GUANGZHOU AUTOMOBILE GROUP CO., LTD.
廣州汽車集團股份有限公司
(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2238)

2024 INTERIM RESULTS ANNOUNCEMENT

IMPORTANT NOTICE

(I) The Board, the supervisory committee and the directors, supervisors and senior management of the Company warrant that the contents contained herein are true, accurate and complete. There are no false representations or misleading statements contained in or material omissions from this announcement, and they will jointly and severally accept responsibility.

(II) All directors of the Company have attended the meeting of the Board.

(III) The condensed consolidated interim financial information of the Company is unaudited. The Audit Committee of the Company has reviewed the unaudited interim results of the Company for the six months ended 30 June 2024 and agreed to submit it to the Board for approval.

(IV) Zeng Qinghong, the person in charge of the Company and Feng Xingya, the General Manager of the Company, Wang Dan, the person in charge of accounting function and Zheng Chao, the manager of the accounting department (Chief Accountant), warrant the truthfulness, accuracy and completeness of the condensed consolidated interim financial statements contained in this announcement.

(V) The Board proposed payment of interim dividend of RMB0.3 (tax inclusive) in cash for every 10 shares to all shareholders.

(VI) The forward-looking statements contained in this announcement regarding the Company's future plans and development strategies do not constitute any substantive commitment to investors and investors are reminded of investment risks.

(VII) There is no non-operational appropriation of the Company's funds by its controlling shareholder and its related parties.

(VIII) The Company has not provided any third-party guarantees in violation of stipulated decision-making procedures.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	
		Six months ended 30 June	
	Note	**2024**	2023
		RMB'000	*RMB'000*
Revenue	*4*	**46,255,051**	61,911,005
Cost of sales		**(44,102,599)**	(59,936,261)
Gross profit		**2,152,452**	1,974,744
Selling and distribution costs		**(2,829,888)**	(2,569,137)
Administrative expenses		**(2,527,780)**	(2,514,906)
Net impairment losses on financial assets		**(210,013)**	(222,063)
Interest income		**108,298**	51,630
Other gains – net		**2,547,965**	243,711
Operating loss	*5*	**(758,966)**	(3,036,021)
Interest income		**242,271**	305,625
Finance costs	*6*	**(323,806)**	(200,535)
Share of profits less losses of joint ventures and associates	*7*	**2,010,925**	5,300,499
Profit before income tax		**1,170,424**	2,369,568
Income tax credit	*8*	**45,437**	255,749
Profit for the period		**1,215,861**	2,625,317
Profit attributable to:			
Owners of the Company		**1,516,347**	2,966,171
Non-controlling interests		**(300,486)**	(340,854)
		1,215,861	2,625,317

	Note	Unaudited Six months ended 30 June 2024 RMB'000	2023 RMB'000
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
– exchange differences on translation of foreign operations		**39,366**	6,543
– changes in the fair value of debt instruments at fair value through other comprehensive income		**35,340**	17,261
– impairment loss on debt instruments at fair value through other comprehensive income		**38,996**	5,854
Items that will not be reclassified subsequently to profit or loss			
– changes in the fair value of equity investments at fair value through other comprehensive income		**101,993**	(14,975)
Other comprehensive income for the period, net of tax		**215,695**	14,683
Total comprehensive income for the period		**1,431,556**	2,640,000
Total comprehensive income attributable to:			
Owners of the Company		**1,717,350**	2,979,125
Non-controlling interests		**(285,794)**	(339,125)
		1,431,556	2,640,000
Earnings per share for profit attributable to the ordinary equity holders of the Company *(expressed in RMB per share)*			
– basic	*9*	**0.14**	0.28
– diluted	*9*	**0.14**	0.28

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**Unaudited 30 June 2024** ***RMB'000***	Audited 31 December 2023 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**26,011,522**	24,929,595
Investment properties		**1,135,596**	1,061,628
Intangible assets		**16,386,534**	16,469,701
Right-of-use assets		**8,896,060**	8,513,148
Investments in joint ventures and associates	*7*	**30,016,472**	37,159,868
Deferred income tax assets		**4,923,839**	4,366,130
Financial assets at fair value through other comprehensive income		**9,100,966**	5,094,366
Financial assets at fair value through profit or loss		**2,362,969**	2,363,512
Prepayments and other long-term receivables		**16,658,707**	17,380,185
		115,492,665	117,338,133
Current assets			
Inventories		**17,887,169**	16,720,313
Trade and other receivables	*11*	**25,361,653**	26,778,700
Financial assets at fair value through other comprehensive income		**12,905,940**	5,634,369
Financial assets at fair value through profit or loss		**2,784,919**	2,790,794
Time deposits		**12,085,145**	6,825,347
Restricted cash		**2,286,621**	2,838,783
Cash and cash equivalents		**27,535,264**	39,522,331
		100,846,711	101,110,637
Total assets		**216,339,376**	218,448,770
EQUITY			
Share capital		**10,486,918**	10,490,234
Reserves		**47,391,025**	47,317,286
Retained earnings		**58,434,314**	57,966,657
Capital and reserves attributable to owners of the Company		**116,312,257**	115,774,177
Non-controlling interests		**8,502,818**	8,679,635
Total equity		**124,815,075**	124,453,812

	Note	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
LIABILITIES			
Non-current liabilities			
Trade and other payables	12	**1,475,621**	1,424,654
Borrowings		**11,118,403**	10,384,250
Lease liabilities		**1,705,242**	1,484,772
Deferred income tax liabilities		**368,048**	240,007
Provisions		**1,041,432**	1,030,490
Government grants		**2,064,677**	2,110,959
Contract liabilities		**125,606**	125,606
		17,899,029	16,800,738
Current liabilities			
Trade and other payables	12	**48,435,539**	55,742,477
Contract liabilities		**1,991,418**	2,520,615
Current income tax liabilities		**139,210**	203,862
Borrowings		**22,203,936**	17,731,673
Lease liabilities		**422,086**	449,688
Provisions		**433,083**	545,905
		73,625,272	77,194,220
Total liabilities		**91,524,301**	93,994,958
Net assets		**124,815,075**	124,453,812
Total equity and liabilities		**216,339,376**	218,448,770

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

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

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

This condensed consolidated interim financial information is presented in thousands of Renminbi ("RMB") Yuan, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 30 August 2024.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, 'Interim financial reporting'. The condensed consolidated interim financial information does not include all the notes of the type normally included in annual financial statements. Accordingly, this information is to be read in conjunction with the annual report for the year ended 31 December 2023 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), and any public announcement made by the Company during the interim reporting period.

3 ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following amendments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("2022 amendments")*
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this condensed consolidated interim financial information. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

For management purpose, the executive directors considered the nature of the Group's products and services and determined that the Group has two reportable operating segments as follows:

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.

Sales between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the interim condensed consolidated statement of comprehensive income.

During the six months ended 30 June 2024, no revenue from transactions with a single external customer counted to 10% or more of the Group's total revenue.

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

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

The segment results for the six months ended 30 June 2023 and other segment items included in the interim condensed consolidated statement of comprehensive income are as follows:

	Vehicles and related operations *RMB'000*	Others *RMB'000*	Eliminations *RMB'000*	Unallocated *RMB'000*	Consolidated *RMB'000*
Six months ended 30 June 2023					
Total gross segment revenue	60,327,675	1,915,156	(331,826)	–	61,911,005
Inter-segment revenue	(160,204)	(171,622)	331,826	–	–
Revenue (from external customers)	60,167,471	1,743,534	–	–	61,911,005
Timing of revenue recognition under HKFRS 15					
– At a point in time	56,484,578	–	–	–	56,484,578
– Over time	2,438,099	289,486	–	–	2,727,585
Revenue from other sources	1,244,794	1,454,048	–	–	2,698,842
Segment results	(3,111,198)	151,816	(19,119)	–	(2,978,501)
Unallocated income – Interest income of headquarters	–	–	–	12,310	12,310
Unallocated costs – Expenditure of headquarters	–	–	–	(69,830)	(69,830)
Operating loss					(3,036,021)
Interest income	216,628	16,127	–	72,870	305,625
Finance costs	(180,450)	(3,410)	–	(16,675)	(200,535)
Share of profits less losses of joint ventures and associates	5,032,488	268,011	–	–	5,300,499
Profit before income tax					2,369,568
Income tax credit/ (expenses)	289,204	(13,309)	–	(20,146)	255,749
Profit for the period					2,625,317

The segment assets and liabilities as at 30 June 2024 and 31 December 2023 are as follows:

	Vehicles and related operations *RMB'000*	**Others** *RMB'000*	**Eliminations** *RMB'000*	**Unallocated** *RMB'000*	**Consolidated** *RMB'000*
Total assets					
At 30 June 2024	**155,714,703**	**62,180,542**	**(60,149,769)**	**58,593,900**	**216,339,376**
At 31 December 2023	169,042,390	62,455,935	(64,396,581)	51,347,026	218,448,770
Total liabilities					
At 30 June 2024	**94,699,984**	**49,235,142**	**(58,604,564)**	**6,193,739**	**91,524,301**
At 31 December 2023	98,928,387	48,469,682	(61,044,223)	7,641,112	93,994,958

5 OPERATING LOSS

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

	Unaudited Six months ended 30 June **2024** *RMB'000*	2023 *RMB'000*
Depreciation and amortisation	**4,359,232**	3,631,604
Impairment charges of property, plant and equipment	**–**	28,862
Impairment charges of inventories	**28,709**	64,266
Net impairment losses on financial assets	**210,013**	222,063
Staff costs	**6,391,349**	6,156,325
Gains on disposal of property, plant and equipment and intangible assets	**(50,225)**	(36,480)
Government grants	**(1,051,657)**	(246,758)
Donation	**313**	950

6 FINANCE COSTS

	Unaudited Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Interest expense	**306,424**	142,652
Others	**17,382**	57,883
	323,806	200,535

7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The amounts recognised in the condensed consolidated balance sheet are as follows:

	Unaudited	Audited
	30 June	31 December
	2024	2023
	RMB'000	*RMB'000*
Investments in joint ventures	**21,151,444**	27,521,810
Investments in associates	**8,865,028**	9,638,058
	30,016,472	37,159,868

The amounts recognised in the condensed consolidated statement of comprehensive income are as follows:

	Unaudited Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Share of profits less losses of joint ventures *(Note (i))*	**1,818,579**	4,929,981
Share of profits less losses of associates *(Note (i))*	**192,346**	370,518
	2,010,925	5,300,499

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

7.1 Investments in joint ventures

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

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Beginning of the period	**27,521,810**	28,095,173
Additions *(Note (i))*	**914,720**	348,236
Capital reduction	**(5,478)**	(42,224)
Share of profits less losses	**1,846,554**	4,859,155
Other equity changes	**7,895**	–
Dividends declared	**(9,134,057)**	(10,393,601)
End of the period	**21,151,444**	22,866,739

(i) In the six months ended 30 June 2024, the additions mainly represent the Group's capital contribution of RMB564,000,000, RMB210,000,000 and RMB112,500,000 to Guangdong Guangqi Kaitou Autonomous Driving Equity Investment Partnership (Limited Partnership), Guangzhou AnDi Technology Co. Ltd. and GAC Mitsubishi Automobile Sales Co. Ltd. In addition, the Group contributed capital of RMB28,220,000 to several newly set-up joint ventures.

(b) Summarised financial information for joint ventures

Set out below is the summary of combined financial information for all the joint ventures of the Group (excluding goodwill). As restricted by the confidentiality agreements entered into with other shareholders of certain joint ventures, the Group has not disclosed certain financial data of material joint ventures separately. The aggregate of the financial information of the four material joint ventures identified by directors cover over 90% of combined 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.

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

Summarised balance sheet

	Unaudited 30 June 2024 *RMB'000*	Audited 31 December 2023 *RMB'000*
Assets		
Non-current assets	**90,651,390**	94,119,421
Current assets		
– Cash and cash equivalents	**35,322,066**	57,624,954
– Other current assets	**24,524,990**	43,994,794
	59,847,056	101,619,748
Total assets	**150,498,446**	195,739,169
Liabilities		
Non-current liabilities		
– Financial liabilities (excluding trade and other payables)	**29,421,832**	32,252,756
– Other non-current liabilities (including trade and other payables)	**9,150,823**	7,576,218
	38,572,655	39,828,974
Current liabilities		
– Financial liabilities (excluding trade and other payables)	**14,057,086**	23,520,832
– Other current liabilities (including trade and other payables)	**53,779,090**	76,882,007
	67,836,176	100,402,839
Total liabilities	**106,408,831**	140,231,813
Net assets	**44,089,615**	55,507,356
Less: Non-controlling interests	**(8,762)**	(8,633)
	44,080,853	55,498,723

Summarised statement of comprehensive income

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Revenue	**91,827,280**	128,399,989
Cost of sales	**(74,083,358)**	(108,726,419)
Other expenditures	**(14,017,887)**	(10,100,553)
Profit after tax	**3,726,035**	9,573,017
Less: profit attributable to non-controlling interests	**(130)**	(373)
	3,725,905	9,572,644
Other comprehensive income	**–**	(1,861)
Total comprehensive income	**3,725,905**	9,570,783

8 INCOME TAX CREDIT

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

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

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Current income tax	**384,231**	171,046
Deferred income tax	**(429,668)**	(426,795)
	(45,437)	(255,749)

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

The tax rates applicable to the Company and its major subsidiaries for the six months ended 30 June 2024 are 15% or 25% (2023: 15% or 25%).

9 EARNINGS PER SHARE

(a) Basic

	Unaudited Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Profit attributable to owners of the Company	**1,516,347**	2,966,171
Weighted average number of ordinary shares in issue less restricted shares (thousands)	**10,460,339**	10,426,565
Basic earnings per share (RMB per share)	**0.14**	0.28

Basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue less restricted shares during the period.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company had different categories of dilutive potential ordinary shares: share options and restricted shares. For the share options and restricted shares, calculations are done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares for six months ended 30 June 2024) based on the monetary value of the subscription rights attached to outstanding share options, and at subscription price of restricted shares, respectively. The numbers of shares calculated as above are compared with the numbers of shares that would have been issued assuming the exercise of the share options, and the numbers of restricted shares that would have been unlocked assuming all related conditions fulfilled, respectively.

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Profit attributable to owners of the Company	**1,516,347**	2,966,171
Profit used to determine diluted earnings per share	**1,516,347**	2,966,171
Weighted average number of ordinary shares in issue less restricted shares (thousands)	**10,460,339**	10,426,565
Add: weighted average number of ordinary shares assuming conversion of all share options and restricted shares (thousands)	**–**	13,096
Weighted average number of ordinary shares in issue for diluted earnings per share (thousands)	**10,460,339**	10,439,661
Diluted earnings per share (RMB per share)	**0.14**	0.28

10 DIVIDEND

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Interim dividend declared: RMB0.03 per ordinary share (2023: RMB0.05 per ordinary share)	**311,745**	524,253

Dividend paid in six months ended 30 June 2024 was approximately RMB1,048,690,000 (six months ended 30 June 2023: RMB1,887,125,000).

In addition, an interim dividend of RMB0.03 per ordinary share (2023: RMB0.05 per ordinary share) was declared by the board of directors on 30 August 2024. This interim dividend, amounting to approximately RMB311,745,000 (2023: RMB524,253,000), has not been recognised as a liability in this interim financial information.

11 TRADE RECEIVABLES

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

As at 30 June 2024 and 31 December 2023, the ageing analysis of these trade receivables is presented on the basis of the date of the relevant invoices as follows:

	Unaudited 30 June 2024 *RMB'000*	Audited 31 December 2023 *RMB'000*
Trade receivables		
Within 1 year	**3,090,823**	2,825,352
Between 1 and 2 years	**491,921**	2,480,595
Between 2 and 3 years	**179,460**	168,059
Between 3 and 4 years	**207,342**	53,341
Between 4 and 5 years	**14,448**	35,341
Over 5 years	**304,757**	282,791
	4,288,751	5,845,479
Less: Provision for impairment	**(535,694)**	(541,526)
Trade receivables – net	**3,753,057**	5,303,953

12 TRADE PAYABLES

As at 30 June 2024 and 31 December 2023, ageing analysis of trade payables is presented on the basis of the date of the relevant invoices as follows:

	Unaudited 30 June 2024 *RMB'000*	Audited 31 December 2023 *RMB'000*
Trade payables		
Within 1 year	**16,063,782**	20,096,320
Between 1 and 2 years	**275,068**	113,500
Between 2 and 3 years	**31,513**	34,250
Over 3 years	**102,134**	102,497
	16,472,497	20,346,567

CHAIRMAN'S STATEMENT

During the first half of 2024, in the face of unprecedented and severe challenges, the Group exerted exhaustive efforts to enhance its market competitiveness, achieving positive progress in technological innovation, transformative upgrading, international market penetration, as well as institutional and mechanism reform. On behalf of the Board, I would like to express my heartfelt gratitude to our shareholders, customers, employees, partners, and all those who are concerned with the development of the Group.

Tackled formidable difficulties and obstacles in both production and operation. In response to the intricate and severe domestic and international environment, the Group initiated the strategy of "in-depth reform, strengthened management and facilitated development, aiming for improvement of quality and efficiency" to exhaust all efforts to promote its end-consumer sales at the beginning of this year. In the first half of the year, the Group achieved a sales volume of over 860,000 vehicles, of which the proportion of sales volume of vehicles under our self-developed brands increased to approximately 36.5%. In the first half of 2024, the Group recorded a revenue of approximately RMB181.142 billion on an aggregated basis, ranking 181st on the Fortune Global 500 List for the 12th consecutive year.

Expedited the penetration into international markets. The Group's overseas operations have covered 68 countries and regions encompassing the Middle East, Southeast Asia, Africa and the Americas, whereby the establishment of a global system of research and development (R&D), production, sales, and services has been initially accomplished. In the first half of the year, the Group achieved overseas sales volume of approximately 68,000 vehicles, representing a year-on-year increase of approximately 190%, of which approximately 54,000 vehicles of self-developed brands were sold overseas, representing a year-on-year increase of approximately 144%. The Group vigorously propelled localised production and operations, which was evidenced by the completion and commission of CKD plant in Malaysia and GAC AION's Thailand factory. In order to strengthen the collaborative mechanism for global expansion, GAC Business established logistics subsidiaries in Thailand and Mexico, and GAC Component invested in the establishment of the seat manufacturing project in Thailand to further consummate our international logistics and parts support system.

Gave full play to independent innovation through accumulated resources. The Group persistently pursued breakthroughs in the R&D of pivotal core technologies, intensified the innovation for forward-looking technologies, and accelerated the development of new quality productive forces. During the first half of this year, approximately RMB3.251 billion was invested in the Group's R&D, with the Group recording 1,656 new patent applications including 847 invention patents. As of the end of June 2024, the total number of patent applications had exceeded 19,000, including over 8,000 invention patents. In the fields of new energy, the Group have achieved significant progress in the R&D of all-solid-state power batteries, which are anticipated to be installed on Hyper models by 2026. In the field of Intelligent Connectivity (ICV), the urban NDA function with L2++ smart driving has been installed on Hyper models. The Group has also become one of the first automobile enterprises across the country to carry out pilot programs for L3 autonomous driving on the road, and is accelerating the commercialisation of autonomous driving.

Exerted continuous efforts to deepen the reforms of state-owned enterprises. Through the thorough implementation of specialised reform works such as the new round of in-depth upgrading actions for state-owned enterprise reform, the campaign to benchmark against world-class value creation, and the "Double-Hundred Action" for state-owned enterprise reform, the Group has accelerated the promotion of institutional and mechanism innovation. The Group was rated as an outstanding local enterprise in the "Double-Hundred Enterprises" for 2023 by the State-owned Assets Supervision and Administration Commission of the State Council, while GAC AION was rated as a local benchmarking enterprise among the "Model Enterprises of Scientific and Technological Reform" for 2023 by the State-owned Assets Supervision and Administration Commission of the State Council. In order to further promote the mixed ownership reform of investment enterprises, GAC Hino has facilitated the implementation of equity restructuring and its employee share incentive scheme. ON TIME has successfully been listed on the main board of the Stock Exchange, injecting new momentum into the corporate transformation and development.

The current era witnesses the flourishing of a new wave of technological revolution represented by artificial intelligence, while the automobile industry is also in a critical juncture of transition to intelligent new energy vehicles, which is characterised by accelerating structural differentiation within the industry alongside an increasingly fierce market competition. The Group is also in a period of adjustment and restructuring in the transformation from old to new energies. It confronts a multitude of pressures encompassing growth stabilisation and structural adjustments, where opportunities intertwine with challenges. In the latter half of the year, we will proactively identify and respond to transformations, seize opportunities amidst changes, and make strides in the face of challenges. We will exert every effort to revitalize our operating situation and unwaveringly pursue the path of high-quality development.

To strengthen the "six strengths" to enhance operating effectiveness. The Group will prioritise enhancing its "product strength, brand strength, marketing strength, sales strength, service strength, and execution strength" to elevate its sales capabilities and boost the sales volume generated from end consumers. Innovative marketing philosophy, spearheaded by the establishment and refinement of new media matrix and a linkage mechanism for higher traffic, will facilitate the conversion of increased traffic into orders. The Group will comprehensively implement measures to reduce costs, improve quality and increase efficiency, restructure the supply system, ameliorate outsourcing costs, promote platform-based cost reduction, maximise cost reduction potential and elevate cost competitiveness. GAC Trumpchi will actively collaborate with external resources such as Huawei to expedite the creation of star products characterised by cutting-edge intelligent experience, thus enriching the brand connotation of electrification and intellectualisation. GAC AION will accelerate the consummation of its layout of product lines to further deepen the product strategy of "long endurance, high intelligence, and quick charging" and will propel the projects of a number of new models. The Group will continue to promote dual-brand operations, in which AION brand strengthens consumer-end image and Hyper brand deepens high-end brand strategy. The joint venture brands will make full use of the bilateral resources of shareholders to deepen cooperation in product development, supply chain, sales channels, etc., while accelerating the transformation to electrification and intellectualisation to promote independent amelioration and smart upgrade of existing models, so as to forge even more competitive products that better cater to the demands of domestic customers. In terms of international business, the Group will vigorously promote localised production, persistently improve the network of logistics and ancillary parts, accelerate the overseas penetration of various product lines encompassing fuel vehicles and NEVs, aggressively expand international dealership resources, and strive to set up more than 100 new overseas outlets in the second half of the year.

Driven by innovation, to develop new quality productive forces. By focusing on strategically emerging industries and future-oriented industries such as low carbon, new energy, ICV, low-altitude economy, and three-dimensional travel, while aiming at achieving breakthroughs in the R&D of pivotal core technologies and fostering forward-looking technological innovation, the Group will strive to be a trailblazer in innovation-driven development. In the field of new energy, the Group will persist in propelling the industrialisation of self-developed batteries, consolidate its leadership in self-developed battery technology, and concentrate on the R&D of solid-state batteries. In the field of intellectualisation, the Group will promote the execution of the "Intelligent Mobility 2027" action plan, and elevate the development of intelligence grounded on GAC's three core technologies, namely "AI Large Model Platform", "X-soul Electrical Architecture" and "Big Data Platform for ICV", with a view to achieving two pioneering advantages in product experience and travel scenarios; take the opportunity of entering the first batch of pilot programs for autonomous driving on the road across the country, to accelerate the technological iteration of self-developed products equipped with intelligent driving, planning to realise the nationwide introduction of urban NDA function within this year; strengthen cooperation with outstanding companies of intelligent driving to quickly improve our level of intelligent driving and brand perception. The Group will also strengthen the research on forward-looking technologies and accelerate the manned flight testing and industrialisation of GOVE multi-rotor aerocar.

By virtue of profound reforms, to activate endogenous driving forces. The Group will thoroughly implement overall and in-depth reforms over its management system and mechanism, further improve the efficiency and effectiveness of the organizational system and governance system of the Company, reinforce the integrated operation of research, production and sales, and establish a more streamlined, efficient and flexible market-oriented mechanism. The Group will improve its level of market-oriented and modern operations, by further improving the management system of "flexible rank adjustments of officials, flexible allocation of workforce and adjustable rewards", strictly implementing the contractual management of the tenure system, adhering to the solid assessment of business objectives, and strengthening the linkage between remuneration and performance. The Group will also promote the mixed-ownership reform of investment enterprises, progressively form a diversified equity structure, established a stereoscopic multi-dimensional medium- and long-term incentive system, and consolidate the long-term resonance between employees and corporate interests, thereby realising shared benefit and risks and optimising its corporate governance structure.

A smooth sea never made a skilled sailor. In the face of the profound transformations in the automotive industry landscape, we shall steadfastly rally for "long-termism", unwaveringly adhere to the concept of customer centricity, while maintaining strategic composure and shouldering foreseeable weighty burdens to forge ahead resolutely. By accelerating the development of new quality productive forces and revolving around promoting high-quality development, the Group will exert utmost efforts to construct the magnificent blueprint of "Trillion GAC", earnestly strive to create value for shareholders, and become a public company featuring customer confidence, employee well-being and social expectation.

SUMMARY OF BUSINESS OF THE COMPANY

(I) Summary of Business

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

1. Research and development

The Group's R&D is based on GAEI, a directly funded and managed body of the Company, and also a subsidiary of the Company and a strategic business division operating relatively independently within the authorised scope. It is mainly responsible for the Group's general development plan of new products and new technologies, as well as implementation of material R&D projects.

2. Manufacture of vehicles

(1) The manufacture of passenger vehicles is mainly conducted through subsidiaries, including GAC Trumpchi, GAC AION and joint ventures, including GAC Honda and GAC Toyota.

➢ **Products:** The Group's passenger vehicles include 18 series of sedans, 26 series of SUV and 6 series of MPV. During the reporting period, the Group launched new, upgraded or facelifted models such as GAC Trumpchi GS4 MAX and M6 MAX, GAC AION second-generation AION V, GAC Toyota ninth-generation Camry, GAC Honda e:NP2, etc.

Fuel-engined vehicle products of the Group mainly include:

- GAC Trumpchi Empow, GS4, GS8, M8, M6, etc.;
- GAC Honda Accord, Integra, Vezel, Fit, Breeze, etc.; and
- GAC Toyota Camry, Levin, Wildlander, Frontlander, Venza, etc.

Energy conservation and new energy products of the Group mainly include:

- GAC Trumpchi GS8 Hybrid, E9, Empow Hybrid, Emkoo Hybrid, etc.;

- GAC AION AION S, AION Y, AION V, AION LX, Hyper GT, Hyper HT, etc.;
- GAC Honda Accord e:PHEV, Breeze e:HEV/e:PHEV, Odyssey e:HEV, ZR-V e:HEV, e:NP1, e:NP2, etc.;
- GAC Toyota Camry HEV, Highlander HEV, Levin HEV, Sienna, bZ4X, etc.

➢ **Production capacity:** As at the end of the reporting period, the total vehicle production capacity amounted to 3,065,000 units/year.

➢ **Sales channel:** Centering around the consumer demand for online consumption, the Group focused on the operational management of new media and construction on digitalisation, constantly launched and optimised its order tools for online direct sales, dedicated to improve the operational efficiency of APPs deployed in various original equipment manufacturers (OEMs) to provide superior purchasing experience for customers. The Group conducts automobile sales through sales outlets and online channels. As at the end of the reporting period, the Company, together with its joint ventures and associated enterprises, had 2,666 passenger vehicle 4S sales outlets covering 31 provinces, counties, autonomous regions and municipalities in the PRC. Overseas sales outlets amount to 323, with its sales and service business covering 68 countries and regions.

(2) Motorcycles

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

3. Parts and components

The Group's production of parts and components of vehicles was mainly carried out through the controlling, jointly controlled, investee companies of GAC Component, a subsidiary of the Company, and Ruipai Power, a holding subsidiary under the Group, and GAC Toyota Engine, Shanghai Hino and CATL GAC etc., the Group's associated companies. The parts and components of vehicles include engines, gearboxes, car seats, micro motors, shifter, power battery, electric drive, electric controller, interior and exterior decorations, etc. The products were mainly accessories for manufacture of vehicles of the Group.

4. ***Commercial and mobility transportation services***

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

5. ***Energy and ecosystem***

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

6. ***Internationalisation***

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

7. ***Investment and finance***

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

(II) ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

1. Industry layouts with complete industry chain and optimised structure

The Group has formed an industrial strategic layout based in South China and radiating to Central China, East China and Northwest China and a complete closed-loop industry chain centering upon manufacture of vehicles, and its business covers seven segments including R&D, manufacture of vehicles, parts and components, commercial and mobility transportation services, energy and ecosystem, internationalisation, and investment and finance. The Group is one of the automobile groups in the PRC with the most integrated industry chain and the most optimised industry layout. The synergy in the upstream and downstream of the industry chain progressed gradually, new profit growth points have been emerging and the comprehensive competitiveness of the Group has been constantly enhanced.

2. Advanced manufacturing, craftsmanship, quality and procedural management

The Group has comprehensive advantages in terms of manufacturing, craftsmanship, quality and procedural management which mainly include: (1) the world's leading quality advantage; (2) innovative advantage brought by "continuous improvement"; and (3) cost advantage originating from persistent refinement.

3. Continued to enrich product line and optimise product structure

The Group has a full range of products including sedans, SUVs and MPVs, and in order to adapt to changes in consumer demand, the Group maintained its market competitiveness of its products through continued R&D, introduction of new models and product iterations, so as to maintain customer loyalty and a widely recognised brand reputation. During the reporting period, the Group launched new, upgraded or facelifted models such as GAC Trumpchi GS4 MAX and M6 MAX, GAC AION second-generation AION V, GAC Toyota ninth-generation Camry, GAC Honda e:NP2, 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 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, and has been equipped with the advantage of integrated innovation. The Group also owns State-Certified Enterprise Technology Center, overseas high-level talent innovation and entrepreneurship base, national demonstration base for talent introduction, academician workstation, postdoctoral research workstation and other innovation platforms. GAC Group's independent R&D team for powertrain was awarded the title of "National Outstanding Engineering Team". The product manager system and incentive mechanism of vehicle model team were comprehensively implemented to form a system and mechanism for the integration of research, production and sales with high efficiency and mutual benefit.

5. Leading independent R&D abilities of new energy and ICV

In the field of new energy, the Group has the cutting-edge exclusive pure electric platform. The Group deeply engaged in the independent R&D as well as the industrial application of power battery, battery cells and electric drive, and self-developed power battery technologies such as sponge silicon anode battery technology, ultra-fast charging battery technology and the magazine battery system safety technology, as well as the deep-integrated "three-in-one" electric drive system and two-gear dual-motor "four-in-one" integrated electric drive system. These helped create the "AION" series and the "Hyper" series, which are new energy vehicle (NEV) product systems based on the new exclusive platform on pure electricity. The Group has also successfully introduced a variety of new energy products to the joint ventures. In the field of energy conservation, the Group established the Mega Waves Hybrid Modular Architecture adopting platform-based modular designs, which were available for assembly of the powertrain system self-adaptive to all XEV models (i.e. hybrid models such as HEV and PHEV). In the field of ICV, the Group has self-developed the ADiGO PILOT intelligent driving system and the centralised computing electronic and electrical architecture "X-soul" equipped with vehicle-cloud integration. During the reporting period, the Company was selected as one of the first automobile enterprises across the country to carry out pilot programs for L3 autonomous driving on the road, and the urban NDA function with L2++ smart driving has been installed on Hyper models.

DISCUSSION AND ANALYSIS ON OPERATION

(I) ANALYSIS ON INDUSTRY ENVIRONMENT[1]

The first half of 2024 witnessed a continuous resurgence in domestic demand coupled with an improvement in external demand. In the face of an increasingly intricate and uncertain external environment, the fundamentals of domestic economy characterised by stable operation and positive trend in the long run remained unaltered. The economic operation was generally stable, concurrently achieving progress while maintaining stability, where new progress in high-quality development was attained. Competition in the automobile industry has intensified even further, compounded by challenges such as international trade protectionism, the need for improvement in domestic demand and consumer confidence. Consequently, the overall operation of the industry is still facing considerable pressure. The production and sales volume of vehicles from January to June 2024 were 13,891,000 units and 14,047,000 units respectively, representing an increase of 4.9% and 6.1% respectively over the corresponding period of 2023. Among them, domestic sales volume of automobiles amounted to 11,255,000 units, representing a year-on-year increase of 1.4%; export sales volume came to 2,793,000 units, representing a year-on-year increase of 30.5%.

By market segment, from January to June 2024, the production and sales volume of passenger vehicles in aggregate were 11,886,000 units and 11,979,000 units respectively, representing a year-on-year increase of 5.4% and 6.3% respectively. Among them, domestic sales volume amounted to 9,640,000 units, representing a year-on-year increase of 1.6%, whereas vehicle exports were 2,339,000 units, representing a year-on-year increase of 31.5%. Among the main varieties of passenger vehicles, SUV production and sales showed double-digit growth compared with the corresponding period of last year, achieving a sales volume of 6,306,000 units from January to June, representing a year-on-year increase of 11.5%. Sedan production and sales increased slightly, achieving a sales volume of 5,096,000 units from January to June, representing a year-on-year increase of 1.8%. The production and sales of both MPVs and crossovers exhibited a slight decline, achieving a sales volume of 456,000 units and 121,000 units respectively from January to June, representing a year-on-year decrease of 5.8% and 3.2% respectively.

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

Among which, 7,419,000 units of passenger vehicles of Chinese brands were sold, representing a year-on-year increase of 23.9% and accounting for 61.9% of the total sales volume of passenger vehicles, the proportion of which increased by 8.8% over the corresponding period of last year. Compared with the same period of last year, except for the Korean series brands, which recorded double-digit growth of sale volume, the sales volume of the other major foreign brands experienced significant decline.

From January to June 2024, the cumulative production and sales volume of commercial vehicles reached 2,005,000 units and 2,068,000 units, representing a year-on-year increase of 2% and 4.9% respectively.

From January to June 2024, the cumulative production and sales volume of NEVs reached 4,929,000 units and 4,944,000 units, representing a year-on-year increase of 30.1% and 32% respectively, with its market share further increased to 35.2%.

From January to June 2024, the overall performance of automobile exports was in good condition, showing a rapid growth trend, with total export volume amounting to 2,793,000 units, representing a year-on-year increase of 30.5%. Among them, passenger vehicle exports were 2,339,000 units, representing a year-on-year increase of 31.5%; commercial vehicle exports were 454,000 units, representing a year-on-year increase of 25.7%; fuel vehicle exports were 2,188,000 units, representing a year-on-year increase of 36.2%; NEV exports were 605,000 units, representing a year-on-year increase of 13.2%.

(II) ANALYSIS ON OPERATION OF THE COMPANY

In the first half of 2024, the "price war" escalated and multi-dimensional "involution" intensified, posing unprecedented and tremendous challenges to the production and operations of the Group. The Group has comprehensively launched the campaign of "in-depth reform, strengthened management and facilitated development, aiming for improvement of quality and efficiency" in full swing, implementing comprehensive policies in line with market trends, firmly adopting sales-based production, and exerting utmost efforts to boost sales for end consumers. During the first half of this year, the Group's production and sales volume of vehicles amounted to 859,500 units and 863,000 units, representing a year-on-year decrease of 28.19% and 25.79%, of which the production and sales volume of NEVs reached 183,900 units and 164,100 units respectively, representing a year-on-year decrease of 25.35% and 30.61%. During the reporting period, the proportion of sales volume generated from energy-efficient vehicles and NEVs of the Group had increased to 40.63%, of which the proportion of energy-efficient vehicles stood at approximately 21.62% whereas that of NEVs amounted to approximately 19.01%.

1. *Independent businesses gained momentum by virtue of adjustments*

(1) GAC Trumpchi

GAC Trumpchi achieved production and sales volume of 193,600 units and 188,900 units in the first half of the year, representing a year-on-year increase of 6.51% and 0.44%, with the proportion of high-value models increased constantly. Among them, the sales volume of MPVs amounted to 78,900 units, representing a year-on-year increase of 10.4%, ranking first among domestic MPV manufacturers, where M8, M6 and other model series continued to rank at the forefront in the market segment. Sales volume of PHEV models reached 23,800 units, representing a year-on-year growth of nearly 440%, while E8 and E9 models continued to maintain hot-selling. GS3 Shadow Speed achieved a sales volume of 43,600 units, marking a year-on-year growth of 48.67%, ranking fourth in the domestic market segment in term of terminal sales volume[2]. GAC Trumpchi actively embarked on the exploration of utilising user experience scenarios as a carrier to improve the accuracy of product planning. In the first half of the year, it launched the new M8 Master Super Hybrid, M6 MAX, GS4 MAX, GS8 five-seater and other models. GAC Trumpchi released the "Trumpchi & Huawei Joint Innovation Program" to further deepen the cooperation with Huawei, pursuant to which three flagship models were scheduled for mass production by 2025, equipped with Huawei's latest HarmonyOS smart cockpit and QianKun ADS3.0 advanced smart driving function, thereby joining hands to forge smart vehicles with capabilities of aligning with industry benchmark.

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

(2) GAC AION

In the first half of the year, GAC AION achieved production and sales volume of 140,300 units and 126,300 units respectively, representing a year-on-year decrease of 35.26% and 39.65%. Among them, the sales volume of AION S stood at 56,500 units, ranking second among domestic pure electric A-class sedans in term of terminal sales volume. AION Y achieved a sales volume of 60,500 units, ranking second among domestic pure electric A-class SUVs in term of terminal sales volume. GAC AION also unveiled its first global strategic model, the second-generation AION V equipped with the bran-new ADiGO 5.0 intelligent and interconnected driving ecosystem plus the self-evolving AI large model cockpit, which has significantly improved its product strength and attracted great attention from the market. In virtue of the continuous enhancement of quality control, in the 2024 H1 NEV Quality Ranking released by AQSIQAUTO (中國汽車質量網), AION Y and AION LX ranked first for quality in the new energy compact SUV and medium SUV (PEV models) in the first half of 2024 respectively. GAC AION strove to deepen its dual-brand operations, empowering the Hyper brand with greater independence to pursue its trajectory as a high-end marque. The AION brand fully utilised the letter logo to elevate its image and brand reputation in the consumer end, while implementing a strategy of separating business-end and consumer-end customers, and delivering differentiated and targeted specialised services customised for different customer groups.

2. Joint venture brands accelerated product innovation

The production and sales volume of GAC Toyota in the first half of the year were 339,700 units and 336,000 units respectively, representing a year-on-year decrease of 26.36% and 25.80%, ranking third among joint venture automobile companies and first among Japanese automobile companies in the domestic market in term of terminal sales volume. Among them, the sales volume of the Frontlander series exceeded 100,000 units, representing a year-on-year increase of 33.62%, ranking fourth among domestic A-class SUVs in term of terminal sales volume. Sienna achieved a sales volume of 35,200 units, ranking second among domestic B-class MPVs in term of terminal sales volume. GAC Toyota continued to accelerate its transformation towards electrification. In the first half of the year, it recorded a sales volume of 155,000 units for energy-efficient vehicles and NEV models, representing a year-on-year increase of 12.6%, with its proportion increased significantly to 46.1% which marked an increase of nearly 16 percentage points over the corresponding period of last year. GAC Toyota ranked first among the HEV models in the domestic market in term of terminal sales volume. During the reporting period, GAC Toyota launched the ninth-generation Camry and promoted the intelligent upgrade of on-board computer systems for Sienna, Highlander and other models to further enhance the intelligent experience. The aggregate production and sales volume of GAC Honda in the first half of the year reached 184,700 units and 207,900 units respectively, representing a year-on-year decrease of 42.02% and 28.28%. During the reporting period, GAC Honda launched the all-new pure electric coupe SUV model, e:NP2. It plans to launch 6 all-new PEV models by 2027 to further promote the transformation of products towards electrification. GAC Hino has facilitated the implementation of the employee share incentive scheme and promoted shareholding adjustments in order to impel its transformation and development in an all-round manner, and has obtained the production qualification for new energy trucks from the Ministry of Industry and Information Technology. Wuyang Honda has increased its launch of new products and investment in market resources to stabilise sales volume. It rolled out 6 new products during the first half of the year, with plans to invest in a portfolio of 15 new models by 2024, while constantly propelling the upgrades for intellectualisation to enhance its product competitiveness.

3. *Overseas business accelerated its pace*

In the first half of 2024, the Group achieved an overseas sales volume of approximately 68,000 vehicles, representing a year-on-year increase of approximately 190%, of which overseas sales of self-developed brands were approximately 54,000 vehicles, representing a year-on-year increase of approximately 144%. From the perspective of products, Trumpchi M8 has been launched in more than 20 countries, including Mexico, the United Arab Emirates, and Kuwait, AION Y Plus has made its debut in Hong Kong, China, and Nepal, whereas star models such as M6 Pro and GS3 Shadow Speed have accelerated their coverage across numerous countries and regions worldwide. Leveraging on product differentiation and localisation strategies, the Group enhanced the market competitiveness of its products. In terms of channels, in the first half of the year, the Group accomplished the exploration of 26 markets including Uzbekistan and Azerbaijan, completed a market layout encompassing 68 countries and regions, which continuously expanded our international footprint and brought the total number of outlets to over 300. In terms of vigorous promotion of localised production, our CKD plant in Malaysia was completed and put into operation in April 2024, with a standard capacity of 34,400 units/year and a potential maximum capacity exceeding 50,000 units/year. The first locally assembled model was the GS3 Shadow Speed, with subsequent plans to incorporate Emkoo, E9 and other models. In July 2024, GAC AION's smart factory in Thailand was officially completed and put into production, and the first global model of AION, the second-generation AION V, was simultaneously rolled out globally. The Thailand factory was initially designed with a production capacity of 50,000 units per year, positioning it as the Group's automotive manufacturing hub in Southeast Asia.

4. *Technological innovation continued to gain momentum*

In the fields of electrification and carbon reduction, the Company has initially opened up the full-process manufacturing process of all-solid-state batteries, and has achieved key technological breakthroughs in the mass production of automotive-grade high-safety and large-capacity all-solid-state power batteries. The battery energy density can be more than 400 Wh/Kg. It is anticipated to be installed on Hyper models by 2026. GAEI has completed research on high-efficiency engine system technology with fully independent intellectual property rights, and achieved a remarkable breakthrough in indicators of engine thermal efficiency. The indicated thermal efficiency of a single-cylinder engine exceeds 52.5%, and the effective thermal efficiency of a multi-cylinder engine that can be equipped on a vehicle exceeds 46%. The technology has reached the world's leading level.

In the field of ICV, the Company has been approved as one of the first automobile enterprises to carry out pilot programs of L3 autonomous driving on the road across the country. The urban NDA function with L2++ smart driving has been installed on Hyper models. On GAC TECH DAY, the Company released the nation-leading non-graphical pure visual intelligent driving solutions, which, on the basis of visual sensors and artificial intelligence algorithms, had solved the existing problems of limited coverage and slow update of domestic high-precision maps, and realised intelligent driving of full geographical coverage with more simplified and cost-effective hardware systems. Such solutions are expected to be installed on vehicles for mass production by 2026.

In terms of capability building, GAC's "three-in-one" wind tunnel laboratory was officially put into use in May 2024. It stands as the first wind tunnel laboratory for vehicle integrating aerodynamics, aeroacoustics, and thermodynamics in the world, enabling the simulation of intricate environmental variables and establishing a full-process, high-precision, and reliable R&D and testing platform that could further consolidate the Company's fundamental guarantee capabilities for independent innovation.

5. *Industry ecosystem embraced with continual optimisation*

In the fields of parts and components, GAC Component has deepened its cascade R&D system of parts and components, established extensive presence in smart cockpits, smart chassis, new energy and other fields, promoted seat R&D projects, micromotor/shifter R&D projects, etc. to complete the reform featuring industry-research integration and further integrate resources, thereby promoting the work of stabilising, replenishing and strengthening the chain. Nansha R&D and Manufacturing Base of Lisheng Technology has been officially put into use, realising the mass production and delivery of multiple products such as smart cockpit domain control, central domain control, internet of vehicles terminals, and high-voltage wiring harnesses.

In the fields of commercial and mobility transportation services, GAC Business has strengthened its new media marketing matrix and connected more than 120 sales stores to construct diversified marketing links to enhance brand awareness and sales conversion. The average daily effective leads increased by 67.8% as compared to the corresponding period of last year. GAC Business explored the growth point of after-sales business based on customer demands, promoting the after-sales output value to increase by 10.8% year-on-year. ON TIME has successively been approved to carry out Robotaxi manned demonstration application activities in certain areas of Shenzhen and to conduct road tests for Robotaxi in the entire Hengqin Guangdong-Macao Deep Cooperation Zone. Guangzhou AION & DIDI Technology Co., Ltd. is founded jointly by GAC AION and DIDI Autonomous Driving, which in virtue of the mutual advantages, will deeply integrate mature experience in new energy vehicle manufacturing and leading autonomous driving technology. It's planned to launch the first commercialised L4 model by 2025.

In the fields of energy and ecosystem, the smart ecological plant of IMPOW Battery achieved rapid production ramp-up and batch delivery of power batteries, with a total of more than 5,400 battery packs delivered in the first half of the year, ranking 14th among domestic power battery enterprises in term of the number of vehicle assembly. In the first half of the year, GAC Energy built and operated a total of more than 1,000 charging stations, more than 6,500 fast-charging terminals, and 65 swapping stations, which marks its energy charging network covering 191 cities. The Company cooperated with NIO Power (蔚來能源), CATL (寧德時代), and CAES (時代電服) in the field of charging and battery swapping to further improve its layout of energy ecosystem and bring users a more efficient and convenient experience for battery swapping and charging.

In the fields of investment and finance, in the first half of the year, GAC-SOFINCO entered into 228,000 new inventory financing contracts alongside 100,000 new retail loan contracts. It took the lead in the industry to launch products without any down payment, vigorously supporting the sales from the OEMs. GAC Finance Company gave play to its function as a credit leverage to reduce corporate financing costs and issued loans and discounts of RMB3.3 billion to the OEMs and supporting companies thereunder. Urtrust Insurance deepened innovative industry-finance collaboration with OEMs and vigorously developed NEV insurance business. In the first half of the year, auto insurance premiums reached RMB1.365 billion, representing a year-on-year increase of 9.8%. GAC Capital continued to invest in the fields of chips, ICV and new energy, while simultaneously empowering the automotive industry, completing the settlement of 7 investment projects in the first half of the year. GAC Leasing intended to increase shares through capital injection and to introduce external strategic investors, thus further give play to the role of finance in empowering the principal businesses of the Group to enhance its risk-resistance ability.

(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 RMB181.142 billion on an aggregated basis, representing a year-on-year decrease of approximately 22.42%.

During the reporting period, the revenue of the Group amounted to approximately RMB46.255 billion on a consolidated basis, representing a year-on-year decrease of approximately 25.29%. The net profit attributable to shareholders of the listed company amounted to approximately RMB1.516 billion, representing a year-on-year decrease of approximately 48.88%. The basic earnings per share amounted to approximately RMB0.14, representing a year-on-year decrease of approximately RMB0.14.

The major factors accounting for the changes in results during the reporting period included:

1. In the first half of the year, the automobile industry witnessed an intensification of both the "price war" and "involution", to deal with which the Group augmented commercial and political investment. In the first half of the year, the Group produced and sold 859,500 and 863,000 automobiles respectively, representing a year-on-year decrease of 28.19% and 25.79%, of which the production volume and sales volume of NEVs amounted to 183,900 units and 164,100 units.

2. In the first half of the year, the Group achieved an overseas sales volume of approximately 68,000 vehicles, representing a year-on-year increase of approximately 190%, of which overseas sales of self-developed brands were approximately 54,000 vehicles, representing a year-on-year increase of approximately 144%. Companies providing supporting functions such as automotive parts and commercial services were deeply involved in the Group's internationalisation strategy, further improving the international logistics and parts support system to empower the development of the principal businesses of the Group.

(IV) ANALYSIS OF PRINCIPAL BUSINESS

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

Unit: 100 million Currency: RMB

Item	Current period	Corresponding period last year	Change *(%)*
Revenue	462.55	619.11	-25.29
Costs of sales	441.03	599.36	-26.42
Selling and distribution costs	28.30	25.69	10.16
Administrative expenses	25.28	25.15	0.52
Finance costs	3.24	2.01	61.19
Interest income	3.51	3.57	-1.68
Share of profits less losses of joint ventures and associates	20.11	53.00	-62.06
Net cash flow generated from operating activities	18.48	-5.28	450.00
Net cash flow generated from investing activities	-103.50	-32.35	-219.94
Net cash flow generated from financing activities	-37.29	41.43	-190.01

2. *Revenue*

During the reporting period, revenue of the Group amounted to approximately RMB46.255 billion, representing a year-on-year decrease of approximately 25.29%. This was mainly due to the decline in the Group's overall vehicle sales volume driven by the escalating "price war" in the industry.

3. *Cost of sales and gross profit*

During the reporting period, the Group recorded costs of sales of approximately RMB44.103 billion, representing a year-on-year decrease of approximately 26.42%. Total gross profit amounted to approximately RMB2.152 billion, representing a year-on-year increase of approximately RMB177 million. Gross profit margin increased year on year by 1.46%, which was mainly due to the combined factors including the substantial growth in overseas vehicles sales, coupled with the higher gross profit of vehicle exports during the reporting period.

4. *Expenses*

(1) The year-on-year increase of approximately RMB261 million in selling and distribution costs was mainly attributable to the combined factors including the self-developed brands were facing new energy transformation and internationalisation, increasing investments in publicity and after-sales services and incentives during the reporting period;

(2) The year-on-year increase of approximately RMB13 million in administrative expenses was mainly attributable to the combined factors including the slight increase in fixed operating overhead during the reporting period;

(3) The year-on-year increase of approximately RMB123 million in finance costs was mainly attributable to the combined factors including the increase in borrowings which led to a year-on-year increase in interest expenses during the reporting period;

(4) The year-on-year decrease of approximately RMB7 million in interest income was mainly attributable to the combined factors including the year-on-year decrease in non-operational interest income during the reporting period.

5. *Cash flows*

(1) During the reporting period, net cash inflow generated from operating activities amounted to RMB1.848 billion, representing an increase in net inflow of RMB2.376 billion as compared with the net cash outflow of RMB528 million in the corresponding period last year, which was mainly attributable to the year-on-year increase in net cash flow from operating activities of financial enterprises during the reporting period;

(2) During the reporting period, net cash outflow generated from investing activities amounted to RMB10.350 billion, representing an increase in net outflow of RMB7.115 billion as compared with the net cash outflow of RMB3.235 billion in the corresponding period last year, which was mainly attributable to the increased investment in interbank deposit certificates of financial enterprises during the reporting period;

(3) During the reporting period, net cash outflow generated from financing activities amounted to RMB3.729 billion, representing a decrease in net inflow of approximately RMB7.872 billion as compared with the net cash inflow of RMB4.143 billion in the corresponding period last year, which was mainly attributable to the year-on-year decrease in bank borrowings and interbank borrowings obtained by financial enterprises during the reporting period;

(4) As at 30 June 2024, cash and cash equivalent of the Group amounted to approximately RMB27.535 billion, representing a decrease of RMB7.064 billion as compared with RMB34.599 billion as at 30 June 2023.

6. Share of profits less losses of joint ventures and associated enterprises

During the reporting period, the Group's share of profits less losses of joint ventures and associated enterprises amounted to approximately RMB2.011 billion, representing a year-on-year decrease of approximately RMB3.289 billion, which was mainly attributable to the combined factors including the increased commercial and political investments of joint ventures and decreased income derived from the decrease in sales volume during the reporting period.

7. Others

Income tax amounted to approximately RMB45 million, representing a year-on-year decrease of approximately RMB210 million, which was mainly attributable to changes in profit of certain enterprises during the reporting period.

To sum up, the Group's net profit attributable to owners of the listed company for the reporting period amounted to approximately RMB1.516 billion, representing a year-on-year decrease of approximately 48.88%; basic earnings per share amounted to approximately RMB0.14, representing a year-on-year decrease of approximately 49.07%.

(V) ANALYSIS BY INDUSTRY, PRODUCT OR REGIONAL OPERATION

1. *Principal business by industry*

Unit: 100 million Currency: RMB

By industry	Revenue	Cost of sales	Gross profit margin (%)	Changes in revenue compared with last year (%)	Changes in cost of sales compared with last year (%)	Changes in gross profit margin compared with last year (%)
Automobile manufacturing industry	305.79	299.09	2.19	-33.51	-34.29	114.71
Parts and components manufacturing industry	19.17	17.44	9.02	-12.27	-15.71	69.87
Commercial services	113.53	106.05	6.59	-5.34	-7.70	57.28
Financial services and others	24.06	18.45	23.32	37.96	115.29	-54.15
Total	462.55	441.03	4.65	-25.29	-26.42	45.84

2. *Principal business by product*

Unit: 100 million Currency: RMB

By product	Revenue	Cost of sales	Gross profit margin (%)	Changes in revenue compared with last year (%)	Changes in cost of sales compared with last year (%)	Changes in gross profit margin compared with last year (%)
Passenger vehicles	305.79	299.09	2.19	-33.51	-34.29	114.71
Vehicles-related trades	132.70	123.49	6.94	-6.40	-8.92	58.81
Financial services and others	24.06	18.45	23.32	37.96	115.29	-54.15
Total	462.55	441.03	4.65	-25.29	-26.42	45.84

3. *Principal business by region*

Unit: 100 million Currency: RMB

By region	Revenue	Changes in revenue compared with last year
		(%)
Mainland China	407.01	-31.89
Overseas	55.54	157.61
Total	462.55	-25.29

4. *Principal business by sales model*

Unit: 100 million Currency: RMB

By sales model	Revenue	Cost of sales	Gross profit margin	Changes in revenue compared with last year	Changes in cost of sales compared with last year	Changes in gross profit margin compared with last year
			(%)	*(%)*	*(%)*	*(%)*
Distributor sales model	305.79	299.09	2.19	-33.51	-34.29	114.71
Others	156.76	141.94	9.45	-1.55	-1.54	-0.06
Total	462.55	441.03	4.65	-25.29	-26.42	45.84

(VI) ANALYSIS OF ASSETS AND LIABILITIES

1. *Analysis table of assets and liabilities*

Unit: 100 million Currency: RMB

Item	Balance at the end of current period	Balance at the end of current period over total assets *(%)*	Balance at the end of the previous year	Balance at the end of the previous year over total assets *(%)*	Change *(%)*
Prepayments and other long-term receivables	166.59	7.70	173.80	7.96	-4.15
Inventories	178.87	8.27	167.20	7.65	6.98
Borrowings – current	222.04	10.26	177.32	8.12	25.22
Trade and other payables – current	484.36	22.39	557.42	25.52	-13.11
Borrowings – non-current	111.18	5.14	103.84	4.75	7.07

2. *Analysis on the above changes*

(1) Prepayments and other long-term receivables decreased by 4.15% as compared with the balance at the end of the previous year, mainly due to the decrease in the scale of the finance leasing business during the reporting period;

(2) Inventories increased by 6.98% as compared with the balance at the end of the previous year, mainly attributable to the increase in finished vehicles as export inventories consequential to the increase in vehicle exports during the reporting period;

(3) Borrowings – current increased by 25.22% as compared with the balance at the end of the previous year, mainly attributable to the combined effect of the increase in demand of certain enterprises to replenish their working capital through short-term borrowings during the reporting period;

(4) Trade and other payables – current decreased by 13.11% as compared with the balance at the end of the previous year, mainly attributable to the combined effect of the increase in payments for goods to suppliers during the reporting period;

(5) Borrowings – non-current increased by 7.07% as compared with the balance at the end of the previous year, mainly attributable to the combined effect of the increased demand for long-term funds due to the businesses development of certain enterprises during the reporting period.

(VII) ANALYSIS OF FINANCIAL POSITION

1. *Financial indicators*

As at 30 June 2024, the Group's current ratio was approximately 1.37 times, representing an increase compared to approximately 1.31 times as at 31 December 2023; the Group's quick ratio was approximately 1.13 times, representing an increase compared to approximately 1.09 times as at 31 December 2023, both of which were at normal level.

2. *Financial resources and capital structure*

As at 30 June 2024, the Group's current assets amounted to approximately RMB100.847 billion, current liabilities amounted to approximately RMB73.625 billion and current ratio was approximately 1.37 times.

As at 30 June 2024, total borrowings amounted to approximately RMB33.322 billion, mainly consisting of borrowings from bank and financial institutions amounting to RMB33.206 billion which would be payable upon maturity. The Group generally funds its business and operational capital needs with its own operating cash flow.

As at 30 June 2024, the Group's gearing ratio was approximately 21.07% (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 of 30 June 2024, financial guarantee given by the Company to controlled and wholly-owned subsidiaries of the Group is nil (31 December 2023: nil).

As of 30 June 2024, independent third-party financial guarantee given by the Company is nil (31 December 2023: nil).

As of 30 June 2024, financial guarantee given by the Group to related parties outside the consolidation scope is nil (31 December 2023: nil).

(VIII) ANALYSIS OF MAJOR CONTROLLING AND INVESTEE COMPANIES

GAC Honda, GAC Toyota, GAC Trumpchi and GAC AION are the key joint ventures and subsidiaries of the Group. During the reporting period, confronted with the impact of multiple unfavorable factors in the industry such as the accelerating involution, intensifying price wars, and other complex and severe internal and external situations, each enterprise has thrived on the challenges and taken the initiative to scramble for the market, seize orders, control costs, and make every effort to promote sales for end consumers. Among which:

The production and sales volume of GAC Honda were 184,691 units and 207,930 units respectively, representing a year-on-year decrease of 42.02% and 28.28% respectively; revenue was RMB30.668 billion, representing a year-on-year decrease of approximately 28.35%;

The production and sales volume of GAC Toyota were 339,658 units and 336,000 units respectively, representing a year-on-year decrease of 26.36% and 25.80% respectively; revenue was RMB52.150 billion, representing a year-on-year decrease of approximately 29.58%;

The production and sales volume of GAC Trumpchi were 193,603 units and 188,882 units respectively, representing a year-on-year increase of 6.51% and 0.44% respectively; revenue was RMB25.459 billion, representing a year-on-year decrease of approximately 11.39%;

The production and sales volume of GAC AION were 140,258 units and 126,329 units respectively, representing a year-on-year decrease of 35.26% and 39.65% respectively; revenue was RMB12.401 billion, representing a year-on-year decrease of approximately 44.61%.

OTHER DISCLOSURES

1. Possible risks

Macro-environmental level

The global economy is showing a moderate recovery, but still faces a number of uncertainties and risk factors, including geopolitical conflicts, general elections in major economies, and other events that will result in increased instability. The overall economic operation of China remains stable with steady progress, continuing the trend of recovery and upturn. However, the unfavorable impact of the ever-changing external environment is increasing, namely the insufficient effective domestic demand, the divergence in economic operation, and relatively numerous risks and hidden dangers in key areas, as well as pains in the transformation from obsolete to emerging driving forces.

Industry level

The automotive market in China has entered a development phase of moderate to low growth, coupled with the accelerating involution of the industry, leading to a more pronounced structural differentiation: the differentiation between NEVs and traditional fuel vehicles is accelerating, with the penetration rate of NEVs rising rapidly and the market share of fuel vehicles continuously shrinking; the market share of self-developed brands in passenger vehicles continues to rise, while the market share of joint venture brands is further squeezed; the domestic market has fallen into a quagmire of price wars with weak growth; and automobile exports have continued to grow rapidly, becoming the main driving force for industry increment, but the risk factors of trade frictions and tariff barriers have become increasingly conspicuous.

Company level

For the Group, it currently faces the following major issues and challenges:

(1) **Sales and production of joint venture brands are declining.** The Group's existing joint ventures for manufacture of vehicles are all Japanese brands. The market share of Japanese brands, which mainly produce fuel vehicles, has generally shown a downward trend in recent years.

(2) **The pace of international expansion still needs to be accelerated.** In terms of scale, both of the absolute export quantity and export proportion of self-developed brands under the Group are significantly underperforming the industry average. From a perspective of structure, overseas sales of self-developed brands are still dominated by vehicle exports, the product structure of which is relatively single. Localised production is in its infancy and has not yet formed large-scale output.

(3) **Sales capability remains to be improved.** Our marketing mindset has failed to keep pace with the trends of the new media era, and our pursuit for digital marketing transformation has been neither swift nor thorough enough. Most brands still rely on traditional distribution channels, in which the implementation of "direct connection, direct service, and direct operation" is not fully in place.

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

(1) The joint ventures will make full use of the bilateral resources of shareholders to deepen cooperation in product development, supply chain, sales channels, etc., while accelerating the transformation to intellectualisation and electrification to promote local development, so as to forge even more competitive products that better cater to the demands of domestic customers. GAC Toyota will accelerate the joint development of vehicle models, carry out enhancements for models such as Bozhi, Levin, Frontlander, while expanding its lineup of electrified products. GAC Honda's new energy vehicle plant is scheduled to be put into production within this year to strengthen its matrix of electrified models, promote the development of models adapted to the localised development, and carry out independent amelioration of Accord, Odyssey and other models.

(2) The Group will promote its research on product portfolio and technical routes in overseas markets with an global vision, and continue to improve the market adaptability and product advancement of overseas models. In the second half of the year, the Group will propel the development and mass production of overseas versions for six products to consummate the overseas product matrix. The Group will proactively tap into international cooperation resources and rapidly expand its channel network in the international market, striving to add more than 100 new outlets in the second half of the year and more than 200 new outlets throughout the year. The Group will also deepen the localised operations including KD production, continuously optimise the operation and management of CKD plant in Malaysia and GAC AION's Thailand factory, so as to strengthen its localised operational ability in overseas markets.

(3) Through the establishment and refinement of new media matrix and a linkage mechanism for higher traffic at a group-wide level, the Group will conduct in-depth exploration of building a KOL and KOC (key opinion leaders and consumers) team to facilitate the conversion of increased traffic into orders. The Group will also consummate the design and content operation of its branded mobile application, fully leveraging the key role of mobile application in marketing and service fields, and driving services continuously to extend to a multitude of scenarios throughout customers' driving journey, which provide fresh experiences for value-added services and create new connection points to access services.

2. Production safety

During the reporting period, GAC Group consistently upheld the philosophy of "to address problems on both symptoms and root causes by giving priority to people and safety, so as to achieve a scientific development". In accordance with the control indicator plan for annual production safety target approved by the Board at the beginning of the year, the Group closely focused on the work emphases on production safety and promoted the strict implementation of the main responsibility of production safety by all enterprises, on the basis of refining the regulatory framework system in the field of new energy such as safety management standards for production, with the intensified implementation of double prevention as the core and the production safety target management system as the foothold. In accordance with the work procedures of supervision, guidance and service, the Group will continue to promote the strict implementation of the main responsibility of safety production by all investment enterprises, and promote the synchronisation of enterprise production safety management and business development. During the reporting period, the Group and each investment enterprise had experienced no major (or above) production safety accidents, and its production safety remained stable and was in an orderly manner.

In the second half of 2024, the Group will continue to pay close and serious attention to safety and strictly implement objective management for production safety in accordance with procedures of "supervision, guidance and service", supervise and urge investment enterprises to implement the responsibility system of production safety for all employees, safety risk management and control by classification, as well as the investigation and governance of hidden dangers, publicise and implement the standard system of production safety management for the Group's businesses in new energy and ecosystem segments effectively, put more emphases on the management of production safety compliance and information report, seize the three-year action work for production safety by tackling the root cause, improve the abilities of meteorological warning and disaster defence, strengthen propaganda education and training on production safety, and push each investment enterprise to earnestly perform the main responsibility for enterprise production safety, thereby ensuring the tasks for regulating production safety targets of the Group.

SIGNIFICANT EVENTS

1. Proposed Profit Distribution Plan or Conversion of Capital Reserves

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

Whether making profit distribution or converting capital reserve into share capital	Yes
Number of bonus share for every 10 shares	0
Amount of cash dividend for every 10 shares (RMB) (tax inclusive)	0.3
Number of shares converted for every 10 shares	0
Relevant Explanation on Profit Distribution Plan or Plan to Convert Capital Reserve into Shares	
At the 68th meeting of the 6th session of the Board of the Company, it was considered and approved that a cash interim dividend of RMB0.3 (tax inclusive) per 10 shares shall be distributed to all shareholders of the Company on the record date. The Shares as held by the Company in its securities account for repurchases will not be entitled to profit distribution.	

2. Matters Relating to Insolvency or Restructuring

On account of its insolvency, the joint venture, GAC Fiat Chrysler Automobiles Co., Ltd., filed for winding-up in accordance with relevant requirements of existing laws and regulations in 2022. On 29 November 2022, Intermediate People's Court of Changsha, Hunan Province issued the Civil Judgement [(2022) Xiang 01 Po Shen No. 139]((2022) 湘01破申139號) to formally accept its winding-up application; on 6 March 2023, Notice (2022)Xiang 01 Po No.214-1 ((2022) 湘01破214-1號) was issued and Yingke (Changsha) Law Firm was designated to act as the administrator. During the reporting period, the administrator had initiated the overall disposal of core assets.

3. Material Litigation and Arbitration

The Company had no material litigation and arbitration during the reporting period.

4. Events after the Reporting Period

There were no important events affecting the Company and its subsidiaries which have occurred since the end of the six months ended 30 June 2024.

CHANGES IN SHARE CAPITAL

On 29 February 2024, pursuant to the relevant requirements of the 2020 A share option and restricted share incentive scheme, the Company repurchased and cancelled the restricted A shares held by ineligible participants that failed to meet the conditions due to unusual changes, with a total of 3,330,156 restricted A shares. During the reporting period, a total of 13,560 A share options were exercised by participants, resulting in an increase of 13,560 A shares in the Company's share capital.

CORPORATE GOVERNANCE

During the reporting period, the Company has complied with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

According to the restricted shares granted to participants by the Company under the 2020 A share option and restricted share incentive scheme, and due to position changes, retirement and resignation of certain participants which resulted in their ineligibility for the conditions for grant, the Company repurchased and cancelled a total of 3,330,156 restricted A shares on 29 February 2024.

The resolution on the repurchase plan of shares through centralised bidding was passed at the Company's 2023 annual general meeting held on 20 May 2024. According to this repurchase mandate, the Company repurchased A shares and H shares simultaneously on 28 June 2024, among which a total of 1,930,000 A shares were repurchased at the aggregate consideration of RMB14,998,342, and consequently, the Company had an increase of 1,930,000 A shares as its treasury shares. Meanwhile, a total of 4,310,000 H shares were repurchased at the aggregate consideration of HK$12,018,460, and all such repurchased H shares were fully cancelled on 15 August 2024.

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

DEFINITIONS

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

"A Share(s)"	domestic listed shares with par value of RMB1.00 each in the ordinary share capital of the Company which are listed on the Shanghai Stock Exchange (Stock Code: 601238)
"associate(s)", "associated company(ies)" or "associated enterprise(s)"	all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights of such entities
"Board"	the board of directors of the Company
"CATL GAC"	CATL GAC Energy Battery System Co., Ltd. (時代廣汽動力電池有限公司), an associated company jointly funded and established by the Company, GAC AION and Contemporary Amperex Technology Co., Ltd. in December 2018 under PRC law, in which the Company and GAC AION hold 49% equity interests in total
"China Lounge Investments"	China Lounge Investments Limited (中隆投資有限公司), a wholly-owned subsidiary of the Company incorporated in Hong Kong
"Company" or "GAC"	Guangzhou Automobile Group Co., Ltd. (廣州汽車集團股份有限公司)
"EV"	electric vehicles
"GAC AION"	GAC AION New Energy Automobile Co., Ltd. (廣汽埃安新能源汽車股份有限公司) (formerly known as Guangzhou Automobile New Energy Automobile Co., Ltd. (廣汽新能源汽車有限公司)), a subsidiary of the Company incorporated in July 2017 under PRC law
"GAC Business"	GAC Business Co., Ltd. (廣汽商貿有限公司) (formerly known as Guangzhou Automobile Group Business Co., Ltd. (廣州汽車集團商貿有限公司)), a wholly-owned subsidiary of the Company incorporated in March 2000 under PRC law
"GAC Capital"	GAC Capital Co., Ltd. (廣汽資本有限公司), a wholly-owned subsidiary of the Company established in April 2013 under PRC law

"GAC Component"	GAC Component Co., Ltd. (廣汽零部件有限公司) (formerly known as Guangzhou Automobile Group Component Co., Ltd. (廣州汽車集團零部件有限公司)), a wholly-owned subsidiary incorporated in August 2000 under PRC law by the Company and its subsidiaries
"GAC Energy"	GAC Energy Technology Co., Ltd. (廣汽能源科技有限公司), a subsidiary established in July 2022 under PRC law by the Company, in which UPOWER Energy and GAC AION hold 55% and 45% equity interests, respectively
"GAC Finance Company"	Guangzhou Automobile Group Finance Co., Ltd. (廣州汽車集團財務有限公司), a wholly-owned subsidiary incorporated in January 2017 under PRC law by the Company
"GAC Hino"	GAC Hino Motors Co., Ltd. (廣汽日野汽車有限公司), a jointly controlled entity incorporated in November 2007 under PRC law by the Company and Hino Motors, Ltd.
"GAC Honda"	GAC Honda Automobile Co., Ltd. (廣汽本田汽車有限公司) (formerly known as Guangzhou Honda Automobile Co., Ltd. (廣州本田汽車有限公司)), a jointly controlled entity incorporated in May 1998 under PRC law by the Company, Honda Motor Co., Ltd. and Honda Motor (China) Investment Co., Ltd.
"GAC International"	GAC International Automobile Sales & Service Co., Ltd. (廣汽國際汽車銷售服務有限公司), a subsidiary established in May 2022 by the Company under PRC law
"GAC Leasing"	Guangzhou GAC Leasing Co., Ltd. (廣州廣汽融資租賃有限公司), a limited liability company incorporated under PRC law and an indirect wholly-owned subsidiary of 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 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 Société de Financement Industriel et Commercial (SOFINCO)
"GAEI"	Guangzhou Automobile Group Company Automotive Engineering Institute, a branch company of the Company established in June 2006 for the purpose of conducting research and development of the products and technology in which the Company has proprietary rights
"Group" or "GAC Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign shares with nominal value of RMB1.00 each in the ordinary share capital of the Company which are listed on the Stock Exchange (Stock Code: 2238)
"HEV"	hybrid electric vehicles
"IMPOW Battery"	IMPOW Battery Technology Co., Ltd. (因湃電池科技有限公司), a subsidiary of the Company established in October 2022 under PRC law
"joint venture(s)" or "jointly controlled entity(ies)"	joint venture companies under direct or indirect joint control, and no participating party has unilateral control power over the economic activities of such jointly controlled entity as a result of such direct or indirect joint control
"Lisheng Technology"	Lisheng Automotive Technology (Guangzhou) Co., Ltd. (立昇汽車科技(廣州)有限公司), established in June 2023 under PRC law by the Company, GAC Component and Luxshare Precision Industry Company Limited, and in which the Company and 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"	a mobile mobility platform established in April 2019 and launched by the Company through Chenqi Technology Limited (including its subsidiaries) established by China Lounge Investments and Tencent, and its controlling company, the shares of which are listed on the Stock Exchange (Stock Code: 9680), and is indirectly held 12.84% by the Group
"PHEV"	plug-in hybrid electric vehicles
"PRC" or "China"	the People's Republic of China
"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 Hino"	Shanghai Hino Engine Co., Ltd. (上海日野發動機有限公司), an associated company incorporated in October 2003 under PRC law by the Company and Hino Motors, Ltd., in which the Company holds 30% equity interests
"Shanghai Stock Exchange"	The Shanghai Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SUV"	sports utility vehicle
"UPOWER Energy"	UPOWER Energy Technology (Guangzhou) Co., Ltd. (優湃能源科技(廣州)有限公司) (formerly known as Guangzhou GAC Business Renewable Resources Co., Ltd. (廣州廣汽商貿再生資源有限公司)), a wholly-owned subsidiary of the Company established in September 2010 under PRC law

"Urtrust Insurance"	Urtrust Insurance Co., Ltd. (眾誠汽車保險股份有限公司), a subsidiary incorporated in June 2011 under PRC law by the Company, in which the Company directly and indirectly holds a total of 53.55% equity 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.
ZENG Qinghong
Chairman

Guangzhou, the PRC, 30 August 2024

As at the date of this announcement, the executive directors of the Company are ZENG Qinghong and FENG Xingya, the non-executive directors of the Company are CHEN Xiaomu, DING Hongxiang, GUAN Dayuan, DENG Lei and WANG Yiwei, and the independent non-executive directors of the Company are ZHAO Fuquan, XIAO Shengfang, WONG Hakkun and SONG Tiebo.