group for the year ended 31 December 2025 (2024: Nil).

(b) **Segment reporting**

The Group manages its businesses by divisions, which are organised by a mixture of business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

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

(i) *Segment results, assets and liabilities*

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

Segment assets include all tangible, intangible assets and current assets, interests in joint venture and associates and investments in financial assets that are managed directly by the segments. 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 amortisation 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.

Disaggregation of revenue from contracts with customers by the information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

	Vehicles and related operations		Others		Unallocated		Eliminations		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue										
Revenue from external customers	91,466,007	102,713,296	5,076,383	5,070,511	-	-	-	-	96,542,390	107,783,807
Inter-segment revenue	602,682	346,300	367,037	341,935	-	-	(969,719)	(688,235)	-	-
Reportable segment revenue	92,068,689	103,059,596	5,443,420	5,412,446	-	-	(969,719)	(688,235)	96,542,390	107,783,807
Segment results	(15,153,541)	(7,351,616)	1,269,634	4,211,056	-	-	(15,723)	(34,643)	(13,899,630)	(3,175,203)
Unallocated income – Interest income of headquarters	-	-	-	-	188,062	194,565	-	-	188,062	194,565
Unallocated costs – Expenditure of headquarters	-	-	-	-	(356,360)	(453,242)	-	-	(356,360)	(453,242)
Operating loss									(14,067,928)	(3,433,880)
Interest income	141,828	241,095	9,245	10,188	10,360	20,288	-	-	161,433	271,571
Finance costs	(503,903)	(498,351)	(61,338)	(6,902)	(73,707)	(57,741)	-	-	(638,948)	(562,994)
Share of net profit of joint ventures and associates	2,284,880	2,822,764	200,380	175,504	-	-	-	-	2,485,260	2,998,268
Loss before taxation									(12,060,183)	(727,035)
Income tax credit/(expense)	682,697	771,728	(97,291)	(365,823)	(6,950)	(172,917)	-	-	578,456	232,988
Loss for the year									(11,481,727)	(494,047)

	Vehicles and related operations		Others		Unallocated		Eliminations		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Other segment information										
Depreciation and amortisation	8,994,130	8,533,438	135,589	96,822	288,062	184,381	-	-	9,417,781	8,814,641
Net impairment losses on financial assets	82,221	944,844	21,730	87,338	-	-	-	-	103,951	1,032,182
Impairment charges of an associate	-	163,965	-	-	-	-	-	-	-	163,965
Impairment charges of inventories	1,223,092	410,252	-	-	-	-	-	-	1,223,092	410,252
Impairment charges of property, plant and equipment	195,779	78,954	-	-	-	-	-	-	195,779	78,954
Impairment charges of intangible assets	1,285,005	1,224,780	-	-	-	-	-	-	1,285,005	1,224,780
Reportable segment assets	155,970,458	172,920,414	72,412,053	66,163,946	61,053,813	61,138,903	(74,438,891)	(67,710,897)	214,997,433	232,512,366
Total assets include: Investments in joint ventures and associates	28,397,806	22,862,495	7,157,843	7,259,769	-	-	-	-	35,555,649	30,122,264
Additions to non-current assets (other than investments in joint ventures and associates, deferred tax assets, FVPL, FVOCI and other long-term receivables)	10,426,433	15,176,049	247,083	624,715	243,014	232,995	-	-	10,916,530	16,033,759
Reportable segment liabilities	100,533,104	111,639,585	56,176,737	50,367,893	9,987,251	8,561,910	(61,437,377)	(59,887,629)	105,259,715	110,681,759

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Disaggregated by timing of revenue recognition		
Point in time	86,781,817	95,569,307
Over time	4,621,648	5,864,451
	<u>91,403,465</u>	<u>101,433,758</u>

(iii) *Geographic information*

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

	Revenues from external customers		Specified non-current assets	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese Mainland	79,520,011	96,043,359	56,246,657	57,858,282
Overseas	17,022,379	11,740,448	536,907	423,201
	<u>96,542,390</u>	<u>107,783,807</u>	<u>56,783,564</u>	<u>58,281,483</u>

The analysis above includes property rental income from external customers in Chinese mainland of RMB429,847,000 (2024: RMB1,657,530,000).

3 OTHER NET GAINS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants	804,371	2,351,448
Net investment income related to investment in financial assets	428,693	442,251
Gain on disposal of subsidiaries	355,544	–
(Loss)/gain on disposal of investments in joint ventures and associates (i)	(3,508)	3,862,860
Impairment losses on investments in an associate	–	(163,965)
Foreign exchange gain/(loss)	502,389	(172,430)
Net fair value changes on financial assets mandatorily at FVPL	264,849	(405,452)
Gains on disposal of non-current assets	28,277	112,253
Others	107,736	70,949
	<u>2,488,351</u>	<u>6,097,914</u>

Note:

- (i) Gains on disposal of investments in joint ventures and associates in 2024 mainly represents the gains from partial disposal of the equity interests in two ex-associates, Chenqi Technology Limited and Guangzhou Juwan Technology Research Co., Ltd. to the Group's immediate parent, Guangzhou Automobile Industry Group Co., Ltd. ("GAIG").

4 LOSS BEFORE TAXATION

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(a) Finance costs		
Interest expense on loans and borrowings	580,353	519,882
Interest expense on lease liabilities	80,316	88,154
Less: interest capitalised in qualifying assets*	(21,721)	(45,042)
	<u>638,948</u>	<u>562,994</u>

- * In 2025, the borrowing costs have been capitalised at rates of 1.8% – 2.78% per annum (2024: 2.15% – 4.30%).

	2025	2024
	RMB'000	RMB'000
(b) Staff costs		
Salaries, wages and other benefits	10,997,503	12,081,373
Contributions to defined contribution retirement plans	1,394,828	1,276,274
Expenses recognised in defined benefit plans	1,926	2,716
Equity-settled share-based payment expenses	(123,756)	(16,842)
	<u>12,270,501</u>	<u>13,343,521</u>

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiaries participate in defined contribution retirement schemes organised by the local government authorities, to which the PRC subsidiaries are required to make contributions based on certain percentages of the eligible employees' salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees. There is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

	2025	2024
	RMB'000	RMB'000
(c) Other items		
Amortisation of intangible assets	5,397,706	4,531,376
Depreciation charge		
– investment property and other property, plant and equipment	3,063,245	3,471,377
– right-of-use assets	956,830	811,888
Impairment losses on non-financial assets		
– property, plant and equipment and investment property	195,779	78,954
– intangible assets	1,285,005	1,224,780
– right-of-use assets	–	114
Impairment losses on the investment in an associate	–	163,965
Net foreign exchange (gain)/loss	(502,389)	172,430
Auditors' remuneration		
– audit services	19,399	18,009
– other services	9,737	7,233
Warranty expenses	1,294,436	1,835,106
Cost of inventories	96,230,252	99,202,253

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax		
Provision for the year		
– PRC corporate income tax	235,433	656,583
– Other jurisdictions	76,645	91,082
Over-provision in respect of the prior year	<u>(23,331)</u>	<u>(33,270)</u>
	<u>288,747</u>	<u>714,395</u>
Deferred tax		
Origination and reversal of tax loss and temporary differences	<u>(867,203)</u>	<u>(947,383)</u>
	<u><u>(578,456)</u></u>	<u><u>(232,988)</u></u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss before taxation	<u>(12,060,183)</u>	<u>(727,035)</u>
Notional tax on profit before income tax, calculated at the rates applicable to profits in the tax jurisdictions concerned (<i>notes (i)&(ii)</i>)	(1,834,066)	354,441
Share of profit or loss of joint ventures and associates	(821,340)	(929,001)
Other non-taxable income	(4,848)	(3,220)
Non-deductible expenses	58,616	55,051
Utilisation of previously unrecognised tax losses	(6,355)	(63,737)
Unrecognised tax losses and deductible temporary differences	2,896,867	1,069,358
Super deduction of research and development (“R&D”) expenses (<i>note (iii)</i>)	(843,999)	(682,610)
Over-provision in respect of prior year	<u>(23,331)</u>	<u>(33,270)</u>
Actual tax credit	<u><u>(578,456)</u></u>	<u><u>(232,988)</u></u>

Notes:

- (i) The majority of the Group's operations are based in the PRC, and taxable income for the Company and its subsidiaries in the PRC are subject to PRC corporate income tax rate of 25% for the year ended 31 December 2025, unless otherwise specified below.

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

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

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

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

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

6 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

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 year, calculated as follows:

Weighted average number of ordinary shares in issue less restricted shares

	2025 '000	2024 '000
Ordinary shares in issue less restricted shares at 1 January	10,315,470	10,460,855
Effect of shares repurchased	(24,388)	(69,461)
Effect of share options-exercised and restricted shares unlocked	—	932
Weighted average number of ordinary shares in issue less restricted shares at 31 December	<u>10,291,082</u>	<u>10,392,326</u>

(b) Diluted earnings per share

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.

For the years ended 31 December 2025 and 2024, no adjustment has been made to basic earnings per share for dilution as the impact of outstanding options had an anti-dilutive effect on basic earning per share.

7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Investments in joint ventures (a)	23,274,864	20,823,230
Investments in associates (b)	12,280,785	9,299,034
	<u>35,555,649</u>	<u>30,122,264</u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Share of profit of joint ventures	1,613,741	2,770,167
Share of profit of associates	<u>871,519</u>	<u>228,101</u>
	<u>2,485,260</u>	<u>2,998,268</u>
Share of other comprehensive income of joint ventures	<u>(12,419)</u>	<u>(4,050)</u>

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

(a) Investments in joint ventures

The following list contains material joint ventures of the Group and the Company, which are 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		
				2025	2024	2025	2024	2025	2024	
GAC Honda Automobile Co., Ltd. ("GAC Honda")* 廣汽本田汽車有限公司	Incorporated	Mainland China	USD867,215,960/ USD867,215,960	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	USD1,333,896,100/ USD1,333,896,100	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	RMB4,100,000,000,000/ RMB4,100,000,000,000	50%	50%	50%	50%	0%	0%	Provision of automotive financing services
Wuyang-Honda Motors (Guangzhou) Co., Ltd. ("Wuyang-Honda")* 五羊-本田摩托(廣州)有限公司	Incorporated	Mainland China	RMB292,166,680/ RMB292,166,680	50%	50%	50%	50%	0%	0%	Manufacture and sale of motorcycle and motorcycle parts
GAC-SOFINCO Financial Leasing Co., Ltd. ("GAC-SOFINCO Leasing")* 廣州廣汽匯理融資租賃有限公司	Incorporated	Mainland China	RMB3,400,000,000/ RMB3,400,000,000	50%	100%	0%	0%	50%	100%	Provision of automotive leases services

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

As restricted by the confidentiality agreements entered into with other shareholders of certain material joint ventures, the Group has not disclosed certain financial data of material joint ventures separately. The aggregate of the financial information of the above five (2024: four) material joint ventures identified by Directors covers around 90% of consolidated financial information of all the joint ventures of the Group listed below.

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

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

Name of joint venture	Assets As at 31 December		Liabilities As at 31 December		Revenue Year ended 31 December		Dividends received Year ended 31 December	
	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
GAC Honda	30,518,650	30,497,287	20,504,315	20,850,429	51,142,099	68,249,981	-	1,193,244
GAC Toyota	59,034,644	48,517,036	43,715,179	33,875,111	110,686,011	109,544,921	2,210,240	8,859,211
GAC-SOFINCO	49,332,324	56,319,831	39,975,139	46,970,453	3,715,726	4,280,234	166,249	130,431
Wuyang-Honda	2,933,648	2,665,361	1,546,872	1,289,808	4,989,288	4,840,836	40,380	112,376
GAC-SOFINCO Leasing	13,889,130	-	10,246,445	-	1,216,189	-	-	-
	<u>155,708,396</u>	<u>137,999,515</u>	<u>115,987,950</u>	<u>102,985,801</u>	<u>171,749,313</u>	<u>186,915,972</u>	<u>2,416,869</u>	<u>10,295,262</u>

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

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Assets	155,708,396	137,999,515
Less: liabilities	(115,987,950)	(102,985,801)
Less: non-controlling interests	-	(8,641)
Net assets excluding non-controlling interests	39,720,446	35,005,073
Percentage of ownership	50%	50%
Interests in material joint ventures	19,860,223	17,502,537
Goodwill relating to Wuyang-Honda	21,259	21,259
Carrying amount of investments in material joint ventures	<u>19,881,482</u>	<u>17,523,796</u>

(b) Investments in associates

The associates of the Group are all unlisted corporate entities whose quoted market prices are not available. None of the Group's associate is individually material.

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

Aggregate information of associates that are not individual material:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Aggregate carrying amounts of investments in associates in the consolidated financial statements	12,280,785	9,299,034
Aggregate amounts of the Group's share of those associates' profit and total comprehensive income	<u>871,519</u>	<u>228,101</u>

8 DIVIDENDS

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interim dividend declared and paid during the year	–	310,455
Final dividend proposed after the end of the reporting period	<u>–</u>	<u>203,671</u>
	<u>–</u>	<u>514,126</u>

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year	<u>203,645</u>	<u>1,048,690</u>

9 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	5,681,888	4,439,007
Less: loss allowance	<u>(1,085,800)</u>	<u>(1,086,068)</u>
Trade receivables – net	<u>4,596,088</u>	<u>3,352,939</u>
Loans receivable (i)	6,894,280	10,250,883
Value added tax recoverable	4,884,816	3,768,444
Financial assets held under resale agreements (ii)	2,844,969	493,402
Deposits in a joint venture	2,041,792	–
Prepayments	1,986,300	1,723,797
Bills receivable	518,305	80,265
Reissuance contract assets	193,108	363,335
Dividends receivable	42,088	122,727
Entrusted loans (iii)	334	1,486
Finance lease receivables	–	4,671,517
Receivables from disposal of an associate	–	651,999
Other receivables	<u>2,318,325</u>	<u>2,521,732</u>
	<u><u>26,320,405</u></u>	<u><u>28,002,526</u></u>

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

Notes:

- (i) The balance represented loans to related parties and third parties in relation to provision of financing services by GAC Finance. The effective interest rate as at 31 December 2025 is 2.59% (2024: 2.87%).
- (ii) As at 31 December 2025, the balance mainly represented financial assets held under resale agreements with a maturity period of within 7 days, collateralised by government bonds and bearing a weighted average interest rate of 1.9% per annum.
- (iii) Entrusted loans are mainly provided to related parties through financial institutions. As at 31 December 2025, these loans bear an effective interest rate of 4.35% (2024: 3.85%).
- (iv) As at 31 December 2025, loss allowance on other current assets amounted to RMB618,253,000 (2024: RMB614,394,000).

Ageing analysis

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	3,887,053	3,165,129
1 to 2 years	778,792	376,446
2 to 3 years	297,553	592,550
3 to 4 years	435,874	56,821
4 to 5 years	56,741	31,066
Over 5 years	225,875	216,995
	5,681,888	4,439,007
Less: loss allowance	<u>(1,085,800)</u>	<u>(1,086,068)</u>
	<u>4,596,088</u>	<u>3,352,939</u>

Trade receivables are due when the receivables are recognised.

10 TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade Payables	19,865,104	21,429,013
Bills payable (i)	8,766,475	14,066,761
Customer deposits (ii)	6,385,493	5,395,429
Employee benefits payable	2,757,526	4,237,686
Insurance contract liabilities	3,353,072	2,784,421
Payable for mould expenses	2,243,766	1,654,906
Development costs payable	1,691,767	1,844,390
Advertising expenses payable	906,737	758,162
Construction costs payable	1,111,652	1,290,116
Other taxes	546,332	1,071,631
Taxes related to contract liabilities	415,749	591,028
Financial liabilities arising from continuing involvement	–	397,160
Assets sold under repurchase agreements	530,880	235,013
Deposits payable	419,513	364,592
Government grants	3,185,134	2,880,270
Refund liabilities	2,944,170	3,507,434
Other payables	4,079,735	4,912,101
	<u>59,203,105</u>	<u>67,420,113</u>
Current portion	54,663,948	63,226,725
Non-current portion	4,539,157	4,193,388
	<u>59,203,105</u>	<u>67,420,113</u>

- (i) As at 31 December 2025, certain bills payable were secured by the Group's inventories.
- (ii) The balance represents customer deposits received by a subsidiary of the Group which is mainly engaged in provision of financing service. The interest rates follow the prevailing savings interest rates published by the PBOC.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	27,569,452	34,973,535
Between 1 and 2 years	744,220	358,409
Between 2 and 3 years	250,701	49,634
Over 3 years	67,206	114,196
	<u>28,631,579</u>	<u>35,495,774</u>

CHAIRMAN'S STATEMENT

Dear shareholders,

2025 is a year of profound transformation of the automobile industry and accelerated restructuring of the competitive landscape. It is also a pivotal year for GAC Group as it initiates systematic and profound reforms at the historical intersection of the end of the “14th Five-Year Plan” and the start of the “15th Five-Year Plan”. In face of unprecedented severe challenges, we advanced strategic transformation in a “wartime footing”, and focused on “stabilizing joint ventures, fortifying independence, and expanding the ecosystem”. We were fully committed to fighting the three critical campaigns of “user demands, product value and service experience”. We pressed forward under pressure amidst challenges, and accumulated momentum through transformation, laying a solid foundation for navigating the industry cycle and rebuilding a new GAC.

Resolutely advancing management reforms to reshape organizational efficiency. With self-rectifying determination, we promoted the transition from strategic control towards operational control to establish an operation-oriented headquarters that can “hear the artillery”. The Group has implemented an integrated reform by setting up a shared service center for its self-developed brands, and has connected the entire value chain from research and development (“R&D”), production, and supply chain to sales and services, thereby achieving an integrated operational control over R&D, production, supply, sales and finance. At the R&D and procurement end, we have achieved systematic cost reduction and shared technologies through platform-based planning, large-scale centralized procurement, and specification convergence. At the operations end, we have enhanced overall response efficiency and resource utilization through process integration and data synergy. We fully introduced the DSTE (develop strategy to execution), IPD (integrated product development), and IPMS (integrated product marketing and sales) systems to restructure business processes. This enabled us to build an end-to-end management system from user insights to product delivery, and create a more process-oriented organization that understands users better, responds faster, and possesses stronger technology, to significantly improve planning and decision-making efficiency. We have initiated pilot programs for the BU (business unit) organizational model, establishing the Trumpchi BU and Hyptec AION BU to create “frontline operational units” that face up to the market, with clear rights and responsibilities and rapid response. Concurrently, we deepened reforms in cadre and personnel system and the three institutional frameworks, and established a rigid appraisal and exit mechanism centered on operational results, promoting recruitment in a market-oriented manner and on a competitive basis. We completed the global recruitment of a new team of professional managers, fully stimulating organisational vigour and fostering a striver culture.

Making every effort to tackle challenges in core technologies and sharpening our technological strengths. Focusing on the key arenas of electrification and intelligentisation, we have strengthened our high level of technological self-reliance. Throughout the year, over RMB7.119 billion was invested in R&D, with the Group recording over 3,000 new patent applications. The accumulative number of patent applications exceeded 24,000 by the end of 2025. In the field of electrification, we introduced the industry-leading “ADiMOTION” technology, achieving core breakthroughs in areas such as high efficiency energy conservation, powerful acceleration, and refined acoustic comfort for extended-range vehicles, which was recognized as one of the “Top Ten Range Extension Systems in the World” by the Carbingo Academy (汽車評價研究院) and launched Hyptec HL and AION i60 equipped with the technology. In the field of intelligentisation, the Group unveiled its smart technology brand, ADiGO, and the “X-soul Safety Protection System”, establishing a full-chain safety assurance for intelligent travel. The new generation multimodal interactive system, ADiGO 6.0, has been featured in several models for mass production. We also launched large-scale terminal-cloud integrated models to enhance the AI smart cockpit interactive experience. Through regular OTA upgrades for whole vehicles, with a total of 68 updates throughout the year, we have added and optimized over 700 functions to continue to improve user experience. Accelerating the commercialization of autonomous driving technology, the Group obtained the L3 autonomous vehicle testing permit for specific scenarios in Guangzhou, becoming one of the first automobile enterprises in the country to be granted the L3 test license with a maximum speed of 120 km/h. The next-generation Robotaxi, co-developed with DIDI Autonomous Driving, has been officially delivered.

Actively building an open ecosystem to integrate the development momentum. We will continue to expand our “industrial network”, and deepen a new round of strategic cooperation with core partners such as Huawei, CATL and Tencent to enhance our comprehensive competitiveness in areas including intelligentisation, electrification and digitalization, achieving win-win development. The development of the first model, the GT7, under the high-end intelligent electric vehicle brand “AISTALAND” (啟境) co-developed with Huawei, is progressing smoothly, and is scheduled for launch in mid-2026. We have deepened cooperation in the battery swapping sector with CATL, becoming the first Choco-Swapping full ecological cooperative automobile enterprise. Together with CATL and JD, we launched the “People’s Choice Car”, AION UT super, fully leveraging the respective strengths and integrating high-quality resources of all three parties. We have taken the lead in implementing the production of locally manufactured automobile chips, and have initiated the “Automobile Chip Application Ecosystem Co-construction Plan”. In collaboration with upstream and downstream industry chains, we have jointly developed dozens of automobile-grade chips, and have successfully produced the benchmark in intelligent new energy vehicle (“NEV”) models, the Hyptec GT Climbing Edition (昊鉑GT攀登版), which features a 100% domestically produced chipset design. This marks a significant milestone in the development of the independent controllability within China’s automobile industrial chain.

Accelerating global layout to create new growth pole. Adhering to the principles of “quality globalization, technology globalization, service globalization, and ecosystem globalization”, we have unveiled the ONE GAC 2.0 strategy to accelerate localized operations in global markets and open a new chapter of globalization from product exports to system exports. In 2025, self-developed brands achieved overseas terminal sales volume of approximately 125,000 units, representing a year-on-year increase of approximately 48%. Our business has expanded to 87 countries and regions around the world, supported by 630 sales and service outlets. Additionally, we have deployed five overseas KD factories, preliminarily establishing a global production, sales, and service network system.

At present, the industrial changes are becoming increasingly clear, characterized by “the four overlapping periods” of profound transformation, rapid technological iteration, shifts in competitive landscape, and restructuring of management processes. Opportunities and challenges coexist. Faced with the pressures of intensifying external competition and the pains of internal transformation, we have adopted the DSTE strategic management methodology to formulate the Group’s “15th Five-Year Plan” development plan. We are advancing the vertical integration of processes from strategic planning to operational execution, to ensure that all efforts are focused on achieving a breakthrough. 2026 marks the beginning of the “15th Five-Year Plan” and is a pivotal year that bridges the past and the future in the three-year “Panyu Action”. We will vigorously advance transformative breakthroughs, sparing no effort to reverse passive operational situation and achieve recovery in performance.

Advancing the strategy of “stabilizing joint ventures, fortifying independence, and expanding the ecosystem” to solidify the foundation for development. In terms of stabilizing joint ventures, GAC Toyota continues to promote the principle of “collaborative intelligence and advancement of fuel-powered and electric vehicles” to consolidate the foundation of fuel-engined vehicles. Additionally, it further enhances the strengths of its new energy products with new models such as the bZ7. GAC Honda is accelerating the transformation towards intelligentisation and electrification, deepening localised R&D and swiftly addressing gaps in new energy and intelligent development to reshape user engagement and growth momentum. In terms of fortifying independence, the focus is on the “three critical campaigns”, continuously enhancing the competitiveness of the self-developed brand systems. This involves clarifying the differentiated positioning of each brand, sharpening brand labels, and optimizing product portfolio strategies. Resources are concentrated on developing key models while further expanding the new “rechargeable and replaceable” product category. A dimensional product matrix covering mainstream, high-end, and emerging segments is being built to ensure the successful launch of new products such as the AISTALAND series, Hyptec A800, and AION N60, thereby increasing its market share. In terms of expanding the ecosystem, we will promote deep synergy and mutual empowerment amongst ecosystem enterprises and automobile business, striving to facilitate smooth internal and external “dual circulation”, and empowering user-driven operations, channel penetration, and export of complete vehicles. Through a model of “outbound capability and neutral development”, we will foster the growth of the eco-friendly company into a profit engine with independent profitability.

Winning the three critical campaigns of “user demands, product value, and service experience” to reshape core competitiveness. To win the campaign for user demands by reshaping the user insight system and process capabilities centered on user perception, building a scientific insight system, and engaging directly with users at the frontline, we will accurately capture changing consumer demand trends, and continuously improve accuracy of product definition and alignment with selling points. To win the campaign for product value, we will leverage IPD transformations to establish a user-demand-oriented product development system. With commercial success as our goal, we will strengthen core technological advantages, reshape core competitiveness of our products, and create differentiated competitive edges to leapfrog the competition. To win the campaign for service experience, we will comprehensively deepen the IPMS transformation, drive the transition to new retail marketing through NPS (Net Promoter Score), and enhance channel sales capabilities and profitability. Through establishing a “diversified and highly efficient” channel model, we will implement a lightweight agency model, and accelerate expansion to lower-tier markets. By the first half of 2026, 600 GAC Comprehensive Sales and Services Centers will be established, thereby comprehensively improving user experience throughout the entire life cycle.

Breaking through barriers in the three main initiatives of “overseas expansion, cost control, and a digital-intelligent GAC” to unlock new growth potential. We have mobilized the entire Group’s strengths to support the development of international business, consolidated the global expansion systems and capabilities, and striven to achieve the target of 250,000 units in overseas sales volume in 2026. Focusing on the A0 and A-class mainstream markets, we have optimized the product matrix, and concentrated resources on creating high-volume product categories. Through the implementation of the “thousand network plan”, we have expanded our network scale, optimized channel structure, and enhanced operational quality and efficiency. We will create smart mobility solutions featuring “specialized product development + full-chain ecological empowerment” to rapidly penetrate the overseas business-end market. We will implement comprehensive and rigorous cost control, establish a systematic cost control system, deepen closed-loop management of comprehensive budgeting, and strengthen the revenue management of automobile models throughout the entire life cycle. We will build sustainable cost advantages without compromising user-perceived value or product quality, striving to achieve the target of a 15% reduction in external procurement costs for the year. Driven by the “AI+” strategy, we will systematically build a digital-intelligent GAC, promote full integration of AI technologies into various fields such as automobile products, organizational management, technology R&D, user service, and ecological synergy, to comprehensively enhance product and operational competitiveness.

2026 marks the beginning of the “15th Five-Year Plan” and stands as a critical year for breaking through barriers and achieving a decisive turnaround. With the determination of a “wartime footing”, the courage to “turn the blade inward”, and the passion of a “second entrepreneurship”, we will resolutely win every tough campaign, strive to reinvent GAC, accelerate our journey toward becoming a world-class technology enterprise, and write a new chapter of high-quality development!

SUMMARY OF BUSINESS OF THE COMPANY

(I) Summary of business

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

(1) *Passenger vehicles*

It is mainly conducted through 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 or facelifted vehicle models such as GAC Trumpchi M8 QianKun, S7 and S9, GAC AION UT and AION i60, GAC Hyptec HL, GAC Toyota bZ3X and GAC Honda P7, etc.

- **Products:** The Group’s passenger vehicle products include 12 series of sedans, 25 series of SUV and 6 series of MPV.

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

- **Sales channel:** The Group continues to deepen its digital marketing system, and promotes innovative marketing collaborations with platforms such as JD, to continuously optimize the online automobile purchasing and service experience. 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 2,100 4S sales outlets across 31 provinces, counties, autonomous regions and municipalities in the PRC. Overseas sales outlets of self-developed brands amounted to 630, with its sales and service operations covering 87 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 Group's total production capacity of motorcycles 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, jointly controlled and investee companies of GAC Component, a subsidiary of the Company, and Ruipai Power and Lisheng Technology, being subsidiaries held by the Group, as well as GAC Toyota Engine, etc., the Group's associated companies. The parts and components of vehicles include engines, gearboxes, car seats, micro motors, shifter, electric drive, electric controller, interior and exterior decorations, etc. The products were mainly accessories for manufacture of vehicles of the Group.

4. *Commercial and mobility transportation*

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

5. *Energy 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, CATL GAC, and other companies. In response to the trend of new energy development, the Group has actively expanded energy ecological businesses to build an integrated energy ecosystem, achieving leapfrog development in energy ecosystem.

6. *Internationalisation*

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

7. *Investment and finance*

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

(II) ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

1. *Industry layout with complete and efficient industry chain and scientific and rational 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 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 comprehensive industry layout.

2. *Advanced manufacturing, craftsmanship, quality and procedural management*

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

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

The Group has a full range of products including sedans, SUVs and MPVs, maintaining the market competitiveness of its products through continuous R&D, introduction of new vehicle models and product iterations, so as to adapt to changes in consumer demand, guarantee 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, S7 and S9, GAC AION UT and i60, 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 previously awarded the title of the “National Outstanding Engineering Team”. During the reporting period, with IPD process transformation at its core, the Group has rebuilt a large-scale R&D system and formed a “market + technology” dual-driven product development model. An end-to-end development process of “insight – demand – development – delivery” has been created to further strengthen its systematic innovation capabilities.

5. *Leading independent R&D capabilities in new energy and intelligent connected vehicle (“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 the 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 technologies. 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 and mass-produced the first “centralised computing + regional connectivity” electronic and electrical architecture “X-soul”, achieving scenario coverage from L2 to L4. The Group has led the development of the ADiGO 6.0 interactive system, which is based on consumer-grade electronic experience, as well as a large-scale terminal-cloud integrated model for the smart cockpit, thereby enhancing interactive experiences of AI smart cockpit. This achievement obtained the industry’s first A+ class smart cockpit certification. 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. Accelerating the commercialization of autonomous driving technology, the Group obtained the L3 autonomous vehicle testing permit for specific scenarios in Guangzhou, becoming one of the first automobile enterprises in the country to be granted the L3 test license with a maximum speed of 120 km/h. The self-developed Shenxing data simulation platform (神行數據仿真平台) 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). The Group launched the “ADiMOTION” platform technology, with industry-leading performance in multiple metrics such as oil-to-electricity conversion efficiency, continuous power output, and quiet operation, and was recognized as one of the “Top Ten Range Extension Systems in the World” by the Carbingo Academy. Additionally, the Group introduced the Quark Electric Drive 2.0, which became the first mass-produced system to incorporate amorphous-carbon fiber technology, leading the industry in multiple key indicators. It was recognized in various premium awards, including the “Top Ten Electric Drive Systems” by the Automotive Research Evaluation Institute and the “Global New Energy Vehicle Innovative Technology” by the World New Energy Vehicle Conference.

DISCUSSION AND ANALYSIS ON OPERATION

(I) ANALYSIS ON INDUSTRY ENVIRONMENT ¹

In 2025, China’s automobile industry withstood external pressures such as trade protectionism and global industrial chain restructuring, achieving production and sales volumes of 34,531 thousand units and 34,400 thousand units, representing a year-on-year increase of 10.4% and 9.4% respectively. The automobile production and sales volumes maintained a scale of more than 30,000 thousand units for three consecutive years, and ranked first in the world for 17 consecutive years. Among them, domestic automobiles sales volume stood at 27,302 thousand units, representing a year-on-year increase of 6.7%; automobile exports came to 7,098 thousand units, representing a year-on-year increase of 21.1%.

In 2025, the production and sales volume of passenger vehicles reached 30,270 thousand units and 30,103 thousand units respectively, representing a year-on-year increase of 10.2% and 9.2% respectively. Among them, sales volume for the passenger vehicles of Chinese brands reached 20,936 thousand units, representing a year-on-year increase of 16.5%, which accounted for nearly 70% of the total sales volume of passenger vehicles, representing a year-on-year increase of 4.3 percentage points.

¹ Data sourced from the China Association of Automobile Manufacturers.

In 2025, China's commercial vehicle market demonstrated positive recovery and structural growth. The annual production and sales volume of commercial vehicles reached 4,261 thousand units and 4,296 thousand units, respectively, representing a year-on-year increase of 12% and 10.9% respectively.

In 2025, under the influence of the combined factors including favorable policies, abundant supply and continuous improvement of infrastructure, new energy vehicles sustained the momentum of rapid growth. The annual production and sales volume of NEVs reached 16,626 thousand and 16,490 thousand units respectively, representing a year-on-year increase of 29% and 28.2% respectively, with China's NEVs ranking first in the world for 11 consecutive years. The sales volume of NEVs accounted for 47.9% of the total sales volume of new vehicles, representing a year-on-year increase of 7 percentage points. Among them, domestic sales volume of NEVs accounted for over 50% of domestic sales volume of automobiles.

(II) ANALYSIS ON OPERATION OF THE COMPANY

In 2025, in the face of the systematic challenges arising from multi-dimensional restructuring in the industrial ecosystem, demand structures, and market competition, the Group's production and operations remained under pressure. The annual production and sales volume of vehicles amounted to 1,744.4 thousand units and 1,721.5 thousand units, representing a year-on-year decrease of 8.98% and 14.06%. However, through proactive efforts to drive reform and transformation, the Group achieved quarter-to-quarter positive growth for three consecutive quarters since the second quarter of 2025. Among them, the sales volume of NEVs was 433.6 thousand units, representing a year-on-year decrease of 4.64% and accounting for approximately 25.19% of the Group's total sales volume, representing an increase of approximately 2.5 percentage points compared to last year, whereas that of energy-efficient vehicles amounted to 454.6 thousand units, representing a year-on-year increase of 0.84%. During the reporting period, the proportion of the Group's sales volume generated from energy-efficient vehicles and NEVs increased to 51.60%, representing an increase of approximately 6 percentage points compared to last year.

1. Self-developed brands drove reform and transformation

Self-developed brands advanced an integrated reform by setting up a shared service center. The Group implemented IPD and IPMS reforms, thereby establishing product commercialization teams and product development process driven by user demand. The Group advanced pilot BU structures by setting up the AION Hyptec BU and the Trumpchi BU, fully introducing the NPS indicator management and appraisal system to strive to improve the user experience. Furthermore, the Group promoted innovative marketing collaboration with the JD platform, facilitating multi-brand integration and streamlining operations to advance channel penetration.

Self-developed brands will accelerate product renewal and upgrade. Driven by both “self-development + open cooperation”, GAC Trumpchi launched three premium models, including S7, M8 Qiankun, and S9. It established intelligent new energy product matrix for the “Xiangwang Series” (嚮往系列), covering SUVs and MPVs, and accelerated the Trumpchi brand’s comprehensive transition towards electrification and intelligentisation. The AION Hyptec brand continued to consolidate its leadership in pure-electric technology, through new vehicle models such as the AION UT, AION i60, and Hyptec HL, as well as facelifted vehicle models such as the AION V home and AION UT super, and expanded the layout of its extended-range technology, to achieve the synergistic development of a “pure-electric + extended-range” dual-technology route, thereby creating a dynamic matrix that caters to diverse mobility scenarios. Spurred by these new products, GAC AION achieved month-on-month positive growth in sales volume for 7 consecutive months since June 2025.

2. Joint venture brands accelerated the transformation towards intelligentisation and electrification

In 2025, GAC Toyota achieved a sales volume of 756 thousand units, representing a year-on-year growth of 2.44%, among which the terminal sales volume of high-value models such as Camry and Sienna ranked among the forefront in the domestic market segment, achieving sales of approximately 470 thousand units of energy-efficient and NEV models throughout the year, representing a year-on-year increase of 27.27%, the proportion of which rose to 62.2%. Through emphasizing localized self-development to accelerate its electrification transformation, the first pure-electric model led by the local R&D team, bZ3X, achieved an annual sales volume of over 80 thousand units, ranking first among joint-venture pure electric models, and became the first locally developed model to be included in Toyota’s global sales system. The bZ7 made its debut at the Guangzhou Auto Show and aroused attention and favorable reviews thereafter. Through implementing the “intelligentization for hybrid electric vehicles” strategy, the 2026 models of Camry, Highlander and Sienna are equipped with intelligent cockpits and the Toyota Pilot driving assistance systems, marking a step forward in intelligentization. GAC Honda has stepped up its local development efforts, to comprehensively advance high-quality localized intelligent solutions. In collaboration with partners such as Momenta, it enhanced the intelligence experience. GAC Honda efficiently restructured its supply chain in core areas including battery, powertrain and electric control systems, smart cockpits, and intelligent driving, thereby building a more resilient and dynamic local supply chain ecosystem. GAC Honda achieved month-on-month positive growth in sales volume for 5 consecutive months since August 2025. Wuyang Honda strengthened its technological and intelligent advantages, launching a total of 14 new products in 2025. With a diversified product portfolio, it solidified its competitiveness across segments. The sales volume reached approximately 640 thousand units throughout the year, including export of over 150 thousand units.

3. International business comprehensively deepened and accelerated

The self-developed brands continued to accelerate their expansion into overseas markets, adding more than 280 new outlets throughout the year, and a total of 630 outlets have been established across 87 countries and regions. The overseas vehicle lineup has been continuously refined to enhance product adaptability, with 5 brand-new overseas models and 4 mid-facelifted overseas models launched throughout the year. Anchored by the “ONE GAC 2.0” strategic direction, the Group has focused on key markets such as Thailand, Brazil, and Europe, deepened its localized presence, accelerated localized operations in the European market, with the AION V already in mass production at the factory in Austria.

Through deepened international business synergy, the Group promoted the global expansion of the ecosystem. GAC Business has accelerated the development of overseas warehousing and dealerships, automobile export trade, services for automobile export bases, international transportation, and overseas localized logistics. GAC Component has established a diversified overseas product matrix, including car seats, mould, gauge, springs, and smart seat components, with NEV parts and components, and self-developed patented products becoming new growth points for exports.

4. Industry ecosystems strengthened synergistic effects

In the fields of parts and components, GAC Component has focused on strengthening and upgrading the industrial chain, driving breakthroughs in key systems, and components, and accelerating the deployment of modular integrated die-casting technology. Through market expansion both internally and externally, the Group achieved a breakthrough of initial supply of 15 products outside the system, resulting in a year-on-year increase of approximately 17% in revenue from outside the system.

In the fields of commercial and mobility transportation services, GAC Business has focused on building its Sun+ Care brand to drive the strategic upgrade of its customer ecosystem operations. It has continued to optimize new media management to enhance the capability to attract customers. Throughout the year, vehicle sales reached approximately 146 thousand units, representing a year-on-year increase of approximately 3.5%. ON TIME recorded over 200 million completed orders in aggregate during the year, representing a year-on-year growth of 86%. In terms of Robotaxi’s commercialization, it achieved interconnected operations across three cities of “Guangzhou – Shenzhen – Hengqin”, completing a cumulative distance of nearly 6 million kilometres of safety trial operations.

In the fields of energy ecosystem, UPOWER Energy signed 24 solar-storage projects throughout the year and successfully obtained the qualification for the sale of electricity from the Guangdong Electricity Exchange Center, as well as qualifications for virtual power plant operators from Guangdong Province and Guangzhou City. IMPOW battery steadily increased production capacity and production line yield rate, with annual production and sales volume of power batteries exceeding 150,000 sets. GAC Energy promoted the implementation of the “ten thousand charging piles” initiative. It has cumulatively built and operated over 1,900 charging stations and over 23,000 charging terminals, ranking among the top in the automobile industry in terms of the scale of charging terminals. It also established the national largest V2G demonstration scenario, facilitating Guangzhou to successfully apply to become one of the first batch of the pilot cities for national vehicle-to-grid large-scale application.

In the fields of investment and finance, adhering to the strategic positioning of “supporting the main businesses and empowering the main businesses”, the Group actively supported the sales operations of the original equipment manufacturers (OEMs) through financial services, promoting comprehensive and in-depth synergy of industry and finance. GAC-SOFINCO increased its retail penetration rate to nearly 16% throughout the year, with over 250,000 retail contracts, significantly boosting the OEMs’ sales. GAC-SOFINCO Leasing actively explored direct leasing and operational leasing models to facilitate the transformation and optimization of its business structure. GAC Finance Company supported automobile sales of approximately 500,000 units annually through inventory financing products and various financial service policies. Urtrust Insurance achieved a year-on-year increase of 17.2% in premium income for NEV insurance and launched an industry-leading intelligent driving insurance solution to safeguard the development of new energy and intelligent vehicles. GAC Capital focused on the “new four modernizations” of automobiles, completing investments in 11 strategic placement projects throughout the year in areas such as chips, ICV, and power batteries.

In the field of commercial vehicles, GAC Commercial Vehicle accelerated its transformation, achieving annual sales of 4,321 units, representing a year-on-year increase of a threefold. The newly developed pure electric tractor T9 was rolled off, marking a breakthrough in the independent innovative sector for high-end new energy commercial vehicles.

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

During the reporting period, the Group realised revenue of approximately RMB367.164 billion on an aggregated basis, representing a year-on-year decrease of approximately 8.59%.

During the reporting period, the revenue of the Group amounted to approximately RMB96.542 billion, representing a year-on-year decrease of approximately 10.43%. The net loss attributable to Shareholders of the parent company amounted to approximately RMB8.784 billion, marking a turnaround from profit to loss in 2025 compared to the same period in 2024. The basic loss per Share amounted to approximately RMB0.85, representing a decrease of approximately 1,162.50% compared to the basic earnings per Share of RMB0.08 for the same period last year.

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

1. In 2025, affected by factors such as intense competition in the automobile industry and the rapid restructuring of the industrial ecosystem, despite the Company's continuous increase in automobile sales volume since the second quarter compared to the previous period, the annual automobile sales volume fell short of expectations. The Group achieved an annual sales volume of 1,721.5 thousand units, representing a year-on-year decrease of 14.06%, of which the annual sales volume of vehicles under our self-developed brands amounted to 609.2 thousand units, representing a year-on-year decrease of 22.83%. At the same time, in response to rapid market changes, the Company adjusted and increased its sales expenditures.
2. In 2025, due to factors such as sales volume and structural adjustments to new energy products of self-developed brands, the Company's asset impairment provision of intangible assets and inventories increased compared to the same period last year. At the same time, GAC Honda accelerated the transition towards new energy models with the adjustment of their production lines and the optimisation of staff, which resulted in a further reduction in the Company's investment income.

(IV) ANALYSIS OF PRINCIPAL BUSINESS

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	965.42	1,077.84	-10.43
Costs of sales	1,019.67	1,053.46	-3.21
Selling and distribution costs	58.91	54.17	8.75
Administrative expenses	53.86	58.34	-7.68
Finance costs	6.39	5.63	13.50
Interest income	4.11	5.84	-29.62
Share of net profits of joint ventures and associates	24.85	29.98	-17.11
Net cash flow (used in) generated from operating activities	-161.99	82.99	-295.19
Net cash flow used in investing activities	-25.22	-162.03	-84.43
Net cash flow generated from financing activities	60.51	48.18	25.59

1. Analysis on revenue and costs of sales

During the reporting period, revenue of the Group amounted to approximately RMB96.542 billion, representing a year-on-year decrease of approximately 10.43%. This was mainly due to fierce competition in the automobile industry and the rapid restructuring of the industrial ecosystem. GAC Trumpchi achieved an annual sales volume of 319.2 thousand vehicles, representing a year-on-year decrease of 23.02%, and GAC AION achieved an annual sales volume of 290.1 thousand vehicles, representing a year-on-year decrease of approximately 22.62%.

During the reporting period, the Group recorded cost of sales of approximately RMB101.967 billion, representing a year-on-year decrease of approximately 3.21%. The gross loss amounted to RMB5.425 billion, representing a decrease of approximately 322.52% compared to the gross profit of RMB2.438 billion for the same period last year. The gross loss margin of 5.62% represents a decrease of 7.88 percentage points compared to the gross profit margin of 2.26% for the same period last year, which was mainly due to the combined effect of fierce competition in the automobile industry, the rapid restructuring of the industrial ecosystem, and the decrease in gross profit of the automobile manufacturing factories under its self-developed brands.

Principal business by industry

Unit: 100 million Currency: RMB

By industry	Revenue for the current year	Cost of sales for the current year	Gross profit/ (loss) margin for the current year (%)	Revenue for the previous year	Cost of sales for the previous year	Gross profit/ (loss) margin for the previous year (%)
Automobile manufacturing industry	690.10	767.93	(11.28)	789.34	789.28	0.01
Parts and components manufacturing industry	38.01	34.95	8.05	39.32	36.24	7.83
Commercial services	186.70	177.40	4.98	197.59	182.79	7.49
Financial services and others	<u>50.61</u>	<u>39.39</u>	<u>22.17</u>	<u>51.59</u>	<u>45.15</u>	<u>12.48</u>
Total	<u>965.42</u>	<u>1,019.67</u>	<u>(5.62)</u>	<u>1,077.84</u>	<u>1,053.46</u>	<u>2.26</u>

Principal business by product

Unit: 100 million Currency: RMB

By industry	Revenue for the current year	Cost of sales for the current year	Gross profit/ (loss) margin for the current year (%)	Revenue for the previous year	Cost of sales for the previous year	Gross profit/ (loss) margin for the previous year (%)
Passenger vehicles	676.22	753.40	(11.41)	789.34	789.28	0.01
Vehicles related trades	238.59	226.88	4.91	236.91	219.03	7.55
Financial services and others	<u>50.61</u>	<u>39.39</u>	<u>22.17</u>	<u>51.59</u>	<u>45.15</u>	<u>12.48</u>
Total	<u>965.42</u>	<u>1,019.67</u>	<u>(5.62)</u>	<u>1,077.84</u>	<u>1,053.46</u>	<u>2.26</u>

Principal business by region

Unit: 100 million Currency: RMB

By industry	Revenue for the current year	Cost of sales for the current year	Gross profit/ (loss) margin for the current year (%)	Revenue for the previous year	Cost of sales for the previous year	Gross profit/ (loss) margin for the previous year (%)
Mainland China	795.20	859.55	(8.09)	960.44	953.34	0.74
Overseas	<u>170.22</u>	<u>160.12</u>	<u>5.93</u>	<u>117.40</u>	<u>100.12</u>	<u>14.72</u>
Total	<u><u>965.42</u></u>	<u><u>1,019.67</u></u>	<u><u>(5.62)</u></u>	<u><u>1,077.84</u></u>	<u><u>1,053.46</u></u>	<u><u>2.26</u></u>

Principal business by sales model

Unit: 100 million Currency: RMB

By industry	Revenue for the current year	Cost of sales for the current year	Gross profit/ (loss) margin for the current year (%)	Revenue for the previous year	Cost of sales for the previous year	Gross profit/ (loss) margin for the previous year (%)
Distributor sales model	690.10	767.93	(11.28)	789.34	789.28	0.01
Others	<u>275.32</u>	<u>251.74</u>	<u>8.56</u>	<u>288.50</u>	<u>264.18</u>	<u>8.43</u>
Total	<u><u>965.42</u></u>	<u><u>1,019.67</u></u>	<u><u>(5.62)</u></u>	<u><u>1,077.84</u></u>	<u><u>1,053.46</u></u>	<u><u>2.26</u></u>

Analysis of sales and production volume

Unit: Vehicle

Major products	Production volume	Sales volume	Inventory volume	Increase/ decrease in production volume compared with last year (%)	Increase/ decrease in sales volume compared with last year (%)	Increase/ decrease in inventory volume compared with last year (%)
Manufacture of passenger vehicles	<u>629,176</u>	<u>609,242</u>	<u>41,896</u>	<u>-17.46</u>	<u>-22.83</u>	<u>50.62</u>

Explanation of sales and production volume: Mainly the production and sales data of GAC Trumpchi and GAC AION within the scope of the consolidated report.

Sales to major customers

Unit: 100 million Currency: RMB

Customers	Revenue	Ratio to revenue (%)
Total sales to top 5 customers	<u>41.23</u>	<u>4.31</u>

Major suppliers

Unit: 100 million Currency: RMB

Suppliers	Amount of procurement fees	Ratio to total procurement (%)
Total procurement from the top 5 suppliers	<u>164.65</u>	<u>16.99</u>

Amount of procurement fees paid to the largest supplier of the Group accounted for 7.09% of the total amount of procurement fees of the Group for the year.

During the year, to the best of the directors' knowledge, no directors or their close associates or Shareholders holding more than 5% of the Company's Shares have any interest in the top 5 suppliers.

2. Expenses

- (1) The year-on-year increase of approximately RMB474 million in selling and distribution costs was mainly attributable to the combined effect of the launch of new vehicle models and increased investment in internationalisation, coupled with the increase in the relevant advertising fees and logistics and warehousing fees during the reporting period;
- (2) The year-on-year decrease of approximately RMB448 million in administrative expenses was mainly attributable to the combined effect of the year-on-year decrease in staff costs, as well as the capitalization of R&D expenditures during the reporting period;
- (3) The year-on-year increase of approximately RMB76 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 RMB173 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.

3. Research and development expenditures

(1) Table of research and development expenditures

Unit: 100 million Currency: RMB

Expensed research and development expenses during the period	11.52
Capitalised research and development expenses during the period	59.67
Total research and development expenditures	71.19
Percentage of total research and development expenditures over total revenue (%)	7.37
Number of research and development staff of the Company	7,982
Number of research and development staff over total number of staff of the Company (%)	21.96
Percentage of capitalised research and development expenditures (%)	83.82

- (2) During the reporting period, expenditures in research and development amounted to approximately RMB7.119 billion, representing a year-on-year decrease of approximately RMB35 million, which was mainly due to the fact that the Company adhere to independent research and development and innovation capacity building to improve the quality system, and steadily promote the development of new energy vehicle models and core components, with R&D expenditures essentially unchanged during the reporting period.

4. *Share of profit of joint ventures and associated companies*

During the reporting period, the Group's share of profit of joint ventures and associated companies amounted to approximately RMB2.485 billion, representing a year-on-year decrease of approximately RMB513 million, which was mainly attributable to the combined effect of the decrease in income from joint ventures resulting from decreased sales volume, as well as GAC Honda accelerating its transition to new energy models and making provisions for impairment arising from the adjustment of production lines and the optimisation of staff, which led to a further reduction in the Company's share of profits from its joint ventures and associated companies during the reporting period.

5. *Cash flows*

- (1) During the reporting period, net cash outflow used in operating activities amounted to RMB16.199 billion, representing a decrease in net inflow of RMB24.498 billion as compared with the net cash inflow of RMB8.299 billion in the corresponding period last year, which was mainly attributable to the combined effect of the decrease in net cash inflow resulting from reduced sales volume during the reporting period;
- (2) During the reporting period, net cash outflow used in investing activities amounted to RMB2.522 billion, representing a decrease in net outflow of RMB13.681 billion as compared with the net cash outflow of RMB16.203 billion in the corresponding period last year, which was mainly attributable to the combined effect of the increase in the recovery of investments in interbank certificates of deposit from financial institutions, and a year-on-year decrease in dividends received from joint ventures during the reporting period;
- (3) During the reporting period, net cash inflow generated from financing activities amounted to RMB6.051 billion, representing an increase in net inflow of approximately RMB1.233 billion as compared with the net cash inflow of RMB4.818 billion in the corresponding period last year, which was mainly attributable to the combined effect of the decrease in dividend payment by the Group during the reporting period;
- (4) As at 31 December 2025, cash and cash equivalent of the Group amounted to approximately RMB23.843 billion, representing a decrease of approximately RMB12.639 billion as compared with approximately RMB36.482 billion as at 31 December 2024.

6. Others

Income tax credit amounted to approximately RMB578 million, representing a year-on-year increase of approximately RMB345 million, which was mainly attributable to the combined effect of changes in profit of certain enterprises and in deferred income tax during the reporting period.

To sum up, the Group's net loss attributable to shareholders of the parent company for the reporting period amounted to approximately RMB8.784 billion. Compared to the same period in 2024, the Group recorded a turnaround from profit to loss in 2025. Basic loss per Share amounted to approximately RMB0.85, representing a decrease of approximately 1,162.50% compared to basic earnings per Share of RMB0.08 for the same period last year.

(V) ANALYSIS OF ASSETS AND LIABILITIES

1. Analysis table of assets and liabilities

Unit: 100 million Currency: RMB

Item	Balance at the end of current period	Balance at the end of current period over total assets (%)	Balance at the end of the previous period	Balance at the end of the previous period over total assets (%)	Change (%)
Prepayments and other long-term receivables	65.39	3.04	150.03	6.45	-56.42
Investments in joint ventures and associates	355.56	16.54	301.22	12.96	18.04
Inventories	164.46	7.65	156.88	6.75	4.83
Borrowings – non-current	96.97	4.51	119.69	5.15	-18.98
Borrowings – current	280.83	13.06	233.22	10.03	20.41
Trade and other payables – current	546.64	25.43	632.27	27.19	-13.54

2. Analysis on change

- (1) Prepayments and other long-term receivables decreased by 56.42% 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 associated companies increased by 18.04% as compared with the balance at the end of the previous period, mainly attributable to the combined factors including the addition of new joint ventures and associated companies during the reporting period, the increase of capital in joint ventures and associated companies, the recognition of investment income in joint ventures and associated companies, and the profit distribution from joint ventures and associated companies;
- (3) Inventories increased by 4.83% as compared with the balance at the end of the previous period, mainly attributable to the combined factors including the increase in inventory goods within the automobile manufacturing factories, coupled with the decrease in dealers' inventories during the reporting period;
- (4) Borrowings – non-current decreased by 18.98% 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 increased by 20.41% as compared with the balance at the end of the previous period, mainly attributable to the combined factors including the increased demand from some enterprises to replenish their working capital through short-term borrowings during the reporting period;
- (6) Trade and other payables – current decreased by 13.54% 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.

(VI) ANALYSIS OF FINANCIAL POSITION

1. Financial indicators

As at 31 December 2025, the Group's current ratio was approximately 1.13 times, representing a decrease from approximately 1.22 times as at 31 December 2024. The Group's quick ratio was approximately 0.94 times, representing a decrease from approximately 1.05 times as at 31 December 2024. Both ratios were within reasonable range.

2. Financial resources and capital structure

As at 31 December 2025, the Group's current assets amounted to approximately RMB98.030 billion, current liabilities amounted to approximately RMB87.102 billion and current ratio was approximately 1.13 times.

As at 31 December 2025, total borrowings amounted to approximately RMB37.78 billion, mainly consisting of borrowings from bank and financial institutions with closing balance of approximately RMB34.934 billion, etc. The above borrowings are payable upon maturity. The Group generally funds its business and operational capital needs with its own operating cash flow.

As at 31 December 2025, the Group's gearing ratio was approximately 25.61% (calculation of gearing ratio: (borrowings in non-current liabilities + borrowings in current liabilities)/(total equity + borrowings in non-current liabilities + borrowings in current liabilities)).

3. *Foreign exchange risk*

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

4. *Contingent liabilities*

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

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

(VII) ANALYSIS OF AUTOMOBILE MANUFACTURING INDUSTRY OPERATION

1. *Production capacity*

Existing production capacity

Names of major factories	Design production capacity (ten thousand units)	Production capacity during the reporting period (ten thousand units)	Production capacity utilisation rate (%)
GAC Honda	60	35.45	59
GAC Toyota	100	75.63	76
GAC Trumpchi	72	32.87	46
GAC AION	56	30.05	54
GAC Commercial Vehicle	1	0.45	45

Notes:

1. Design production capacity refers to the actual effective production capacity, and the production capacity unit is ten thousand units.
2. Production capacity during the reporting period refers to the production volume during the reporting period.

Production capacity calculation standards: Calculated based on standard production capacity under a two-shift system.

2. Sales and production volume of whole vehicles

By vehicle models

Vehicle types	Sales volume (units)			Production volume (units)		
	Total number for the year	Total number for last year	Changes in sales volume compared with the corresponding period last year (%)	Total number for the year	Total number for last year	Changes in production volume compared with the corresponding period last year (%)
Passenger vehicle	1,717,168	2,002,035	-14.23	1,739,935	1,915,602	-9.17
Sedans	526,118	672,112	-21.72	520,195	644,440	-19.28
SUV	955,614	1,014,317	-5.79	979,387	962,522	1.75
MPV	235,436	315,606	-25.40	240,353	308,640	-22.13
Commercial vehicle	4,321	1,023	322.38	4,494	1,013	343.63
Total	1,721,489	2,003,058	-14.06	1,744,429	1,916,615	-8.98

By regions

Vehicle types	Domestic sales (units)			Overseas sales (units)		
	Total number for the year	Total number for last year	Changes in domestic sales compared with the corresponding period last year (%)	Total number for the year	Total number for last year	Changes in overseas sales compared with the corresponding period last year (%)
Passenger vehicle	1,593,020	1,874,972	-15.03	124,148	127,063	-2.29
Sedans	510,512	657,982	-22.41	15,606	14,130	10.44
SUV	858,963	921,832	-6.82	96,651	92,485	4.50
MPV	223,545	295,158	-24.26	11,891	20,448	-41.84
Commercial vehicle	4,321	1,023	322.38	—	—	—
Total	1,597,341	1,875,995	-14.85	124,148	127,063	-2.29

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

3. NEV business

Production capacity of NEVs

The effective annual production capacity of GAC AION NEV is 560 thousand units. Some NEVs of GAC Trumpchi and GAC Commercial Vehicle are produced on shared lines with traditional vehicles, sharing production capacity. This allows the Company to adjust its products based on market conditions and implement flexible production. GAC Honda and GAC Toyota have dedicated production lines for certain NEVs.

Sales and production volume of NEVs

Vehicle types	Sales volume (units)			Production volume (units)		
	Total number for the year	Total number for last year	Changes in total sales volume compared with the corresponding period last year (%)	Total number for the year	Total number for last year	Changes in total production volume compared with the corresponding period last year (%)
Passenger vehicle	433,634	454,725	-4.64	448,792	436,229	2.88
Sedans	97,550	173,065	-43.63	93,912	165,092	-43.12
SUV	313,699	232,680	34.82	331,138	222,615	48.75
MPV	22,385	48,980	-54.30	23,742	48,522	-51.07
Commercial vehicle	<u>3,839</u>	<u>335</u>	<u>1,045.97</u>	<u>4,000</u>	<u>507</u>	<u>688.95</u>

Income and subsidies for NEVs

Unit: 100 million Currency: RMB

Vehicle types	Income	Subsidy for NEV	Proportion of subsidy (%)
Passenger vehicle	313.02	0.02	0.01
Commercial vehicle	<u>12.71</u>	<u>0.1</u>	<u>0.79</u>

Illustration on income and subsidy for NEVs: mainly comprises the income and subsidy data of the consolidated report for NEVs, including those of GAC Trumpchi, GAC AION, and GAC Commercial Vehicle.

4. Automobile finance business

Overview of the automobile finance business

Unit: 0'000 Yuan Currency: RMB

Name of subsidiary	GAC Finance Company					
Basic information						
Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit	
209,000	5,278,115	320,464	110,538	20,143	15,119	
Main indicators of operations						
Amount of loans granted	Number of loans granted		Balance of loans		Amount of credit-impaired losses	
5,634,286	468,300		1,950,533		5,938	
Key regulatory indicators						
Core tier-one capital adequacy ratio	Tier-one capital adequacy ratio	Capital adequacy ratio	Non-performing loan ratio	Provision coverage ratio	Loan provision ratio	Liquidity ratio
11.20%	11.20%	12.39%	0.0318%	N/A	2.75%	56.58%

Distribution of loans by five-tier classification

Unit: 0'000 Yuan Currency: RMB

Item	Amount	Percentage (%)
Normal	1,998,753	99.95
Special mention	344	0.02
Substandard	0	0.00
Doubtful	93	0.00
Loss	543	0.03
Total	1,999,733	100.00

(VIII) MATERIAL DISPOSAL OF ASSETS AND EQUITY INTEREST

Equity Transfer of Dongfeng Honda Engine and Capital Increase of GAC Honda

Equity Transfer

On 30 October 2025, GAC Honda, a principal jointly-controlled entity of the Company, entered into the equity transfer agreement with Dongfeng Motor Group Co., Ltd. (“**Dongfeng Motor Group**”), pursuant to which Dongfeng Motor Group (as the vendor) agreed to sell and GAC Honda (as the purchaser) agreed to acquire 50% of the equity interest in Dongfeng Honda Engine Co., Ltd. (“**Dongfeng Honda Engine**”), at a consideration of RMB1,172,485,400 (equivalent to approximately HK\$1,286,847,541), which was conducted by way of public tender and transfer on the Guangdong United Assets and Equity Exchange (the “**Equity Transfer**”).

Upon completion of the Equity Transfer, GAC Honda held 50% of the equity interest in Dongfeng Honda Engine, and the attributable interest of the Company in Dongfeng Honda Engine became 25%. As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) of the Equity Transfer does not exceed 5%, the Equity Transfer does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Dongfeng Motor Group is an independent third party. The Equity Transfer also does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Capital Increase

On 10 November 2025, the Company entered into the capital increase agreement with Honda Motor Co., Ltd. (“**Honda Motor**”), Honda Motor (China) Investment Co., Ltd. (“**Honda China**”) and GAC Honda, pursuant to which the registered capital of GAC Honda would be enlarged from US\$541,000,000 to US\$867,215,960. The Company, Honda Motor and Honda China contributed to the capital increase at an aggregate amount of US\$326,215,960 (equivalent to approximately HK\$2,544,484,488) in proportion to their respective capital contributions in GAC Honda (the “**Capital Increase**”).

Honda Motor and Honda China are substantial shareholders of GAC Honda, a principal jointly-controlled entity of the Company, and are connected persons of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Therefore, the Capital Increase and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) of the Capital Increase exceeds 0.1% but is less than 5%, the Capital Increase is subject to the reporting and announcement requirements but is exempted from the circular (including independent financial advice) and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Upon completion of the Capital Increase, each of the Company, Honda Motor and Honda China would maintain their respective percentage holding of equity interest in GAC Honda and continue to hold 50%, 40% and 10% of the equity interest in GAC Honda respectively. However, Honda Motor and Honda China no longer hold any equity interest in Dongfeng Honda Engine. The equity interest of GAC Honda in Dongfeng Honda Engine would increase from 50% to 100%, and the attributable interest of the Company in Dongfeng Honda Engine would become 50%. As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) of the Capital Increase is less than 5%, the Capital Increase does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and thus the Capital Increase is not subject to the announcement and shareholders' approval requirements therein.

For details, please refer to the Company's announcement dated 10 November 2025.

(IX) ANALYSIS OF MAJOR SUBSIDIARIES AND JOINT VENTURES

Company name	Production volume during the reporting period (units)	Changes compared with the corresponding period last year	Sales volume during the reporting period (units)	Changes compared with the corresponding period last year	Revenue (RMB100 million)	Changes compared with the corresponding period last year
GAC Honda	354,460	-14.82%	351,926	-25.22%	511.42	-25.07%
GAC Toyota	756,299	2.76%	756,000	2.44%	1,106.86	1.04%
GAC Trumpchi	328,656	-18.96%	319,161	-23.02%	404.41	-25.12%
GAC AION	300,520	-15.76%	290,081	-22.62%	283.84	-24.15%

(X) STRUCTURED ENTITIES UNDER THE CONTROL OF THE COMPANY

Not applicable.

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

1. *Industry layout and trend*

China’s automobile market has entered a moderate growth phase dominated by competition for existing resources. The focus of industrial competition has shifted from single-product competition to ecosystem-based competition. The industrial changes of the automobile industry are becoming increasingly clear, characterized by the “four overlapping periods” of profound transformation, rapid technological iteration, shifts in competitive landscape, and restructuring of management processes. Firstly, the period of profound industry transformation. The transformation toward electrification and intelligitisation has entered a critical moment, with its pace and intensity far exceeding expectations. The proportion of domestic NEV market exceeded 50% in 2025. Driven by trends such as an aging population, nuclear families, gentrification and feminization, personalized user demand is growing. Structural incremental opportunities exist in segmented markets, including the 100,000 to 200,000 mainstream market, lower-tier markets, the silver economy and the “she economy”. Traditional fuel-powered vehicles show potential for a structural recovery and still dominate the global market. Secondly, the period of rapid technological iteration. Technological innovations in the automobile industry emerge continuously with iteration speeds far surpassing expectations. The “15th Five-Year Plan” period is expected to mark a pivotal turning point for the rapid increase in the penetration rate of L3 autonomous driving, while competition in core new energy technologies will also focus on key areas such as solid-state batteries and high-efficiency electric drives. Thirdly, the period of adjustments in competitive landscape. In the domestic market, as self-developed brands have risen strongly to become dominant players, sales volume for the passenger vehicles of Chinese brands accounted for nearly 70% of the total sales volume of passenger vehicles in 2025. The share of joint-venture brands has further declined, and brand competition has entered the knockout stage. Fourthly, the period of restructuring of management processes. The traditional straight-line functional organizational structure is increasingly inadequate to keep pace with industry developments. It is necessary to integrate the full chain of “user demand – product R&D – market success” to achieve a high alignment between organizational capabilities and market demand.

According to the estimations of the China Association of Automobile Manufacturers, China’s total sales volume will reach 34,750 thousand units in 2026, representing a year-on-year increase of 1%. Among them, sales volume for the passenger vehicles will reach 30,250 thousand units, representing a year-on-year increase of 0.5%. NEV sales volume will reach 19,000 thousand units, representing a year-on-year increase of 15.2%. Exports will come to 7,400 thousand units, representing a year-on-year increase of 4.3%.

2. *Development strategy of the Company*

During the “15th Five-Year Plan” period, the Group will fully implement the “1733” strategy by consolidating seven segments, including R&D, manufacture of vehicles, parts and components, commercial services and mobility transportation, energy ecosystem, internationalisation as well as investment and finance. We will focus on the three priorities of “stabilizing joint ventures, fortifying independence, and expanding the ecosystem”, and win the three critical campaigns of “user demands, product value, and service experience”, to achieve the goal of reshaping a “new GAC” with determination.

3. *Operational plan*

1. The Group will reform to tackle challenges and accelerate the effective implementation of measures. The Group will deepen the second phase of IPD transformation and further implement reforms for self-developed brands BU. The Group will deepen DSTE process management to achieve a closed-loop management covering strategy, operation, execution and monitoring, and strengthen project-based management by establishing a comprehensive project lifecycle management system, and refining the appraisal and incentive mechanism.
2. To achieve product breakthroughs, the Group will focus on developing core vehicle models. Efforts will be intensified to enhance user insights capabilities to accurately identify user demands and optimize product planning strategies. We will implement a differentiated new-vehicle strategy to accelerate the launch of new models, such as the AISTALAND series, Hyptec A800, AION N60 and bZ7, thereby increasing success rate. Additionally, the Group will strengthen product management capabilities throughout its entire lifecycle to continuously enhance product experience and quality.
3. Brand leadership accelerates the transformation of marketing system. The Group will clarify brand positioning, sharpen brand labels, and focus resources on building a product portfolio matrix. The Group will deepen IPMS reform to systematically strengthen marketing capabilities, address weaknesses in new media marketing, and promote improvements in NPS across all brands. The Group will accelerate expansion into lower-tier markets, rapidly deploy in potential markets, and fill gaps in uncovered areas, thereby enhancing channel capabilities.

4. Through technological innovation, the Group will leverage strengths to leapfrog the competition. We will continue to consolidate our strengths in electrification and low-carbon technologies, and advance the development of technologies such as the magazine battery 3.0, Quark Electric Drive 3.0 and excellent energy-saving technology 2.0. Through adopting a dual-track approach of “cooperation + independent development” to enhance ICV, the Group will complete the development of self-developed technologies including the cockpit-facing terminal-cloud integrated large-scale models 2.0 and EEA4.0, and accelerate mass production for installation. Besides, we will strengthen the layout and research of cutting-edge technologies to secure a leading position for future development.
5. The Group will deepen global expansion to build the second growth curve. Focusing on A0 and A-class mainstream markets, we will develop regional bestsellers tailored to local conditions. By innovating sales and services as well as localized operations, and formulating differentiated solutions of “one country, one policy”, the Group will create business-end smart mobility solutions to rapidly penetrate the business-end markets and establish the second growth curve internationally. Additionally, we will execute the “thousand network plan” to expand our network scale. Efforts will also be made to strengthen all-round support across products, sales and services, brand, localized production, ecosystem, talent and compliance to enhance capabilities for overseas expansion.
6. Ecological empowerment deepens the synergetic development across sectors. By deepening external cooperation and integrating high-quality resources, the Group will continuously expand the “ecological network”. Strengthening, upgrading and extending the industrial chain, while enhancing independent control, we will continue to advance R&D of domestic chip for major projects, and promote the professional and neutral development of the components sector. The Group will leverage the integrated strengths of the financial sector in areas such as inventory financing, retail loans, retail financial leasing and automobile insurance to deepen the synergy between industry and finance and empower principal businesses of whole vehicles.
7. The Group will work together to enhance operational quality and efficiency through lean management. We will optimize financial management models, strengthen closed-loop management of comprehensive budgets, and reinforce full lifecycle management of vehicle models, to facilitate the achievement of profit targets. We will continuously implement cost reduction initiatives, bolster the development of a technology-driven cost reduction system, and establish a cost-optimized supply chain. The Group will intensify manufacturing cost reduction efforts, strictly control internal operating expenses, and achieve lean control of per-unit internal operating costs.

8. Driven by AI, the Group will systematically build a digital and intelligent GAC. By advancing AI capabilities, we will accelerate the transformation into a process-oriented organization. Through comprehensive and in-depth AI integration, we will reshape our product and operational competitiveness, strengthen data management mechanisms to enable data-driven decision-making, and develop an integrated digital platform for business operations to achieve sustained quality enhancement and cost reduction.
9. With talent as its foundation, the Group will stimulate vitality to enhance efficiency. We will strengthen the talent development, with a focus on key areas such as marketing, AI, software, and internationalization, by further strengthening the recruitment of specialized professionals and leading talents. We will intensify efforts to enhance workforce efficiency, promote a striver culture, and stimulate the vitality of our team.

4. Potential risks

(1) Intensified market competition

The competitive landscape of the automobile market is restructuring at an accelerated pace, increasing survival pressure on automobile enterprises and entering the high-speed shuffling phase of survival of the fittest. Enterprises with unclear brand positioning, weak product competitiveness and slow response to market demand will be at a competitive disadvantage. The intensifying market competition directly erodes the profit margins of automobile enterprises. According to the data of the National Bureau of Statistics, the ex-factory price of China's automobile manufacturing industry fell by 2.8% in 2025 compared with the previous year. The profit margin of the automobile manufacturing industry is lower than the average level of downstream industrial enterprises. The market structure continues to diverge, the domestic penetration rate of NEVs has exceeded 50%, leading to a further contraction in the fuel-powered vehicle market share. The proportion of sales volume for the passenger vehicles of Chinese brands is approaching 70%, thereby further compressing the market space for joint venture brands. Certain joint venture brands with a high proportion of fuel-powered vehicles and relatively low levels of intelligence will face even greater competitive pressure.

(2) Price fluctuations of raw materials and key components

Since 2025, prices of upstream raw materials and key components have remained high and continued to rise, with particularly significant fluctuations in lithium carbonate, copper, aluminum, rhodium and other key commodities. Prices of key components such as memory chips have increased substantially, continuously driving up cost pressure on the automobile industry. In response to rising prices of raw materials and key components, the Company has endeavored to reduce procurement costs by consolidating the procurement system of self-developed brands, optimizing the supplier structure and expanding the scale of centralized procurement. Nevertheless, such measures can hardly fully offset the cost pressure.

(3) *Adjustment of industry policies*

Since January 2026, China has implemented a new policy on vehicle purchase tax for NEVs. NEVs are subject to a 50% reduction in vehicle purchase tax, while the technical requirements for vehicles eligible for tax reductions and incentives have been raised. The pure-electric mode range and energy consumption standards for plug-in hybrid (including range-extended) passenger vehicles have been further tightened, continuously driving enterprises to shift from being driven by policy subsidies to being driven by policies. If a company lags in R&D or supply chain fails to meet the standards, its main models may not comply with the new regulations, resulting in the loss of subsidy eligibility or market access, thereby exposing the company to significant pressure from product transition and inventory management. To meet stricter safety, range, and environmental standards, enterprises' mandatory investments in areas such as battery materials, thermal management systems, and low-carbon manufacturing processes will continuously increase. At the same time, the phase-out of purchase tax subsidies has directly reduced profit margins per vehicle, presenting severe challenges to the overall profitability of the industry.

(4) *Increased uncertainty in the external environment*

High international geopolitical risks and rising trade protectionism may disrupt trade or even suspend operations in some regions due to geopolitical conflicts, abrupt policy changes or international sanctions. Industrial repatriation policies in certain countries will exert long-term impacts on the layout of the global automobile supply chain. The global economic slowdown and major-power competition have led to volatile raw material prices and rising tariff costs, continuously squeezing profit margins.

(5) *Pressure on the Company's operations*

The Company's operating performance has declined for two consecutive years, recording a loss for the first time. Although the Company has advanced the three-year "Panyu Action" to accelerate management and process reforms, and fully implemented the three critical campaigns of "user demands, product value and service experience" to strive for business recovery, there remains room for further improvement and refinement in areas such as product competitiveness, marketing reform and transformation, cost control and international expansion.

OTHER DISCLOSURES

(I) 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 might make on-market repurchases of in total not more than 738,828,395 A Shares and 309,862,030 H Shares at the then prevailing market prices on the Shanghai Stock Exchange and the Stock Exchange respectively during the relevant period (the “**Repurchase Mandate**”). The repurchase period for A Shares and H Shares under the Repurchase Mandate has expired at the 2024 annual general meeting held on 23 May 2025.

The monthly breakdown of the Shares repurchased under the Repurchase Mandate by the Company during the reporting period is as follows:

2025	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) (transaction fees exclusive)	Number of Shares repurchased	Highest price (HKD)	Lowest price (HKD)	Total repurchase value (HKD) (transaction fees exclusive)
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	–	–	–
July	N/A	–	–	–	N/A	–	–	–
August	N/A	–	–	–	N/A	–	–	–
September	N/A	–	–	–	N/A	–	–	–
October	N/A	–	–	–	N/A	–	–	–
November	N/A	–	–	–	N/A	–	–	–
December	N/A	–	–	–	N/A	–	–	–
Total	<u>1,288,404</u>	<u>7.79</u>	<u>7.73</u>	<u>9,999,365.48</u>	<u>24,496,000</u>	<u>3.16</u>	<u>3.02</u>	<u>75,785,420</u>

* *As the vesting conditions for the third restricted period under the 2020 A Share Option and Restricted Share Incentive Scheme were not met, the Company repurchased and cancelled 26,048,350 restricted A Shares previously granted on 16 January 2025. However, such repurchase was directly conducted by the Company with the relevant scheme participants, rather than in accordance with the Repurchase Mandate.*

On 14 January, 22 January and 23 January 2025, the Company repurchased 8,090,000 H Shares, 8,160,000 H Shares and 8,246,000 H Shares, respectively. In January 2025, an aggregate of 24,496,000 H Shares were repurchased.

In summary, as of 31 December 2025, through centralized bidding, a total of 1,288,404 A Shares were repurchased at the aggregate consideration of RMB9,999,365.48 (exclusive of transaction fees), and the Company increased 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 (exclusive of transaction fees). A total of 118,404,000 H Shares repurchased during the period from 4 December 2024 to 23 January 2025 (including the repurchased H Shares as shown in the table above) were fully cancelled on 27 February 2025. As at 31 December 2025, the Company held 14,799,854 A Shares as treasury Shares. According to the Share repurchase plan through centralized bidding disclosed by the Company on 28 March 2024, the A Shares repurchased by the Company were intended for the implementation of Share option incentive scheme or employee stock ownership scheme. If the Company fails to fully utilize the repurchased shares within 36 months following the completion of the share repurchase, the repurchased shares not yet utilized then would be cancelled.

Save as disclosed above, neither the Company nor any of its subsidiaries has redeemed any of its listed securities during the reporting period. Neither the Company nor any of its subsidiaries has purchased or sold any of the listed securities of the Company during the year.

(II) CORPORATE GOVERNANCE

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 new Chairman of the Board and continued to serve as the general manager of the Company concurrently. On 16 November 2025, Mr. Feng Xingya ceased to concurrently serve as the general manager of the Company due to work allocation, and Mr. Xia Xianqing was appointed as the new general manager. Accordingly, the roles of the chairman and chief executive of the Company are distinct and are no longer performed by the same individual concurrently. As at the date of this announcement, the Company has complied with code provision C.2.1 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (version as of 30 June 2025).

Code provision C.1.6 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (version as of 30 June 2025) stipulates that independent non-executive directors and other non-executive directors should attend general meetings to gain a comprehensive and balanced understanding of the views of the shareholders of the company. Certain non-executive directors and independent non-executive directors (see table below) did not attend all general meetings of the Company held in 2025 due to other business arrangements. However, there were sufficient directors (including executive directors, independent non-executive directors and non-executive directors) present at the general meetings for the Board to gain a comprehensive understanding of the views of the Shareholders.

Name of directors	Category of director	Board meeting(s)			Shareholders' meeting(s)		
		Number of Board meetings to be attended during the year	Attendance in person	Absence	Attendance required	Attendance in general meetings	
Feng Xingya	Executive director	24	24	0	4	4	
Chen Xiaomu	Non-executive director	24	24	0	4	4	
Deng Lei	Non-executive director	24	24	0	4	4	
Zhao Fuquan	Independent non-executive director	24	24	0	4	1	
Xiao Shengfang	Independent non-executive director	24	24	0	4	3	
Wong Hakkun	Independent non-executive director	24	24	0	4	4	
Song Tiebo	Independent non-executive director	24	24	0	4	1	
Zhou Kaiquan (Appointed on 28 March 2025)	Non-executive director	17	17	0	3	1	
Wang Yiwei	Non-executive director	24	24	0	4	2	
Hong Suli (Appointed on 28 March 2025)	Non-executive director	17	17	0	3	3	
Zeng Qinghong (Resigned on 3 February 2025)	Executive director	2	2	0	1	1	
Ding Hongxiang (Resigned on 28 March 2025)	Non-executive director	7	7	0	2	0	
Guan Dayuan (Resigned on 28 March 2025)	Non-executive director	7	7	0	2	0	

Pursuant to code provision B.3.5 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (effective from 1 July 2025), issuers should appoint at least one director of a different gender to the nomination committee. The 2025 second extraordinary general meeting of the Company held on 28 March 2025 approved the re-election of the Board and change of the relevant directors. However, before and after the Board's re-election up to the date of this announcement, the nomination committee of the Board is composed of directors of a single gender. According to the relevant provisions of the Management Measures for Independent Directors of the China Securities Regulatory Commission and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the terms of office of the independent non-executive directors of the Company will expire at the end of May 2026. The Company expects to make appropriate arrangements in conjunction with the re-election of independent non-executive directors to be conducted at that time, in order to comply with the relevant requirements of the Corporate Governance Code that the nomination committee should include directors of different genders.

Save as disclosed above, the Company has complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules (version as of 30 June 2025) during the year. The amendments to the Corporate Governance Code effective from 1 July 2025 will apply to the Company's corporate governance report and annual report for the financial year commencing on or after 1 July 2025.

(III) AUDIT COMMITTEE

The audit committee of the Company comprised three independent non-executive Directors, namely Mr. Wong Hakkun (chairman), Mr. Xiao Shengfang and Mr. Song Tiebo. Their main responsibilities include supervising annual audit and internal audit system, financial information and disclosure thereof of the Company. The audit committee has mainly reviewed the quarterly, interim and final results and evaluated the internal control system during the reporting period. The audit committee has also reviewed the results and financial statements of the Group for the year ended 31 December 2025.

(IV) SCOPE OF WORK OF AUDITOR

The financial figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditor, KPMG, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2025. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on this announcement.

(V) SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Pursuant to the Articles of Association, the Board shall comprise 11 directors. During the reporting period, the seventh session of the Board consisted of 10 directors, with vacancy for one director. On 23 January 2026, Mr. Xia Xianqing was appointed as an executive director, with his term of office commencing from the same date and until the expiry of the seventh session of the Board. For details, please refer to the Company's circular dated 7 January 2026 and the announcement dated 23 January 2026.

Save as disclosed above, there were no significant events affecting the Company and its subsidiaries which have occurred since the year ended 31 December 2025.

(VI) DIVIDEND

The Board recommended not to make payment of a final dividend for the year ended 31 December 2025 (total dividend for 2025: RMB0 per Share) (total dividend for 2024: RMB0.05 per Share). As audited by the Company's auditors, the Company recorded a loss of approximately RMB8.784 billion for the year 2025. In accordance with relevant laws and regulations, the Articles of Association and the Dividend Distribution Plan for Shareholders (2024-2026), given that the net loss realized in the current year, in order to safeguard the normal production and operation of the Company and better protect the long-term interests of all Shareholders, after comprehensive consideration of the Company's long-term development and short-term operational needs, no profit distribution will be made for the current year, nor will there be any transfer from capital surplus to paid-in capital, or other forms of distribution. The Company will actively enhance the quality of its development, improve its profitability, and strive to create and provide stable and long-term returns for investors. Details of the annual general meeting and the arrangement for closure of register of members will be further announced.

DEFINITIONS

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

“A Share(s)”	domestic listed shares with par value of RMB1.00 each in the ordinary share capital of the Company which are listed on the Shanghai Stock Exchange (Stock Code: 601238)
“Articles of Association”	the Articles of Association of Guangzhou Automobile Group Co., Ltd.
“associate(s)”, “associated company(ies)” or “associated enterprise(s)”	all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights of such entities
“Board”	the board of directors of the Company
“CATL”	Contemporary Amperex Technology Co., Ltd.
“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 CATL in December 2018 under PRC law, in which the Company and GAC AION hold 49% equity interests in total
“China Lounge Investments”	China Lounge Investments Limited (中隆投資有限公司), a wholly-owned subsidiary of the Company incorporated in Hong Kong
“Company” or “GAC”	Guangzhou Automobile Group Co., Ltd. (廣州汽車集團股份有限公司)
“Da Sheng Technology”	Da Sheng Technology Co., Ltd. (大聖科技股份有限公司), a subsidiary of the Company established in June 2016 under PRC law, in which the Company and Urtrust Insurance hold 85% and 15% equity interests, respectively
“DIDI Autonomous Driving”	VOYAGER GROUP INC., a subsidiary of Didi Chuxing in autonomous driving

“GAC AION”	GAC AION New Energy Automobile Co., Ltd. (廣汽埃安新能源汽車股份有限公司) (formerly known as Guangzhou Automobile New Energy Automobile Co., Ltd. (廣汽新能源汽車有限公司)), a controlling subsidiary of the Company incorporated in July 2017 under PRC law
“GAC Business”	GAC Business Co., Ltd. (廣汽商貿有限公司) (formerly known as Guangzhou Automobile Group Business Co., Ltd. (廣州汽車集團商貿有限公司)), a wholly-owned subsidiary of the Company incorporated in March 2000 under PRC law
“GAC Capital”	GAC Capital Co., Ltd. (廣汽資本有限公司), a wholly-owned subsidiary of the Company established in April 2013 under PRC law
“GAC Commercial Vehicle”	GAC New Energy Commercial Vehicle Co., Ltd. (廣汽領程新能源商用車有限公司) (formerly known as GAC Hino Motors Co., Ltd. (廣汽日野汽車有限公司)), a subsidiary in which the Company holds 89.72% equity interest
“GAC Component”	GAC Component Co., Ltd. (廣汽零部件有限公司) (formerly known as Guangzhou Automobile Group Component Co., Ltd. (廣州汽車集團零部件有限公司)), a wholly-owned subsidiary incorporated in August 2000 under PRC law by the Company and its subsidiaries
“GAC Energy”	GAC Energy Technology Co., Ltd. (廣汽能源科技有限公司), a subsidiary established in July 2022 under PRC law, in which UPOWER Energy and GAC AION hold 55% and 45% equity interests, respectively
“GAC Finance Company”	Guangzhou Automobile Group Finance Co., Ltd. (廣州汽車集團財務有限公司), a wholly-owned subsidiary incorporated in January 2017 under PRC law by the Company
“GAC Honda”	GAC Honda Automobile Co., Ltd. (廣汽本田汽車有限公司) (formerly known as Guangzhou Honda Automobile Co., Ltd. (廣州本田汽車有限公司)), a jointly controlled entity incorporated in May 1998 under PRC law by the Company, Honda Motor Co., Ltd. and Honda Motor (China) Investment Co., Ltd.
“GAC International”	GAC International Automobile Sales & Service Co., Ltd. (廣汽國際汽車銷售服務有限公司), a subsidiary established in May 2022 under PRC law by the Company

“GAC 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 interests
“GAC Trumpchi”	GAC Motor Co., Ltd. (廣汽傳祺汽車有限公司) (formerly known as GAC Motor Co., Ltd. (廣汽乘用車有限公司)), a wholly-owned subsidiary of the Company incorporated in July 2008 under PRC law
“GAC-SOFINCO”	GAC-SOFINCO Automobile Finance Co., Ltd. (廣汽匯理汽車金融有限公司), a jointly controlled entity incorporated in May 2010 under PRC law by the Company and Crédit Agricole Personal Finance & Mobility
“GAC-SOFINCO Leasing”	GAC-SOFINCO Financial Leasing Co., Ltd. (廣州廣汽匯理融資租賃有限公司) (formerly known as Guangzhou GAC Leasing Co., Ltd. (廣州廣汽融資租賃有限公司)), a limited liability company incorporated in February 2004 under PRC law, being a jointly controlled entity of the Company and Crédit Agricole Personal Finance & Mobility
“Group” or “GAC Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares with nominal value of RMB1.00 each in the ordinary share capital of the Company which are listed on the Stock Exchange (Stock Code: 2238)
“HEV”	hybrid electric vehicles
“Huawei”	Huawei Technologies Co., Ltd.
“IMPOW Battery”	IMPOW Battery Technology Co., Ltd. (因湃電池科技有限公司), a subsidiary established in October 2022 under PRC law
“JD”	JD.com, Inc.

“joint venture(s)” or “jointly controlled entity(ies)”	joint venture companies under direct or indirect joint control, and no participating party has unilateral control power over the economic activities of such jointly controlled entity as a result of such direct or indirect joint control
“Lisheng Technology”	Lisheng Automotive Technology (Guangzhou) Co., Ltd. (立昇汽車科技(廣州)有限公司), established in June 2023 under PRC law by the Company, GAC Component and Luxshare Precision Industry Co., Ltd. (立訊精密工業股份有限公司), and in which the Company and its wholly-owned subsidiary, GAC Component collectively hold 45% equity interests
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“MPV”	multi-purpose passenger vehicle
“ON TIME”	Chenqi Technology Limited (如祺出行科技有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 9680), in which the Group indirectly holds a total of 12.84% equity interests
“PHEV”	plug-in hybrid electric vehicles
“PRC” or “China”	the People’s Republic of China
“REEV”	range extend electric vehicle
“reporting period”	for the twelve months ended 31 December 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
“Shanghai Stock Exchange”	The Shanghai Stock Exchange
“Share(s)”	A Share(s) or H Share(s)
“Shareholder(s)”	holder(s) of the Company’s share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary”	has the meaning ascribed to “subsidiary” under the Listing Rules
“SUV”	sports utility vehicle
“Tencent”	Tencent Holdings Ltd.
“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 interests
“Wuyang Honda”	Wuyang Honda Motors (Guangzhou) Co., Ltd. (五羊—本田摩托(廣州)有限公司), a jointly controlled entity incorporated in July 1992 under PRC law by the Company, Honda Motor Co., Ltd. and Honda Motor (China) Investment Co., Ltd.

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

Guangzhou, the PRC, 27 March 2026

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