



**广汽集团**  
**GAC GROUP**

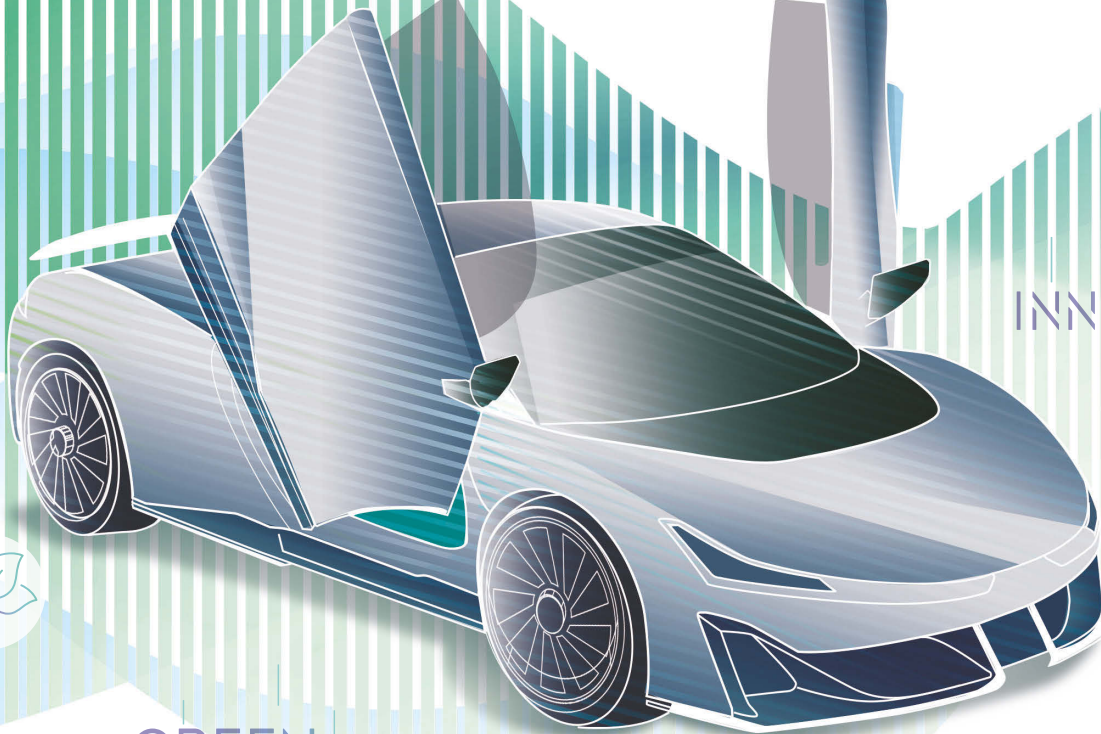
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TECHNOLOGY



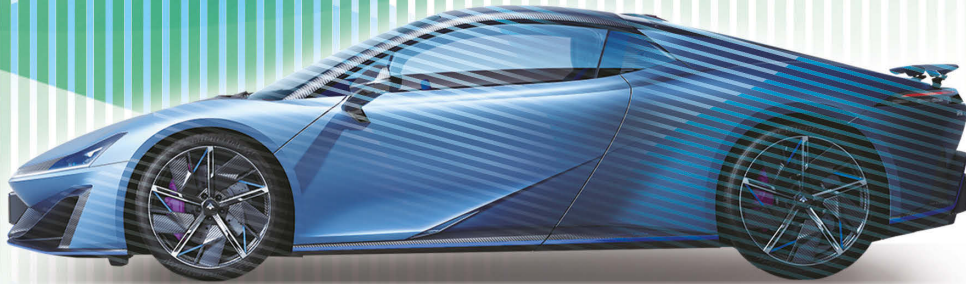
INNOVATION



GREEN POWER

**2024**

INTERIM REPORT



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# IMPORTANT NOTICE

- (I) The Board, the supervisory committee and the directors, supervisors and senior management of the Company warrant that the contents contained herein are true, accurate and complete. There are no false representations or misleading statements contained in or material omissions from this report, and they will jointly and severally accept responsibility.**
- (II) All directors of the Company have attended the meeting of the Board.**
- (III) The condensed consolidated interim financial information of the Company is unaudited. The Audit Committee of the Company has reviewed the unaudited interim results of the Company for the six months ended 30 June 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 report.**
- (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 report regarding the Company's future plans and development strategies do not constitute any substantive commitment to investors and investors are reminded of investment risks.**
- (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.**

# CHAIRMAN'S STATEMENT



## Chapter 1

# 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.

**ZENG Qinghong** *Chairman*

**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 181<sup>st</sup> on the Fortune Global 500 List for the 12<sup>th</sup> consecutive year.

## CHAIRMAN'S STATEMENT

**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.

## CHAIRMAN'S STATEMENT

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.

## CHAIRMAN'S STATEMENT

**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.



# CORPORATE PROFILE AND SUMMARY OF BUSINESS



## Chapter 2

# CORPORATE PROFILE AND SUMMARY OF BUSINESS

## I. CORPORATE INFORMATION

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

## II. CONTACT PERSON AND CONTACT METHOD

	<b>Secretary to the Board</b>
Name	Liu Xiangneng
Address	GAC Centre, No. 23 Xingguo Road, Zhujiang New Town, Tianhe District, Guangzhou
Telephone	020-83151139
Facsimile	020-83150319
E-mail	ir@gac.com.cn

## III. BASIC INFORMATION

Registered address of the Company	23/F, Chengyue Building, 448-458 Dong Feng Zhong Road, Yuexiu District, Guangzhou
Postal code of the Company's registered office address	510030
Office address of the Company	GAC Centre, No. 23 Xingguo Road, Zhujiang New Town, Tianhe District, Guangzhou
Postal code of the Company's office address	510623
Head office and principal place of business in Hong Kong	Room 808, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong
Company's website	www.gac.com.cn
E-mail	ir@gac.com.cn
Investor hotline	020-83151139 Ext.3

## IV. INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers selected by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Website designated by the CSRC for publishing the interim report	www.sse.com.cn
Website designated by the Stock Exchange for publishing the interim report	www.hkexnews.hk
Place of inspection of the interim report of the Company	22/F, GAC Centre, No. 23 Xingguo Road, Zhujiang New Town, Tianhe District, Guangzhou

# CORPORATE PROFILE AND SUMMARY OF BUSINESS

## V. INFORMATION ON THE COMPANY'S SHARES

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

## VI. SUMMARY OF BUSINESS

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

## CORPORATE PROFILE AND SUMMARY OF BUSINESS

### **Fuel-engined vehicle products of the Group mainly include:**

- GAC Trumpchi Empow, GS4, GS8, M8, M6, etc.;
- GAC Honda Accord, Integra, Vezele, 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.

## CORPORATE PROFILE AND SUMMARY OF BUSINESS

### (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 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.



## CORPORATE PROFILE AND SUMMARY OF BUSINESS

### 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.



## CORPORATE PROFILE AND SUMMARY OF BUSINESS

### **VII. 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.

## CORPORATE PROFILE AND SUMMARY OF BUSINESS

### **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

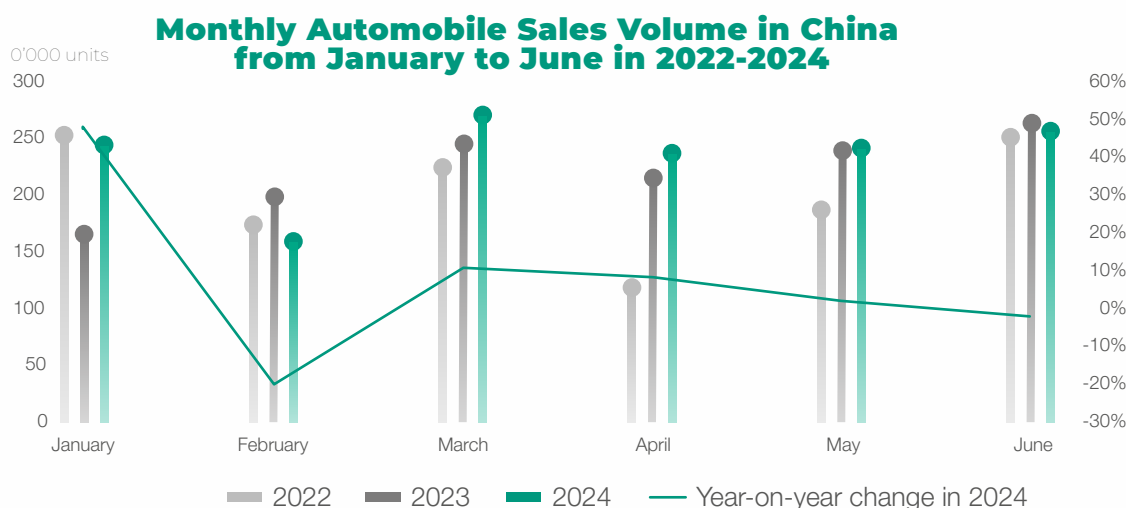


## Chapter 3

# DISCUSSION AND ANALYSIS ON OPERATION

## I. ANALYSIS ON INDUSTRY ENVIRONMENT<sup>1</sup>

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%.

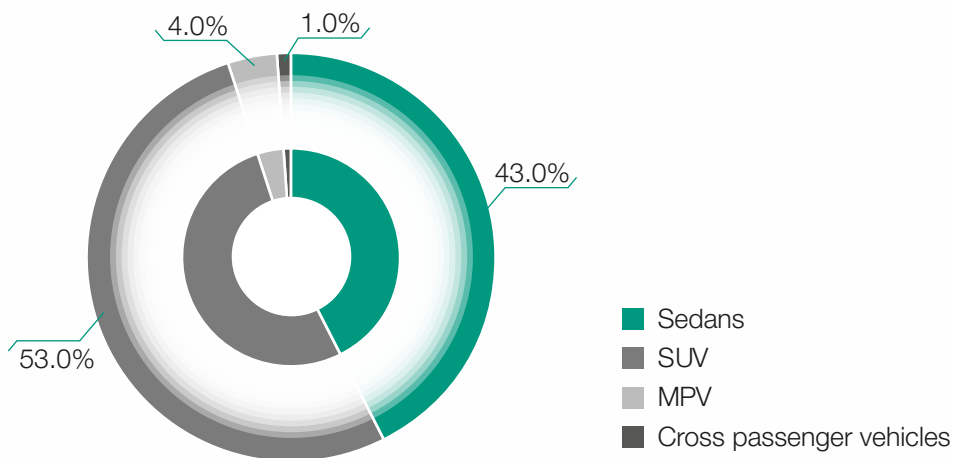


<sup>1</sup> In this report, relevant data of the industry are retrieved from the China Association of Automobile Manufacturers.

## DISCUSSION AND ANALYSIS ON OPERATION

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.

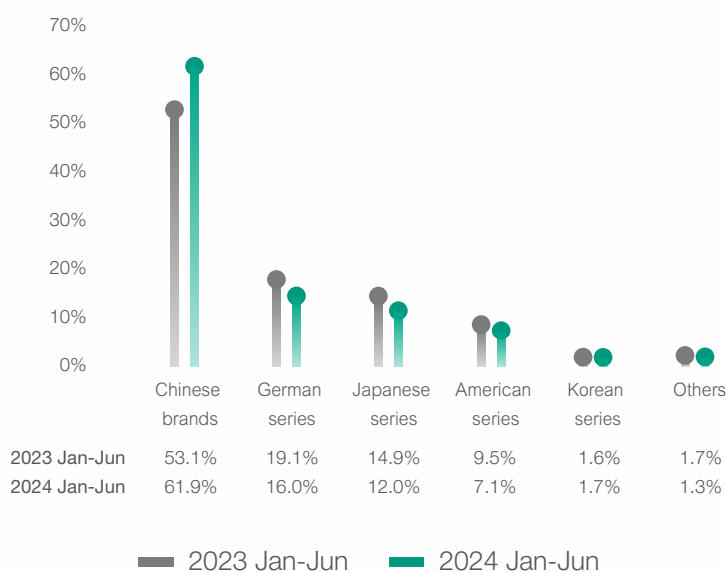
**Market Share of Passenger Vehicles by Models in China**



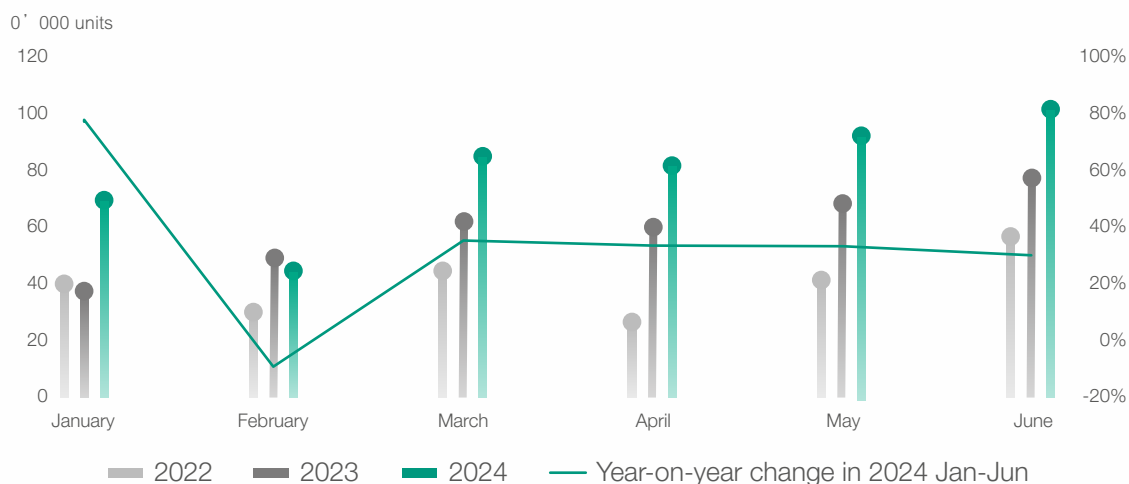
## DISCUSSION AND ANALYSIS ON OPERATION

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.

### Market Share of Passenger Vehicles by Series in China



### Monthly Sales Volume of New Energy Vehicles in China



## DISCUSSION AND ANALYSIS ON OPERATION

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%.

## DISCUSSION AND ANALYSIS ON OPERATION

### 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<sup>2</sup>. 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.

<sup>2</sup> In this report, data of the terminal sales volume are retrieved from China Automotive Technology and Research Center Limited.

## DISCUSSION AND ANALYSIS ON OPERATION

### (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 brand-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 ACSIQAUTO (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

## DISCUSSION AND ANALYSIS ON OPERATION

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.



## DISCUSSION AND ANALYSIS ON OPERATION

### 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.

## DISCUSSION AND ANALYSIS ON OPERATION

### 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 14<sup>th</sup> 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.

## DISCUSSION AND ANALYSIS ON OPERATION

**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.

## DISCUSSION AND ANALYSIS ON OPERATION

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.

## DISCUSSION AND ANALYSIS ON OPERATION

### 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;

## DISCUSSION AND ANALYSIS ON OPERATION

- (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%.

## DISCUSSION AND ANALYSIS ON OPERATION

### V. ANALYSIS BY INDUSTRY, PRODUCT OR REGIONAL OPERATION

#### 1. Principal business by industry

Unit: 100 million Currency: RMB

By industry	Revenue	Cost of sales	Gross profit margin (%)	Changes in revenue compared with last year (%)	Changes in cost of sales compared with last year (%)	Changes in gross profit margin compared with last year (%)
Automobile manufacturing industry	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

## DISCUSSION AND ANALYSIS ON OPERATION

### 3. Principal business by region

Unit: 100 million Currency: RMB

By region	Revenue	Changes in revenue compared with last year (%)
Mainland China	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



## DISCUSSION AND ANALYSIS ON OPERATION

### VI. ANALYSIS OF ASSETS AND LIABILITIES

#### 1. Analysis table of assets and liabilities

Unit: 100 million Currency: RMB

Item	Balance at the end of current period	Balance at the end of current period over total assets (%)	Balance at the end of the previous 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.

## DISCUSSION AND ANALYSIS ON OPERATION

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

#### 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).

## DISCUSSION AND ANALYSIS ON OPERATION

### **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%.

## Chapter 4

# SIGNIFICANT EVENTS

### I. 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 68<sup>th</sup> meeting of the 6<sup>th</sup> session of the Board of the Company convened on 30 August 2024, 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 whose names appeared on the register of members on the record date. The Shares as held by the Company in its securities account for repurchases will not be entitled to profit distribution.

### II. 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.

### III. MATERIAL LITIGATION AND ARBITRATION

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

## SIGNIFICANT EVENTS

### IV. APPOINTMENT OR DISMISSAL OF ACCOUNTANTS

#### EXPLANATION ON APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

As considered and approved at the 62<sup>nd</sup> meeting of the 6<sup>th</sup> session of the Board, the 20<sup>th</sup> meeting of the 6<sup>th</sup> session of the Supervisory Committee and the 2023 annual general meeting of the Company, the Company appointed ShineWing Certified Public Accountants LLP and KPMG as auditors of the Company for the year 2024.

#### CHANGE OF ACCOUNTING FIRM DURING THE AUDITING PERIOD

According to the Measures for Administration of Selection and Engagement of Accounting Firms by State-Owned Enterprises and Listed Companies (Cai Kuai [2023] No. 4) (《國有企業、上市公司選聘會計師事務所管理辦法》(財會[2023]4號)), KPMG has been appointed as the H-share auditor of the Company for the year 2024 with the approval of the Board, the Supervisory Committee and the general meeting of the Company as the term of appointment of the original H-share auditor has reached the prescribed term.

### V. EVENTS AFTER THE REPORTING PERIOD

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

## SIGNIFICANT EVENTS

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

#### **A-SHARE OPTION**

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

#### **RESTRICTED SHARES**

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

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

##### **1. Purpose**

In order to further establish and improve the long-term incentive mechanism of the Company, attract and retain talented individuals, fully mobilise the enthusiasm of the directors, senior management, other management personnel who has a direct impact on the Company’s operating performance and key core technical (business) personnel of the Company, and effectively bond the interests of the shareholders, the Company and individuals of core teams together, making all parties to attend to the long-term development of the Company, on the premise of fully protecting the interests of the shareholders and on the principle of income equivalent to contribution, the 2020 Incentive Scheme was formulated and passed at the 2020 second extraordinary general meeting and the 2020 first class meetings for holders of A and H shares of the Company held on 13 November 2020.

## SIGNIFICANT EVENTS

### **2. Scheme Participants**

All of the participants under the 2020 Incentive Scheme are employee participants as defined under Rule 17.03A(1)(a) of the Listing Rules, including the directors, senior management, other management personnel who has a direct impact on the Company's operating performance and key core technical (business) personnel of the Company.

### **3. Basis of determining the exercise price of the share options and the grant price of the restricted shares**

The Company granted a total of 102,101,330 A share options to 2,872 participants on 4 December 2020, and the exercise price before adjustment was RMB9.98 per share, which was determined with reference to the highest of the following and shall not be lower than the nominal amount of the A shares:

- (1) the average trading price of the A shares of the Company on the trading day preceding the date of the proposal announcement (i.e. 24 September 2020) which is RMB9.91; and
- (2) one of the average trading prices of the A shares of the Company for 20 trading days, 60 trading days or 120 trading days preceding the date of the proposal announcement.

The Company granted a total of 102,101,330 restricted shares to 2,872 participants on 4 December 2020, and the grant price was RMB4.99 per share, which was determined with reference to the highest of the following and shall not be lower than the nominal amount of the A shares:

- (1) 50% of the average trading price of the A shares of the Company on the trading day preceding the date of the proposal announcement (i.e. 24 September 2020) (which is RMB9.91); and
- (2) 50% of one of the average trading prices of the A shares of the Company for 20 trading days, 60 trading days or 120 trading days preceding the date of the proposal announcement.

## SIGNIFICANT EVENTS

The adjustment details for the exercise price of share options and the repurchase price of restricted shares since the implementation of the 2020 Incentive Scheme are as follows:

- Since 8 June 2021, as a result of the implementation of the final profit distribution plan for 2020, the exercise price of share options was adjusted to RMB9.83/A share accordingly and the repurchase price of restricted shares was adjusted to RMB4.84/A share accordingly under the 2020 Incentive Scheme. For details, please refer to the “Announcement on Adjusting the Exercise Price of the Share Option and Restricted Share Repurchase Price” (Announcement No.: Lin 2021-034) disclosed on the websites of SSE and the Stock Exchange on 26 May 2021.
- Since 22 September 2021, as a result of the implementation of the interim profit distribution plan for 2021, the exercise price of share options was adjusted to RMB9.78/A share accordingly and the repurchase price of restricted shares was adjusted to RMB4.79/A share accordingly under the 2020 Incentive Scheme. For details, please refer to the “Announcement on Adjusting the Exercise Price of the Share Option and Restricted Share Repurchase Price” (Announcement No.: Lin 2021-066) disclosed on the websites of SSE and the Stock Exchange on 13 September 2021.
- Since 21 November 2022, as a result of the implementation of the final profit distribution plan for 2021 and the interim profit distribution plan for 2022, the exercise price of share options was adjusted to RMB9.55/A share accordingly and the repurchase price of restricted shares was adjusted to RMB4.56/A share accordingly under the 2020 Incentive Scheme. At the same time, in terms of the repurchase of restricted shares due to the resignation, retirement, assessment, etc. of participants, the repurchase prices are RMB4.56/A share and RMB4.67172/A share, respectively, depending on the circumstances of participants triggering the repurchase cancellation conditions (plus deposit interest for the same period). For details, please refer to the “Announcement on Adjusting the Equity Price, Equity Quantity and Personnel List of the 2020 A Share Options and Restricted Share Incentive Scheme” (Announcement No.: Lin 2022-077) disclosed on the websites of SSE and the Stock Exchange on 21 November 2022.



## SIGNIFICANT EVENTS

- Since 16 June 2023, as a result of the implementation of the final profit distribution plan for 2022, the exercise price of share options was adjusted to RMB9.37/A share accordingly and the repurchase price of restricted shares was adjusted to RMB4.38/A share accordingly under the 2020 Incentive Scheme. For details, please refer to the “Announcement on Adjusting the Exercise Price of the Share Option and Restricted Share Repurchase Price in the Share Option Incentive Scheme of the Company” (Announcement No.: Lin 2023-050) disclosed on the websites of SSE and the Stock Exchange on 8 June 2023.
- Since 18 September 2023, as a result of the implementation of the interim profit distribution plan for 2023, the exercise price of share options was adjusted to RMB9.32/A share accordingly and the repurchase price of restricted shares was adjusted to RMB4.33/A share accordingly under the 2020 Incentive Scheme. For details, please refer to the “Announcement on Adjusting the Exercise Price of the Share Option and Restricted Share Repurchase Price in the Share Option Incentive Scheme of the Company” (Announcement No.: Lin 2023-080) disclosed on the websites of SSE and the Stock Exchange on 8 September 2023.
- Since 13 June 2024, as a result of the implementation of the final profit distribution plan for 2023, the exercise price of share options was adjusted to RMB9.22/A share accordingly and the repurchase price of restricted shares was adjusted to RMB4.23/A share accordingly under the 2020 Incentive Scheme. For details, please refer to the “Announcement on Adjusting the Exercise Price of the Share Option and Restricted Share Repurchase Price in the Share Option Incentive Scheme of the Company” (Announcement No.: Lin 2024-042) disclosed on the websites of SSE and the Stock Exchange on 4 June 2024.

The closing price of the Company’s A shares on the date immediately before the grant date of the 2020 Incentive Scheme was RMB13.29 per share. Within any 12-month period, none of the participants were granted or will be granted options and awards in aggregate exceeding 1% of the total issued A shares of the Company under all effective share schemes of the Company. Details of the maximum entitlement (including A share options and restricted shares) that each director and senior management of the Company may be granted under the 2020 Incentive Scheme are set out in the Company’s circular disclosed on the website of the Stock Exchange on 22 October 2020, and the maximum entitlement that can be granted to each other individual participant shall not be higher than the maximum entitlement limit of the above-mentioned ones. No amount is payable by the participants on application or acceptance of the A share options under the 2020 Incentive Scheme. According to the 2020 Incentive Scheme, the grant price of restricted A shares was RMB4.99 per share. In other words, after meeting the grant conditions, the participants purchased the restricted A shares which were issued and granted by the Company at a price of RMB4.99 per share.

## SIGNIFICANT EVENTS

#### **4. Validity period, vesting period and exercise period**

The 2020 Incentive Scheme shall be effective from the date on which the share options and the restricted shares have been granted and registered, and end on the date on which all the share options granted to the participants have been exercised or cancelled and all the restricted shares granted to the participants have been unlocked or repurchased and cancelled respectively, which shall not exceed 60 months, i.e. still effective until December 2025 with approximately one year and two months remaining. The vesting period and the lock-up period of share options and restricted shares respectively were 24 months, 36 months, 48 months from the date of completion of grant and registration.

As of the end of the reporting period, the total number of securities issuable under the 2020 Incentive Scheme was 48,693,437 shares, representing approximately 0.46% of the total issued shares of the Company then.

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

## SIGNIFICANT EVENTS

The exercise periods and exercise schedule for the share options are as follows:

<b>Exercise arrangement</b>	<b>Exercise period</b>	<b>Exercisable proportion</b>
First exercise period	Commencing from the first trading day after expiry of the 24-month period from the date of completion of registration of the share options and ending on the last trading day of the 36-month period from the date of completion of registration of the share options, i.e. 12 December 2022 to 10 December 2023	40%
Second exercise period	Commencing from the first trading day after expiry of the 36-month period from the date of completion of registration of the share options and ending on the last trading day of the 48-month period from the date of completion of registration of the share options, i.e. 11 December 2023 to 10 December 2024	30%
Third exercise period	Commencing from the first trading day after expiry of the 48-month period from the date of completion of registration of the share options and ending on the last trading day of the 60-month period from the date of completion of registration of the share options (during the reporting period, the third exercise period had not yet commenced)	30%

The participants shall complete the exercise of the share options within the validity period. If the exercise conditions are not satisfied, the A share options for the corresponding period shall not become exercisable. If the exercise conditions are satisfied but not all of the relevant A share options for that period have been exercised, the remaining A share options shall lapse automatically and shall be cancelled by the Company.

## SIGNIFICANT EVENTS

The details of the A share options under the 2020 Incentive Scheme for (I) directors and senior management and (II) other employee participants during the reporting period are as follows:

### A share options under the 2020 Incentive Scheme

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

Name	Position/Type of Participants	Number of A share options held at the beginning of the reporting period	Number of A share options newly granted during the reporting period	Number of A share options exercisable during the reporting period	Shares issued upon exercise of A share options during the reporting period	Number of A share options cancelled during the reporting period	Number of A share options lapsed during the reporting period	Exercise price of A share options (RMB)	Weighted average closing price immediately before the A share options were exercised (RMB)	Number of outstanding A share options held at the end of the reporting period
Feng Xingya	Director and General Manager	174,000	0	87,000	0	0	0	N/A	N/A	174,000
Yan Zhuangli	Deputy General Manager	156,000	0	78,000	0	0	0	N/A	N/A	156,000
Deng Lei	Non-executive director, chairwoman of the labour union	76,980	0	38,490	0	0	0	N/A	N/A	76,980
Wang Dan	Chief accountant and person in charge of accounting function	156,000	0	78,000	0	0	0	N/A	N/A	156,000
Gao Rui	Deputy General Manager	96,000	0	48,000	0	0	0	N/A	N/A	96,000
Yu Jun	Deputy General Manager	147,000	0	73,500	0	0	0	N/A	N/A	147,000
Zheng Heng	Deputy General Manager	147,000	0	73,500	0	0	0	N/A	N/A	147,000
Xia Xianqing	Deputy General Manager	147,000	0	73,500	0	0	0	N/A	N/A	147,000
Liu Xiangneng	Secretary to the Board and company secretary	53,880	0	26,940	0	0	0	N/A	N/A	53,880
	2020 Incentive Scheme middle level and other core businesses, technical and management key personnel (i.e. 2,391 other employee participants in total)	47,553,137	0	24,311,340	13,560	0	0	9.32 9.22	8.54	47,539,577
	Total (together with that of the Directors and Senior Management): 2,400	48,706,997	0	24,888,270	13,560	0	0	-	-	48,693,437

## SIGNIFICANT EVENTS

The unlocking periods and unlocking schedule of each unlocking period for the restricted shares are as follows:

<b>Unlocking arrangement</b>	<b>Unlocking period</b>	<b>Unlocking proportion</b>
First unlocking period	Commencing from the first trading day after expiry of the 24-month period from the date of completion of registration of the restricted shares and ending on the last trading day of the 36-month period from the date of completion of registration of the restricted shares, i.e. 12 December 2022 to 10 December 2023	40%
Second unlocking period	Commencing from the first trading day after expiry of the 36-month period from the date of completion of registration of the restricted shares and ending on the last trading day of the 48-month period from the date of completion of registration of the restricted shares, i.e. 11 December 2023 to 10 December 2024	30%
Third unlocking period	Commencing from the first trading day after expiry of the 48-month period from the date of completion of registration of the restricted shares and ending on the last trading day of the 60-month period from the date of completion of registration of the restricted shares (during the reporting period, the third unlocking period had not yet commenced)	30%

For restricted shares that unlocking has not been applied for or unlocking cannot be applied due to failure to meet the unlocking conditions during such unlocking period(s), the Company will repurchase and cancel such restricted shares in accordance with the rules of the 2020 Incentive Scheme.

The shares obtained by the participants by way of grant of the restricted shares arising from capitalisation issue, bonus issue and share subdivision shall be subject to locking, and shall not be sold in the secondary market or otherwise transferred. Such unlocking period(s) of such shares are the same as that of the restricted shares. If the Company repurchases the restricted shares that are yet to be unlocked, such shares shall be repurchased altogether.

## SIGNIFICANT EVENTS

The details of the restricted A shares under the 2020 Incentive Scheme for (I) directors and senior management and (II) other employee participants during the reporting period are as follows:

### Restricted A shares under the 2020 Incentive Scheme

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

Name	Position/Type of Participants	Number of locked-up restricted A shares held at the beginning of the reporting period	Number of restricted A shares newly granted during the reporting period	Number of restricted A shares unlocked (i.e. vested) during the reporting period	Weighted average closing price immediately before the vesting date of restricted A shares (RMB)	Number of restricted A shares cancelled and repurchased during the reporting period	Repurchase price of the cancelled restricted A shares (RMB)	Number of restricted A shares lapsing during the reporting period	Number of remaining locked-up restricted A shares held at the end of the reporting period
Feng Xingya	Director and General Manager	87,000	0	0	N/A	0	N/A	0	87,000
Yan Zhuangli	Deputy General Manager	78,000	0	0	N/A	0	N/A	0	78,000
Deng Lei	Non-executive director, chairwoman of the labour union	38,490	0	0	N/A	0	N/A	0	38,490
Wang Dan	Chief accountant and person in charge of accounting function	78,000	0	0	N/A	0	N/A	0	78,000
Gao Rui	Deputy General Manager	48,000	0	0	N/A	0	N/A	0	48,000
Yu Jun	Deputy General Manager	73,500	0	0	N/A	0	N/A	0	73,500
Zheng Heng	Deputy General Manager	73,500	0	0	N/A	0	N/A	0	73,500
Xia Xianqing	Deputy General Manager	73,500	0	0	N/A	0	N/A	0	73,500
Liu Xiangneng	Secretary to the Board and company secretary	26,940	0	0	N/A	0	N/A	0	26,940
	2020 Incentive Scheme middle level and other core businesses, technical and management key personnel (i.e. 2,512 other employee participants in total)	28,801,576	0	0	N/A	942,351 2,387,805	4.33 4.46423	0	25,471,420
	Total (together with that of the Directors and Senior Management): 2,521	29,378,506	0	0	N/A	3,330,156	-	0	26,048,350

## SIGNIFICANT EVENTS

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

#### 1. Purpose

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

#### 2. Scheme Participants

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

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

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

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

## SIGNIFICANT EVENTS

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

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

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



## SIGNIFICANT EVENTS

#### **4. Validity period, vesting period and exercise period**

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

As of the end of the reporting period, the total number of securities issuable under the 2022 Incentive Scheme was 233,455,400 shares, representing approximately 2.23% of the total issued shares of the Company then.

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

## SIGNIFICANT EVENTS

The exercise periods and exercise schedule for the share options are as follows:

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

The participants shall complete the exercise of the share options within the relevant exercise period. If the exercise conditions are not satisfied, the A share options for the corresponding period shall not become exercisable. If the exercise conditions are satisfied but not all of the relevant A share options for that period have been exercised, the remaining A share options shall lapse automatically and shall be cancelled by the Company.

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

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

## SIGNIFICANT EVENTS

### A share options under the 2022 Incentive Scheme

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

Name	Position/Type of Participants	Number of A share options held at the beginning of the reporting period	Number of A share options newly granted during the reporting period	Number of A share options exercisable during the reporting period	Shares issued upon exercise of A share options during the reporting period	Number of A share options cancelled during the reporting period	Number of A share options lapsed during the reporting period	Exercise price of A share options (RMB)	Weighted average closing price immediately before the dates on which the A share options were exercised	Number of A share options held at the end of the reporting period
									(RMB)	
Feng Xingya	Director and General Manager	500,000	0	0	0	0	0	N/A	N/A	500,000
Yan Zhuangli	Deputy General Manager	450,000	0	0	0	0	0	N/A	N/A	450,000
Deng Lei	Non-executive director, chairwoman of the labour union	425,000	0	0	0	0	0	N/A	N/A	425,000
Wang Dan	Chief accountant and person in charge of accounting function	450,000	0	0	0	0	0	N/A	N/A	450,000
Gao Rui	Deputy General Manager	450,000	0	0	0	0	0	N/A	N/A	450,000
Jiang Xiuyun	Deputy General Manager	450,000	0	0	0	0	0	N/A	N/A	450,000
Yu Jun	Deputy General Manager	450,000	0	0	0	0	0	N/A	N/A	450,000
Zheng Heng	Deputy General Manager	450,000	0	0	0	0	0	N/A	N/A	450,000
Xia Xianqing	Deputy General Manager	450,000	0	0	0	0	0	N/A	N/A	450,000
Liu Xiangneng	Secretary to the Board and company secretary	230,000	0	0	0	0	0	N/A	N/A	230,000
	2020 Incentive Scheme middle level and other core businesses, technical and management key personnel (ie. 3,073 other employee participants in total)	229,150,400	0	0	0	0	0	N/A	N/A	229,150,400
	Total (together with that of the Directors and Senior Management): 3,083	233,455,400	0	0	0	0	0	-	-	233,455,400

During the reporting period, the Company has granted 0 share option and 0 share award under all its existing share schemes. Therefore, for the purpose of Rule 17.07(3) of the Listing Rules, the number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the reporting period, as divided by the weighted average number of A shares in issue during the reporting period is 0.

## SIGNIFICANT EVENTS

### VII. 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.

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

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

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

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

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

## SIGNIFICANT EVENTS

Details of utilisation of the proceeds raised as at 30 June 2024 are set out below:

### AS AT 30 JUNE 2024

As at 30 June 2024, the amount of proceeds carried forward was RMB629,254,990.79 whereas the total cumulative amount of utilised proceeds was approximately RMB12,966,913,300 (inclusive of issuance expenses). Save for the items 7.9 and 7.10 specified below, there was no inconsistency between the utilisation of the proceeds and the original intended use.

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

*Unit: 0'000 Currency: RMB*

<b>No.</b>	<b>Investment project</b>	<b>Total amount of investment commitment from the proceeds raised</b>	<b>Amount invested for this half year</b>	<b>Cumulative amount invested</b>	<b>Estimated time of completion</b>
1	New energy vehicles and R&D of prospective technology project	480,000.00	0.00	479,422.30	Completed
2	GAEI phase 1 base expansion project	60,000.00	0.00	50,743.99	Completed
3	GAEI phase 2 base construction project	100,000.00	0.00	76,518.68	Completed
4	GAC proprietary brand project of Xinjiang	80,000.00	0.00	22,782.95	Completed
5	GAC improvement project of Hangzhou	220,000.00	0.00	152,350.38	Completed
6	GAC proprietary brands technological reformation project	250,000.00	0.00	212,165.22	Completed
7	GAC proprietary brands vehicle models projects	215,000.00	0.00	201,784.36	Completed
7.1	GAMC A16 project	20,000.00	0.00	18,780.34	Completed
7.2	GAMC A35 project	35,000.00	0.00	32,329.64	Completed
7.3	GAMC A5H project	30,000.00	0.00	30,547.98	Completed
7.4	GAMC A10 project	40,000.00	0.00	36,841.51	Completed
7.5	GAMC A30 project	15,000.00	0.00	15,000.00	Completed

## SIGNIFICANT EVENTS

No.	Investment project	Total amount of investment commitment from the proceeds raised	Amount invested for this half year	Cumulative amount invested	Estimated time of completion
7.6	GAMC A32 project	10,000.00	0.00	10,000.00	Completed
7.7	GAMC A06 project	35,000.00	0.00	35,140.89	Completed
7.8	GAMC A7M project	30,000.00	0.00	23,144.00	Completed
7.9	GAMC A66 project	0.00 (37,733.79)*	0.00	0.00	September 2025
7.10	GAMC T68 project	0.00 (24,424.00)*	0.00	0.00	September 2025
8	GAMC engine project	50,000.00	0.00	48,581.73	Completed
9	GAMC gearbox project	30,000.00	0.00	29,036.72	Completed
10	P6 gearbox development project	15,000.00	0.00	15,000.00	Completed
	Issuance expenses	–	0.00	8,305.00	–
	<b>Total</b>	<b>1,500,000.00</b>	<b>0.00</b>	<b>1,296,691.33</b>	

\* As at 28 March 2024, as approved by the 60<sup>th</sup> meeting of the sixth session of the Board and the 19<sup>th</sup> meeting of the sixth session of the Supervisory Committee of the Company, the Company proposed to change the unused remaining proceeds (including interest and cash management revenue) of a total of approximately RMB621.5779 million of the original fund-raising project “GAC proprietary brand project of Xinjiang” to the new fund-raising project “GAC proprietary brands vehicle models projects”, i.e. “A66 project” under item 7.9 and “T68 project” under item 7.10. The partial change in fund-raising investment projects has been approved by shareholders at the 2023 annual general meeting of the Company.

For further information on the utilisation of proceeds raised from the non-public issuance, please refer to the “Specific Report on the Deposit of the Proceeds and the Utilisation of the Proceeds by Guangzhou Automobile Group Co., Ltd. for the First Half of 2024” published by the Company on 30 August 2024 by way of overseas regulatory announcement.

## SIGNIFICANT EVENTS

### **IX. CORPORATE GOVERNANCE**

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

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “Model Code”) as set out in Appendix C3 to the Listing Rules. After making specific enquiries with all directors by the Company, all directors have confirmed that they have fully complied with the Model Code throughout the reporting period.

### **X. TRANSACTIONS IN RELATION TO PRINCIPAL JOINT VENTURES**

At the time of listing of the Company, the Stock Exchange granted a conditional waiver from strict compliance with the requirements of Chapters 14 and 14A of the Listing Rules in respect of immaterial joint ventures. The Company is required to review whether the immaterial joint ventures met the conditions in the waiver on a yearly basis. The principal joint ventures of the Company are GAC Toyota, GAC Honda, and GAC-SOFINCO, calculated based on the financial statements for the year ended 31 December 2023.

As at 31 December 2023, calculated based on the proportion of shareholdings of the Group in the joint ventures, the total liabilities and total revenues of jointly controlled entities amounted to RMB69,307,000,000 and RMB134,215,000,000 respectively, which will be used in the calculation of waivers granted by the Stock Exchange to the Company in respect of asset and revenue ratios.

## SIGNIFICANT EVENTS

### XI. 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.



## SIGNIFICANT EVENTS

- (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.

## SIGNIFICANT EVENTS

### **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.

### **3. SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITION AND DISPOSAL**

Save as disclosed in the most recent published annual report of the Group for the year ended 31 December 2023, the Group has not had any significant investments and has not conducted any material acquisitions or disposals of subsidiaries, associates and joint ventures during the reporting period.

## SIGNIFICANT EVENTS

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

Save as disclosed in the most recent published annual report of the Group for the year ended 31 December 2023, the Group does not have any specific future plans for material investments or acquisition of capital assets.

### **5. REMUNERATION AND LEGAL RIGHTS OF EMPLOYEES**

As at 30 June 2024, there are 90,077 registered employees in the Group (including its investee enterprises).

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

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

In the first half of 2024, the Group continuously promoted working methods with GAC's characteristics, carrying out the recruitment of lecturers for management and backbone levels through 232 training sessions with 2,565 individuals trained; built a national skilled talent training platform, which was recognised as the 2023 National Skilled Personnel Training Base by the Ministry of Human Resources and Social Security; forged a skilled workforce and carried out the first autonomous reviews on senior technicians, with 6 senior technicians selected; built a craftsman talent training base, applied to become the Guangdong Institute of Craftsman, and was recommended by the Guangdong Provincial Federation of Trade Unions to apply for the accreditation as a national craftsman college; promoted the training of international talents, held the first phase of special training courses for international talents, and adopted the "dual line" training model to cultivate 63 international talents, which provided talent support for the Group's international development.

## SIGNIFICANT EVENTS

### **6. PLEDGE OF ASSETS**

As at 30 June 2024, the Group had inventories of RMB2,234,643,462, fixed assets of RMB8,777,483 and intangible assets of RMB43,584,242 and long-term receivables of RMB6,598,213,154, respectively, which were pledged as collaterals for borrowings.

## Chapter 5

# CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### I. CHANGES IN SHARE CAPITAL

Unit: share

	Before change		Increase/decrease in the change (+, -)				After change		
	Number	Percentage (%)	Issue of new shares	Bonus issue	Conversion from contributed capital surplus	Others	Subtotal	Number	Percentage (%)
I. Restricted shares	29,378,506	0.28				-3,330,156	-3,330,156	26,048,350	0.25
1. State-owned shares									
2. Shares held by state-owned legal person									
3. Shares held by other domestic entities	29,378,506	0.28				-3,330,156	-3,330,156	26,048,350	0.25
Including: Shares held by domestic non-state-owned legal persons									
Shares held by domestic natural persons	29,378,506	0.28				-3,330,156	-3,330,156	26,048,350	0.25
4. Shares held by foreign entities									
Including: Shares held by overseas legal persons									
Shares held by overseas natural persons									
II. Non-restricted tradable shares	10,460,855,908	99.72				13,560	13,560	10,460,869,468	99.75
1. RMB-denominated ordinary shares	7,362,235,603	70.18				13,560	13,560	7,362,249,163	70.20
2. Domestically-listed foreign shares									
3. Overseas listed foreign shares	3,098,620,305	29.54						3,098,620,305	29.55
4. Others									
III. Total shares	10,490,234,414	100				-3,316,596	-3,316,596	10,486,917,818	100

#### Explanation on changes in shares

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

## CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### **II. 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. Pursuant 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.

## CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### III. SHARE INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 2024, the interests and short positions of the persons (other than directors and supervisors) interested in 5% or more of the respective classes of issued capital, as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO are set out below:

Name	Class of shares	Capacity	Number of shares <sup>(Note 1)</sup>	Percentage in the class of issued share capital (%)	Percentage of total share capital (%)
GAIG <sup>(Note 2)</sup>	A shares	Beneficial owner	5,206,932,069(L)	70.48	49.65
	H shares	Interest of a controlled corporation	301,228,000(L)	9.72	2.87
Hong Zejun (洪澤君)	H shares	Beneficial owner	155,250,000	5.01	1.48

Notes:

- (L) – Long Position, (S) – Short Position, (P) – Lending Pool.
- As at 30 June 2024, the total number of A shares of the Company actually held by GAIG was 5,206,932,069 shares, representing approximately 70.48% of the A share capital of the Company. At the same time, through Southbound Trading of Shanghai-Hong Kong Stock Connect and Guangzhou Auto Group (Hong Kong) Limited (a wholly-owned subsidiary), GAIG held 301,228,000 H shares of the Company in total, representing approximately 9.72% of the H share capital of the Company. The total number of A and H shares of the Company held by GAIG was 5,508,160,069 shares, representing approximately 52.52% of the total share capital of the Company.

## Chapter 6

# PROFILES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT

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

On 23 February 2024, upon election at the Company's employee representative meeting, Ms. Zhu Chun was appointed as a staff supervisor of the sixth session of the Supervisory Committee of the Company, for a tenure ending on the expiry of the term of office of the sixth session of the Supervisory Committee of the Company. Ms. Wang Lu ceased to be a staff supervisor of the Supervisory Committee of the Company as she has reached the retirement age.

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

As at 30 June 2024, the interests or short positions of the incumbent and resigned directors, supervisors and senior management of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she was deemed or taken to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code under the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name	Position	Class of shares	Capacity	Number of shares held	Number of interests in underlying Shares held under equity derivatives	Total	Percentage in the class of issued share capital	Percentage of total share capital
Zeng Qinghong	Chairman and Party Secretary	A Shares	Beneficiary owner	398,300	0	398,300	0.0054%	0.0038%
Feng Xingya	Director and General Manager	A Shares	Beneficiary owner	690,933	674,000	1,364,933	0.0185%	0.0130%
Chen Xiaomu	Director and Deputy Party Secretary	A Shares	Beneficiary owner	97,367	0	97,367	0.0013%	0.0009%
		H Shares	Beneficiary owner	98,000	0	98,000	0.0032%	0.0009%



## PROFILES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT

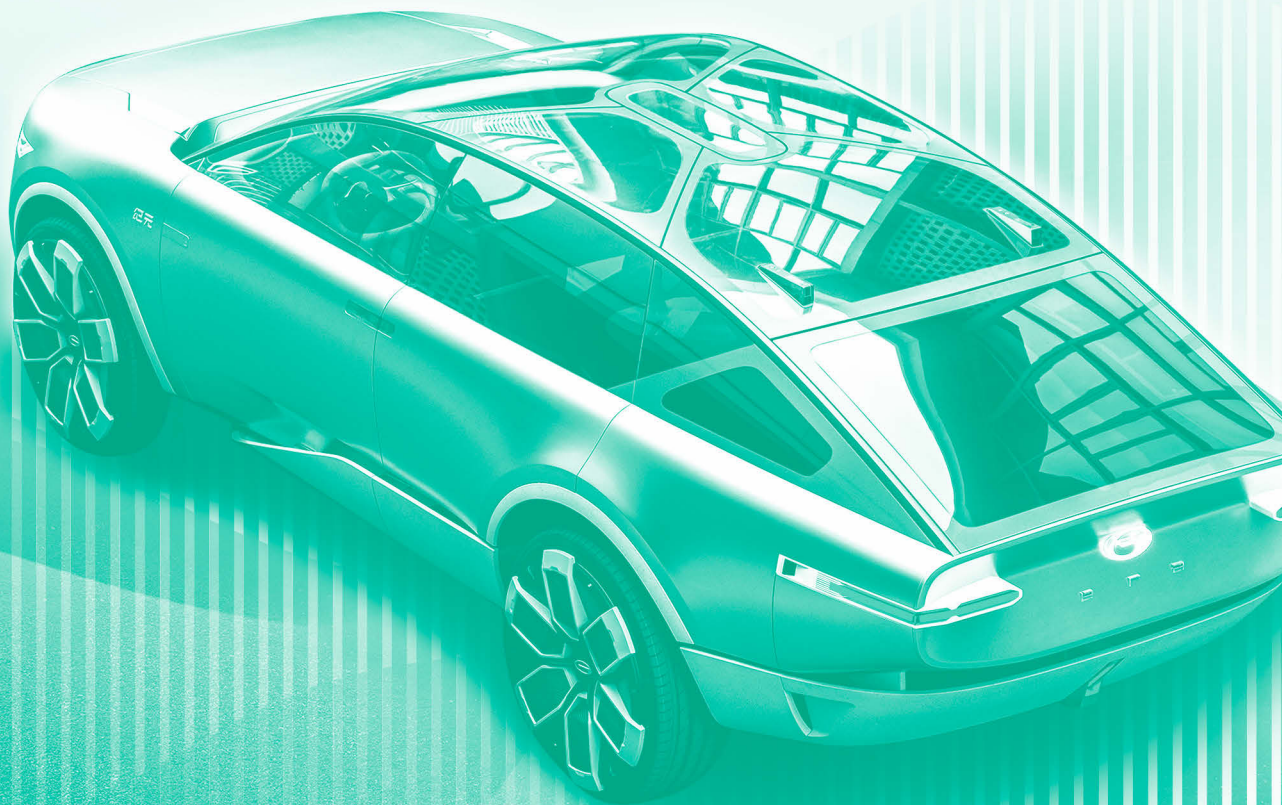
Name	Position	Class of shares	Capacity	Number of shares held	Number of interests in underlying Shares held under equity derivatives	Total	Percentage in the class of issued share capital	Percentage of total share capital
Deng Lei	Staff Director and chairman of the labour union	A Shares	Beneficiary owner	229,620	501,980	731,600	0.0099%	0.0070%
Wang Yuan	Staff supervisor	A Shares	Beneficiary owner	25,160	161,000	186,160	0.0025%	0.0018%
Zhu Chun (inaugural on 26 February 2024)	Staff supervisor	A Shares	Beneficiary owner	151,627	256,940	408,567	0.0055%	0.0039%
		H Shares	Beneficiary owner	2,000	0	2,000	0.0001%	0.0001%
Yan Zhuangli	Deputy General Manager	A Shares	Beneficiary owner	260,000	606,000	866,000	0.0117%	0.0083%
Wang Dan	Chief accountant and person in charge of accounting function	A Shares	Beneficiary owner	654,968	606,000	1,260,968	0.0171%	0.0120%
Gao Rui	Deputy General Manager	A Shares	Beneficiary owner	168,000	546,000	714,000	0.0097%	0.0068%
Jiang Xiuyun	Deputy General Manager	A Shares	Beneficiary owner	0	450,000	450,000	0.0061%	0.0043%
Yu Jun	Deputy General Manager	A Shares	Beneficiary owner	343,000	597,000	940,000	0.0127%	0.0090%
Zheng Heng	Deputy General Manager	A Shares	Beneficiary owner	350,979	597,000	947,979	0.0128%	0.0090%
Xia Xianqing	Deputy General Manager	A Shares	Beneficiary owner	183,800	597,000	780,800	0.0106%	0.0074%
Liu Xiangneng	Secretary of the Board and company secretary	A Shares	Beneficiary owner	53,880	283,880	337,760	0.0046%	0.0032%

Note: For good practice of corporate governance, interests of senior management (other than the chief executive) in the Company are also disclosed in the above table.

## PROFILES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT

Save as disclosed above, so far as the directors of the Company are aware, as at 30 June 2024, none of the directors, supervisors or senior management of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept as referred to in section 352 of the SFO or were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**CONDENSED  
CONSOLIDATED |  
INTERIM FINANCIAL  
INFORMATION**



## Chapter 7

# INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	26,011,522	24,929,595
Investment properties	5	1,135,596	1,061,628
Intangible assets	5	16,386,534	16,469,701
Right-of-use assets	6	8,896,060	8,513,148
Investments in joint ventures and associates	7	30,016,472	37,159,868
Deferred income tax assets	8	4,923,839	4,366,130
Financial assets at fair value through other comprehensive income	9	9,100,966	5,094,366
Financial assets at fair value through profit or loss	9	2,362,969	2,363,512
Prepayments and other long-term receivables		16,658,707	17,380,185
		<b>115,492,665</b>	117,338,133
<b>Current assets</b>			
Inventories	10	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	9	12,905,940	5,634,369
Financial assets at fair value through profit or loss	9	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
		<b>100,846,711</b>	101,110,637
<b>Total assets</b>		<b>216,339,376</b>	218,448,770
<b>EQUITY</b>			
Share capital	12	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
<b>Total equity</b>		<b>124,815,075</b>	124,453,812

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	<b>Unaudited 30 June 2024 RMB'000</b>	Audited 31 December 2023 RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other payables	13	<b>1,475,621</b>	1,424,654
Borrowings	14	<b>11,118,403</b>	10,384,250
Lease liabilities	6	<b>1,705,242</b>	1,484,772
Deferred income tax liabilities	8	<b>368,048</b>	240,007
Provisions		<b>1,041,432</b>	1,030,490
Government grants		<b>2,064,677</b>	2,110,959
Contract liabilities		<b>125,606</b>	125,606
		<b>17,899,029</b>	16,800,738
<b>Current liabilities</b>			
Trade and other payables	13	<b>48,435,539</b>	55,742,477
Contract liabilities		<b>1,991,418</b>	2,520,615
Current income tax liabilities		<b>139,210</b>	203,862
Borrowings	14	<b>22,203,936</b>	17,731,673
Lease liabilities	6	<b>422,086</b>	449,688
Provisions		<b>433,083</b>	545,905
		<b>73,625,272</b>	77,194,220
<b>Total liabilities</b>		<b>91,524,301</b>	93,994,958
<b>Net assets</b>		<b>124,815,075</b>	124,453,812
<b>Total equity and liabilities</b>		<b>216,339,376</b>	218,448,770

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Unaudited Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Revenue	4	46,255,051	61,911,005
Cost of sales		(44,102,599)	(59,936,261)
<b>Gross profit</b>		<b>2,152,452</b>	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
<b>Operating loss</b>	15	<b>(758,966)</b>	(3,036,021)
Interest income		242,271	305,625
Finance costs	16	(323,806)	(200,535)
Share of profits less losses of joint ventures and associates	7	2,010,925	5,300,499
<b>Profit before income tax</b>		<b>1,170,424</b>	2,369,568
Income tax credit	17	45,437	255,749
<b>Profit for the period</b>		<b>1,215,861</b>	2,625,317
<b>Profit attributable to:</b>			
Owners of the Company		1,516,347	2,966,171
Non-controlling interests		(300,486)	(340,854)
		<b>1,215,861</b>	2,625,317

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Unaudited	
		Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
<b>Other comprehensive income</b>			
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)
<b>Other comprehensive income for the period, net of tax</b>		<b>215,695</b>	14,683
<b>Total comprehensive income for the period</b>		<b>1,431,556</b>	2,640,000
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		1,717,350	2,979,125
Non-controlling interests		(285,794)	(339,125)
		<b>1,431,556</b>	2,640,000
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company</b>			
(expressed in RMB per share)			
– basic	18	0.14	0.28
– diluted	18	0.14	0.28

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited						
	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Reserves	Retained earnings	Total			
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>Balance as at 1 January 2024</b>	<b>10,490,234</b>	<b>47,317,286</b>	<b>57,966,657</b>	<b>115,774,177</b>	<b>8,679,635</b>	<b>124,453,812</b>	
<b>Comprehensive income</b>							
Profit/(loss) for the period	-	-	1,516,347	1,516,347	(300,486)	1,215,861	
Other comprehensive income, net of tax	-	201,003	-	201,003	14,692	215,695	
<b>Total comprehensive income</b>	<b>-</b>	<b>201,003</b>	<b>1,516,347</b>	<b>1,717,350</b>	<b>(285,794)</b>	<b>1,431,556</b>	
<b>Transactions with owners in their capacity as owners</b>							
Dividend declared by the Company and subsidiaries	-	-	(1,048,690)	(1,048,690)	(108,294)	(1,156,984)	
Repurchase of ordinary shares	-	(25,988)	-	(25,988)	-	(25,988)	
Employee share scheme							
– Proceeds from shares issued	14	112	-	126	-	126	
Repurchase of restricted shares	(3,330)	3,330	-	-	-	-	
Others	-	(104,718)	-	(104,718)	217,271	112,553	
<b>Total transactions with owners in their capacity as owners</b>	<b>(3,316)</b>	<b>(127,264)</b>	<b>(1,048,690)</b>	<b>(1,179,270)</b>	<b>108,977</b>	<b>(1,070,293)</b>	
<b>Balance as at 30 June 2024</b>	<b>10,486,918</b>	<b>47,391,025</b>	<b>58,434,314</b>	<b>116,312,257</b>	<b>8,502,818</b>	<b>124,815,075</b>	



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited					
	Attributable to owners of the Company					
	Share capital RMB'000	Reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
<b>Balance as at 1 January 2023</b>	10,487,164	46,750,366	56,066,781	113,304,311	9,027,144	122,331,455
<b>Comprehensive income</b>						
Profit/(loss) for the period	-	-	2,966,171	2,966,171	(340,854)	2,625,317
Other comprehensive income, net of tax	-	12,954	-	12,954	1,729	14,683
<b>Total comprehensive income</b>	-	12,954	2,966,171	2,979,125	(339,125)	2,640,000
<b>Transactions with owners in their capacity as owners</b>						
Dividend declared by the Company and subsidiaries	-	-	(1,887,125)	(1,887,125)	(73,725)	(1,960,850)
Employee share scheme						
- Proceeds from shares issued	4,348	37,146	-	41,494	-	41,494
Repurchase of restricted shares	(7,328)	7,328	-	-	-	-
Others	-	57,786	-	57,786	1,463	59,249
<b>Total transactions with owners in their capacity as owners</b>	(2,980)	102,260	(1,887,125)	(1,787,845)	(72,262)	(1,860,107)
<b>Balance as at 30 June 2023</b>	10,484,184	46,865,580	57,145,827	114,495,591	8,615,757	123,111,348

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Cash generated from/(used in) operations	2,005,601	(248,930)
Interest received	685,649	526,838
Interest paid	(479,864)	(531,074)
Income tax paid	(363,365)	(275,198)
<b>Net cash generated from/(used in) in operating activities</b>	<b>1,848,021</b>	<b>(528,364)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment, right-of-use assets and intangible assets	(4,782,600)	(4,716,389)
Proceeds from sales of property, plant and equipment and intangible assets	54,533	57,991
Additional capital injection in joint ventures	(886,500)	(226,617)
Additional capital injection in associates	(215,381)	(600,000)
Set-up of joint ventures	(28,220)	(74,100)
Acquisition of subsidiaries, net of cash acquired	(14,900)	–
Set-up of an associate	–	(2,000)
Disposal or reduction of capital in joint ventures and associates	295,930	42,224
Acquisition of investment on financial assets at fair value through profit or loss, other comprehensive income and amortised cost	(19,027,081)	(14,572,352)
Disposal of investment on financial assets at fair value through profit or loss, other comprehensive income and amortised cost	8,985,261	10,724,866
Proceeds from investment income from financial instruments	166,846	136,486
Granting of entrusted loans	(57,814)	(650,000)
Proceeds from repayment of entrusted loans	43,097	117,198
Receipt of government grants related to assets	257,941	111,058
Dividends received	10,054,271	11,505,149
Increase in time deposits	(5,195,157)	(5,088,683)
<b>Net cash used in investing activities</b>	<b>(10,349,774)</b>	<b>(3,235,169)</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares under employee share-based awards scheme	126	49,638
Contribution from non-controlling shareholders of subsidiaries	77,841	–
Dividend paid to shareholders of the Company	(1,048,690)	(1,887,125)
Dividend paid to non-controlling interests in subsidiaries	(64,572)	(54,688)
Proceeds from bank borrowings (excluding securitization debts)	15,759,444	20,383,702
Proceeds from securitization debts	132,901	2,757,000
Proceeds from deposits for financing activities	1,355	10,762
Repayments of bank borrowings (excluding securitization debts)	(16,103,122)	(11,786,154)
Repayments of securitization debts	(2,295,287)	(2,353,046)
Repayments of bonds	–	(3,000,000)
Proceed from repurchasing financial assets	–	74,245
Principal elements of lease payments	(78,952)	(50,101)
Other payments of financing expenses	(84,385)	(858)
Ordinary Share repurchase payment	(25,988)	–
<b>Net cash (used in)/generated from financing activities</b>	<b>(3,729,329)</b>	4,143,375
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(12,231,082)</b>	379,842
Cash and cash equivalents at beginning of the period	39,522,331	34,222,113
Exchange gains/(losses) on cash and cash equivalents	244,015	(2,784)
<b>Cash and cash equivalents at end of the period</b>	<b>27,535,264</b>	34,599,171

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

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

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

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

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

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 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 developments 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 developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented 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.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 4 SEGMENT INFORMATION (Continued)

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
<b>Six months ended 30 June 2024</b>					
Total gross segment revenue	43,950,178	2,622,121	(317,248)	-	46,255,051
Inter-segment revenue	(154,613)	(162,635)	317,248	-	-
<b>Revenue (from external customers)</b>	<b>43,795,565</b>	<b>2,459,486</b>	<b>-</b>	<b>-</b>	<b>46,255,051</b>
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
<b>Segment results</b>	<b>(2,286,864)</b>	<b>1,536,359</b>	<b>(17,393)</b>	<b>-</b>	<b>(767,898)</b>
Unallocated income -Interest income of headquarters	-	-	-	96,684	96,684
Unallocated costs - Expenditure of headquarters	-	-	-	(87,752)	(87,752)
<b>Operating loss</b>					<b>(758,966)</b>
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
<b>Profit before income tax</b>					<b>1,170,424</b>
Income tax credit/(expenses)	300,931	(252,066)	-	(3,428)	45,437
<b>Profit for the period</b>					<b>1,215,861</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 4 SEGMENT INFORMATION (Continued)

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
<b>Six months ended 30 June 2023</b>					
Total gross segment revenue	60,327,675	1,915,156	(331,826)	-	61,911,005
Inter-segment revenue	(160,204)	(171,622)	331,826	-	-
<b>Revenue (from external customers)</b>	<b>60,167,471</b>	<b>1,743,534</b>	<b>-</b>	<b>-</b>	<b>61,911,005</b>
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
<b>Segment results</b>	<b>(3,111,198)</b>	<b>151,816</b>	<b>(19,119)</b>	<b>-</b>	<b>(2,978,501)</b>
Unallocated income – Interest income of headquarters	-	-	-	12,310	12,310
Unallocated costs – Expenditure of headquarters	-	-	-	(69,830)	(69,830)
<b>Operating loss</b>					<b>(3,036,021)</b>
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
<b>Profit before income tax</b>					<b>2,369,568</b>
Income tax credit/(expenses)	289,204	(13,309)	-	(20,146)	255,749
<b>Profit for the period</b>					<b>2,625,317</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 4 SEGMENT INFORMATION (Continued)

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

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

	Property, plant and equipment RMB'000	Investment properties RMB'000	Intangible assets RMB'000
<b>Six months ended 30 June 2024</b>			
Opening net book amount as at 1 January 2024	24,929,595	1,061,628	16,469,701
Additions	2,835,150	–	2,735,929
Transfers	(116,087)	116,087	–
Disposals	(57,588)	(6,827)	(141,497)
Depreciation and amortisation	(1,579,548)	(35,292)	(2,677,599)
Closing net book amount as at 30 June 2024	26,011,522	1,135,596	16,386,534



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 5 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND INTANGIBLE ASSETS (Continued)

	Property, plant and equipment RMB'000	Investment properties RMB'000	Intangible assets RMB'000
<b>Six months ended 30 June 2023</b>			
Opening net book amount as at 1 January 2023	20,760,618	1,019,895	14,471,175
Additions	2,076,160	–	2,662,814
Transfers	(81,730)	81,730	–
Disposals	(453,483)	–	–
Impairment	(28,862)	–	–
Depreciation and amortisation	(1,390,709)	(23,671)	(1,904,762)
Closing net book amount as at 30 June 2023	20,881,994	1,077,954	15,229,227

### 6 LEASES

	<b>Unaudited 30 June 2024 RMB'000</b>	Audited 31 December 2023 RMB'000
<b>Right-of-use assets</b>		
Land-use rights (Note (i))	<b>6,793,814</b>	6,617,307
Properties	<b>2,063,240</b>	1,816,276
Vehicles	<b>20,179</b>	57,387
Others	<b>18,827</b>	22,178
	<b>8,896,060</b>	8,513,148
<b>Lease liabilities</b>		
Current	<b>422,086</b>	449,688
Non-current	<b>1,705,242</b>	1,484,772
	<b>2,127,328</b>	1,934,460

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 6 LEASES (Continued)

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

	Land-use rights RMB'000
Net book value at 1 January 2024	6,617,307
Additions	255,837
Depreciation	(79,330)
<b>Net book value at 30 June 2024</b>	<b>6,793,814</b>
Net book value at 1 January 2023	5,534,907
Additions	104
Depreciation	(61,656)
<b>Net book value at 30 June 2023</b>	<b>5,473,355</b>

### 7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

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

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

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

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

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

#### 7.1 Investments in joint ventures (Continued)

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

(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)** Set out below are the joint ventures of the Group as at 30 June 2024, which in the opinion of the directors, are material to the Group. The joint ventures as listed below are held directly by the Group; the country of incorporation or registration is also their principal place of business.

Name of joint ventures	Place of business/ country of incorporation	% of ownership interest	Nature of the relationship	Measurement method
GAC Honda Automobile Co., Ltd. ("GAC Honda")	Mainland China	50	Note 1	Equity
GAC Toyota Motor Co., Ltd. ("GAC Toyota")	Mainland China	50	Note 1	Equity
GAC-SOFINCO Automobile Finance Co., Ltd. ("GAC SOFINCO")	Mainland China	50	Note 1	Equity
Wuyang-Honda Motors (Guangzhou) Co., Ltd. ("Wuyang-Honda")	Mainland China	50	Note 1	Equity

Note 1: GAC Honda, GAC Toyota are companies manufacturing and selling automobiles and automotive parts, GAC SOFINCO is a company providing automotive financing services, and Wuyang-Honda is a company manufacturing and selling motorcycles and motorcycle parts. All of them are unlisted companies.

Note 2: On 28 December 2023, the Group acquired 50% of the equity interests on GAC Mitsubishi, a previous joint venture of the Group, with a purchase consideration of RMB2. After the completion of which GAC Mitsubishi became a wholly-owned subsidiary of the Company.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

#### 7.1 Investments in joint ventures (Continued)

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

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

	<b>Unaudited 30 June 2024 RMB'000</b>	Audited 31 December 2023 RMB'000
<b>Assets</b>		
Non-current assets	<b>90,651,390</b>	94,119,421
<b>Current assets</b>		
– Cash and cash equivalents	<b>35,322,066</b>	57,624,954
– Other current assets	<b>24,524,990</b>	43,994,794
	<b>59,847,056</b>	101,619,748
Total assets	<b>150,498,446</b>	195,739,169

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

#### 7.1 Investments in joint ventures (Continued)

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

##### Summarised balance sheet (Continued)

	<b>Unaudited 30 June 2024 RMB'000</b>	Audited 31 December 2023 RMB'000
<b>Liabilities</b>		
Non-current liabilities		
– Financial liabilities (excluding trade and other payables)	<b>29,421,832</b>	32,252,756
– Other non-current liabilities (including trade and other payables)	<b>9,150,823</b>	7,576,218
	<b>38,572,655</b>	39,828,974
Current liabilities		
– Financial liabilities (excluding trade and other payables)	<b>14,057,086</b>	23,520,832
– Other current liabilities (including trade and other payables)	<b>53,779,090</b>	76,882,007
	<b>67,836,176</b>	100,402,839
<b>Total liabilities</b>	<b>106,408,831</b>	140,231,813
<b>Net assets</b>	<b>44,089,615</b>	55,507,356
Less: Non-controlling interests	<b>(8,762)</b>	(8,633)
	<b>44,080,853</b>	55,498,723

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

#### 7.1 Investments in joint ventures (Continued)

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

##### Summarised statement of comprehensive income

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

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

Name of material joint ventures	Assets		Liabilities		Revenue		Dividends received	
	As at 30-Jun	As at 31-Dec	As at 30-Jun	As at 31-Dec	Six months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
GAC Honda	<b>29,789,268</b>	41,882,840	<b>17,292,424</b>	29,058,090	<b>30,668,293</b>	42,803,646	–	–
GAC Toyota	<b>46,129,482</b>	67,911,549	<b>33,410,574</b>	40,853,336	<b>52,150,156</b>	74,054,681	<b>8,859,211</b>	9,980,438
GAC SOFINCO	<b>56,625,014</b>	67,801,454	<b>47,224,036</b>	58,930,099	<b>2,016,382</b>	2,142,538	–	–
Wuyang-Honda	<b>2,558,486</b>	2,611,962	<b>1,246,884</b>	1,091,412	<b>2,278,851</b>	2,716,127	<b>112,376</b>	213,054
Total	<b>135,102,250</b>	180,207,805	<b>99,173,918</b>	129,932,937	<b>87,113,682</b>	121,716,992	<b>8,971,587</b>	10,193,492

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

#### 7.1 Investments in joint ventures (Continued)

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

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

	<b>Unaudited 30 June 2024 RMB'000</b>	Audited 31 December 2023 RMB'000
Assets	<b>135,102,250</b>	180,207,805
Less: Liabilities	<b>(99,173,918)</b>	(129,932,937)
Non-controlling interests	<b>(8,762)</b>	(8,633)
Net assets excluding non-controlling interests	<b>35,919,570</b>	50,266,235
Percentage of ownership interest	<b>50%</b>	50%
Interests in material joint ventures	<b>17,959,785</b>	25,133,118
Goodwill	<b>21,259</b>	21,259
– Wuyang-Honda	<b>21,259</b>	21,259
Carrying amount of investments in material joint ventures	<b>17,981,044</b>	25,154,377



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

#### 7.2 Investments in associates

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

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Beginning of the period	9,638,058	9,715,606
Additions (Note (i))	248,844	602,000
Capital reduction	(22,576)	(1,142)
Transfer from an associate to a joint venture	–	(47,519)
Share of profits less losses	191,410	369,034
Other equity changes	15,409	45,648
Dividend declared	(1,206,117)	(1,474,566)
End of the period	8,865,028	9,209,061

(i) In the six months ended 30 June 2024, the additions mainly represent the Group's capital contribution of RMB216,579,675 to GAC Aisin Automatic Transmission Co., Ltd. In addition, the Group contributed capital of RMB32,264,000 to a newly set-up associate.

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

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Associates</b>		
Profits less losses	192,346	370,518
Total comprehensive income	192,346	370,518

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 8 DEFERRED INCOME TAX

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

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Beginning of the period	<b>4,126,123</b>	3,583,094
Tax recognised in profit or loss (Note 17)	<b>429,668</b>	426,795
End of the period	<b>4,555,791</b>	4,009,889

### 9 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

#### 9.1 Fair value hierarchy

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

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 9 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 9.1 Fair value hierarchy (Continued)

The following table presents the Group's financial assets that are measured at fair value at 30 June 2024.

	Level 1 RMB'000 Note (a)	Level 2 RMB'000 Note (b)	Level 3 RMB'000 Note (c)	Total RMB'000
Assets				
Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss				
– Bond investments	14,615,586	–	–	14,615,586
– Fund investments	–	871,938	–	871,938
– Financial products	–	–	5,363,689	5,363,689
– Stocks	2,029,480	–	–	2,029,480
– Other equity investment	–	–	1,775,656	1,775,656
– Others	–	522,404	1,976,041	2,498,445
Total	16,645,066	1,394,342	9,115,386	27,154,794

The following table presents the Group's financial assets that are measured at fair value at 31 December 2023.

	Level 1 RMB'000 Note (a)	Level 2 RMB'000 Note (b)	Level 3 RMB'000 Note (c)	Total RMB'000
Assets				
Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss				
– Bond investments	6,200,886	–	–	6,200,886
– Fund investments	–	1,555,268	–	1,555,268
– Financial products	–	–	2,946,114	2,946,114
– Stocks	1,077,291	–	–	1,077,291
– Other equity investment	–	–	1,777,338	1,777,338
– Others	–	513,664	1,812,480	2,326,144
	7,278,177	2,068,932	6,535,932	15,883,041

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 9 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 9.1 Fair value hierarchy (Continued)

##### (a) *Financial instruments in level 1*

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

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

##### (b) *Financial instruments in level 2*

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

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

Specific valuation techniques used to value financial instruments include:

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 9 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 9.1 Fair value hierarchy (Continued)

##### (c) Financial instruments in level 3

The following tables present the changes in level 3 instruments for the six months ended 30 June 2024 and 2023.

	Other equity investment RMB'000	Financial products RMB'000	Others RMB'000	Total RMB'000
Opening balance as at 1 January 2024	1,777,338	2,946,114	1,812,480	6,535,932
Purchase	1,608,468	2,592,173	7,105,331	11,305,972
(Loss)/Gains for the period recognised in profit or loss	(36,479)	6,136	-	(30,343)
Disposal	(1,573,671)	(180,734)	(6,941,770)	(8,696,175)
Closing balance as at 30 June 2024	1,775,656	5,363,689	1,976,041	9,115,386
Opening balance as at 1 January 2023	1,471,849	2,547,124	632,301	4,651,274
Purchase	344,095	31,733	2,332,724	2,708,552
Gains for the period recognised in profit or loss	43,859	11,707	-	55,566
Disposal	(113,758)	(1,203,839)	(2,122,118)	(3,439,715)
Closing balance as at 30 June 2023	1,746,045	1,386,725	842,907	3,975,677
Includes unrealised gains or losses recognised in profit or loss attributable to balances held at the end of the reporting period				
2024	(36,479)	6,136	-	(30,343)
2023	43,859	12,008	-	55,867

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 9 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 9.1 Fair value hierarchy (Continued)

##### (c) Financial instruments in level 3 (Continued)

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

	Fair value at 30 June 2024 RMB'000	Valuation technique (s)	Unobservable input	Range (weighted average)
- Financial products	5,006,951	Discounted cash flow	Discount rate	1.85%-3.30%
	356,738	Summation Method	Value of each asset/liability	N/A
- Other equity investment (Note (i))	1,775,656	Summation Method	Value of each asset/liability	N/A
- Unlisted notes receivable	1,976,041	Discounted cash flow	Discount rate	1.0%-1.65%
	Fair value at 30-Jun-23 RMB'000	Valuation technique (s)	Unobservable input	Range (weighted average)
- Financial products	613,475	Discounted cash flow	Discount rate	3.30%
	773,250	Summation Method	Value of each asset/liability	N/A
- Other equity investment (Note (i))	1,746,045	Summation Method	Value of each asset/liability	N/A
- Unlisted notes receivable	842,907	Discounted cash flow	Discount rate	1.20%-3.19%

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 10 INVENTORIES

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Raw materials and consumables	<b>4,407,430</b>	4,515,596
Work-in-progress	<b>118,519</b>	168,950
Finished goods and merchandise	<b>13,931,502</b>	12,577,340
	<b>18,457,451</b>	17,261,886
Less: provision for impairment	<b>(570,282)</b>	(541,573)
	<b>17,887,169</b>	16,720,313

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 11 TRADE RECEIVABLES

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

As at 30 June 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:

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



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 12 SHARE CAPITAL

	RMB ordinary shares of RMB1 each		Foreign shares listed out of mainland China of RMB1 each		Total	
	Number of shares (thousands)	Share capital RMB'000	Number of shares (thousands)	Share capital RMB'000	Number of shares (thousands)	Share capital RMB'000
As at 31 December 2023	7,391,614	7,391,614	3,098,620	3,098,620	10,490,234	10,490,234
Employee share-based awards scheme						
– Proceeds from share issued	14	14	–	–	14	14
Repurchase of restricted shares	(3,330)	(3,330)	–	–	(3,330)	(3,330)
As at 30 June 2024	7,388,298	7,388,298	3,098,620	3,098,620	10,486,918	10,486,918

#### (a) Equity-settled share-based payments – The Third A Share Options Scheme and Restricted Share Incentive Scheme

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

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 12 SHARE CAPITAL (Continued)

#### (a) Equity-settled share-based payments – The Third A Share Options Scheme and Restricted Share Incentive Scheme (Continued)

##### (i) *The Third A Share Options Scheme*

Each share option represents the right granted to the SO-III Recipients to acquire one share of the Company at pre-determined exercise price of RMB9.98 and conditions in the validity period as set out in the Third A Share Options Scheme (“SO-III Scheme”). The weighted average fair value of SO-III, as estimated at the Grant Date III, was RMB4.98 per share option. This was calculated using the Black-Scholes share option pricing model.

40%, 30% and 30% of the SO-III granted to the SO-III Recipients will become exercisable once per year in three years starting two years from the Grant Date III, respectively, subject to the Group achieving the performance conditions as set out in the SO-III Scheme. The option has a contractual option term of 5 years starting from the grant date. The Company has no legal or constructive obligation to purchase or settle the granted share options in cash.

##### (ii) *Restricted Share Incentive Scheme*

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

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

As at 30 June 2024, there are total 48,693,437 units of outstanding options in SO-III and 26,048,350 units of outstanding RS.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 12 SHARE CAPITAL (Continued)

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

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

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

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

As at 30 June 2024, there are total 233,455,400 units of outstanding options in SO-IV.

- (c) No expenses were recognised in profit or loss for SO-III, RS and SO-IV for the period of six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 13 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:

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 14 BORROWINGS

	<b>Unaudited</b> <b>30 June</b> <b>2024</b> <b>RMB'000</b>	Audited 31 December 2023 RMB'000
<b>Non-current</b>		
Borrowings from bank and other financial institutions	<b>9,779,760</b>	8,677,245
Securitization debts (Note (a))	<b>922,976</b>	1,443,427
Entrusted loans – unsecured	<b>415,667</b>	225,470
Recourse financing (Note (b))	–	38,108
<b>Total non-current borrowings</b>	<b>11,118,403</b>	10,384,250
<b>Current</b>		
Borrowings from bank and other financial institutions	<b>21,060,220</b>	15,647,864
Securitization debts (Note (a))	<b>1,013,233</b>	1,264,451
Recourse financing (Note (b))	<b>115,451</b>	193,311
Entrusted loans from related parties – unsecured	<b>8,000</b>	584,703
Interest payables	<b>7,032</b>	41,344
<b>Total current borrowings</b>	<b>22,203,936</b>	17,731,673
<b>Total borrowings</b>	<b>33,322,339</b>	28,115,923

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 14 BORROWINGS (Continued)

- (a) The Group has securitized certain finance lease receivables and issued RMB1,000,000,000 asset-backed securities (“ABS-2021”) in 2021. During the year ended 31 December 2021, the Group issued ABS-2021 of RMB1,000,000,000, out of which RMB950,000,000 represented senior tranche and RMB50,000,000 represented subordinate tranche, which was fully acquired by the Group. The ABS-2021 bore interest from 26 November 2021 at 2.8%-6.5% per annum. These corporate bonds have been fully redeemed at par in June 2024.

The Group has securitized certain finance lease receivables and issued RMB1,501,000,000 asset-backed notes (“ABN-2022-1”) in 2022. During the year ended 31 December 2022, the Group issued ABN-2022-1 of RMB1,501,000,000, out of which RMB1,414,000,000 represented senior tranche and RMB87,000,000 represented subordinate tranche, which was fully acquired by the Group. The ABN-2022-1 bore interest from 16 January 2022 at 3.55%-6.30% per annum. The Group has already repaid ABN-2022-1 of approximately RMB1,401,910,000 by the end of 30 June 2024.

The Group has securitized certain finance lease receivables and issued RMB800,000,000 asset-backed notes (“ABN-2023-3”) in 2023. During the year ended 31 December 2023, the Group issued ABN-2023-3 of RMB800,000,000, out of which RMB745,000,000 represented senior tranche and RMB55,000,000 represented subordinate tranche, which was fully acquired by the Group. The ABN-2023-3 bore interest from 28 August 2023 at 2.50%-4.50% per annum. The Group has already repaid ABN-2023-3 of approximately RMB250,992,000 by the end of 30 June 2024.

The Group has securitized certain finance lease receivables and issued RMB1,542,200,000 asset-backed securities (“ABS-2023-2”) in 2023. During the year ended 31 December 2023, the Group issued ABS-2023-2 of RMB1,542,200,000, out of which RMB1,433,000,000 represented senior tranche and RMB109,200,000 represented subordinate tranche, which was fully acquired by the Group. The ABS-2023-2 bore interest from 5 September 2023 at 2.39%-4.20% per annum. The Group has already repaid ABS-2023-2 of approximately RMB614,677,000 by the end of 30 June 2024.

The Group has securitized certain finance lease receivables and issued RMB1,000,000,000 asset-backed securities (“ABS-2023-3”) in 2023. During the year ended 31 December 2023, the Group issued ABS-2023-3 of RMB1,000,000,000, out of which RMB860,000,000 represented senior tranche and RMB140,000,000 represented subordinate tranche, which was fully acquired by the Group. The ABS-2023-3 bore interest from 1 November 2023 at 2.80%-3.60% per annum. The Group has already repaid ABS-2023-3 of approximately RMB272,755,000 by the end of 30 June 2024.

As the Group retains substantially all the risks and rewards of ownership of the above financial lease receivables related to the ABS-2021, ABN-2022-1, ABN-2023-3, ABS-2023-2 and ABS-2023-3, the Group continues to recognise the finance lease receivables. The securities are repaid as collections on the underlying collateralized assets occur and the amounts are included in borrowings.

- (b) As at 30 June 2024, a subsidiary of the Group has entered into several factoring agreements. Those factoring borrowings were recourse to the finance lease receivables.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 15 OPERATING LOSS

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

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

### 16 FINANCE COSTS

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 17 INCOME TAX CREDIT

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

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

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Current income tax	<b>384,231</b>	171,046
Deferred income tax	<b>(429,668)</b>	(426,795)
	<b>(45,437)</b>	(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%).



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 18 EARNINGS PER SHARE

#### (a) Basic

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 18 EARNINGS PER SHARE (Continued)

#### (b) Diluted (Continued)

	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

### 19 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)	311,467	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).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 19 DIVIDEND (Continued)

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 RMB311,467,000 (2023: RMB524,253,000), has not been recognised as a liability in this interim financial information.

### 20 CAPITAL COMMITMENTS

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

	<b>Unaudited</b> <b>30 June</b> <b>2024</b> <b>RMB'000</b>	Audited 31 December 2023 RMB'000
Property, plant and equipment		
– Contracted but not provided for	<b>1,444,803</b>	1,611,633
– Authorised but not contracted for	<b>1,158,852</b>	472,184
	<b>2,603,655</b>	2,083,817
Intangible assets		
– Authorised but not contracted for	<b>2,087,095</b>	1,889,040
– Contracted but not provided for	<b>122</b>	520
	<b>2,087,217</b>	1,889,560
	<b>4,690,872</b>	3,973,377

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 21 RELATED-PARTY TRANSACTIONS

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

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

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

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

#### (a) Significant related party transactions

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b>Sales of goods</b>		
<b>Sales of automotive parts and steels</b>		
– Joint ventures	<b>392,462</b>	655,384
– Associates	<b>27,140</b>	44,623
– Subsidiaries of GAIG	<b>6,635</b>	284
	<b>426,237</b>	700,291
<b>Sales of passenger vehicles</b>		
– Joint ventures	<b>42,951</b>	237,966
– Associates	<b>492,198</b>	2,457,476
	<b>535,149</b>	2,695,442
	<b>961,386</b>	3,395,733

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 21 RELATED-PARTY TRANSACTIONS (Continued)

#### (a) Significant related party transactions (Continued)

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Rendering of labour and insurance services</b>		
– Joint ventures	878,348	667,451
– Associates	171,601	324,214
– Subsidiaries of GAIG	2,471	576
	<b>1,052,420</b>	992,241
<b>Purchases of goods</b>		
<b>Purchases of automotive parts and materials</b>		
– Joint ventures	596,949	1,090,471
– Associates	1,043,531	5,158,872
	<b>1,640,480</b>	6,249,343
<b>Purchases of passenger vehicles</b>		
– Joint ventures	2,263,950	5,531,893
– Associates	215,070	1,162
	<b>2,479,020</b>	5,533,055
	<b>4,119,500</b>	11,782,398

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 21 RELATED-PARTY TRANSACTIONS (Continued)

#### (a) Significant related party transactions (Continued)

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Purchases of labour services and settlement of insurance claims</b>		
– Joint ventures	26,070	23,126
– Associates	16,908	21,179
– Subsidiaries of GAIG	18,195	18,014
	<b>61,173</b>	62,319
<b>Rental from related parties</b>		
– Joint ventures	28,101	51,366
– Associates	6,437	9,560
– Subsidiaries of GAIG	6,432	7,574
	<b>40,970</b>	68,500
<b>Interest charges for lease liabilities to related parties</b>		
– Joint ventures	2,055	–
– Associates	–	2
– GAIG	429	557
– Subsidiaries of GAIG	11	32
	<b>2,495</b>	591
<b>Provision of entrusted loans to related parties</b>		
– Joint ventures	280,000	650,000

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 21 RELATED-PARTY TRANSACTIONS (Continued)

#### (a) Significant related party transactions (Continued)

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Repayment of entrusted loans from related parties</b>		
– A joint venture	–	96,890
– An associate	–	4,900
	–	101,790
<b>Repayment of entrusted loans to a related party</b>		
– A joint venture	–	100,000
<b>Borrowings from a related party</b>		
– A joint venture	809,099	1,639,033
<b>Repayment of borrowings to a related party</b>		
– A joint venture	1,124,619	1,700,769
<b>Loans to related parties</b>		
– Joint ventures	1,097,472	3,681,777
– Associates	177,321	686,406
	1,274,793	4,368,183
<b>Repayment of loans from related parties</b>		
– Joint ventures	1,344,215	2,096,593
– Associates	277,832	71,680
	1,622,047	2,168,273

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 21 RELATED-PARTY TRANSACTIONS (Continued)

#### (b) Key management compensation

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Salaries and other short-term employee benefits	<b>8,911</b>	8,883

#### (c) Transactions with other state-owned enterprises in the PRC

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

For the purpose of related party transactions disclosure, the Group has in place procedures to assist the identification of the immediate ownership structure of its customers and suppliers as to whether they are state-owned enterprises. However, many state-owned enterprises have multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatisation programs.

Nevertheless, the Directors consider that transactions with other state-owned enterprises are activities in the ordinary course of the Group's business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and other state-owned enterprises are ultimately controlled or owned by the PRC Government. The Group has also established pricing policies for products and services, and such pricing policies do not depend on whether or not the customers are state-owned enterprises. Having due regard to the substance of the relationships, the Directors are of the opinion that none of these transactions are material related party transactions that require separate disclosure except for the transactions with state-owned financial institutions as disclosed below.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 21 RELATED-PARTY TRANSACTIONS (Continued)

#### (c) Transactions with other state-owned enterprises in the PRC (Continued)

##### (i) *Balances with state-owned financial institutions*

As at 30 June 2024 and 31 December 2023, majority part of the Group's bank balances and borrowings were deposited in or financed from various state-owned financial institutions. The Directors are of opinion that such transactions were conducted in the ordinary course of business and in accordance with normal commercial terms.

##### (ii) *Guarantees given by state-owned enterprises and the parent company*

As at 30 June 2024 and 31 December 2023, no guarantee given by state-owned enterprises and GAIG.

#### (d) Guarantees to associates

As at 30 June 2024, there is no financial guarantees provided by the Group (2023: Nil) to an associate.

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

### 22 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 30 August 2024, the Company held the sixty-eighth meeting of sixth session of the Board, at which the proposal for interim profit distribution for 2024 was considered and passed. The Company proposed to pay the 2024 interim dividends of RMB0.03 per share (tax inclusive) in cash to all the shareholders. Calculation made hereinafter is temporarily based on the total share excluded repurchased ordinary shares number of the Company of 10,382,244,648 shares as at 30 August 2024, by which the total amount of interim dividend will be RMB311,467,000 (such distribution would be made to A shareholders in RMB, and be made to H shareholders in Hong Kong Dollar). Such proposal for profit distribution does not involve the conversion of capital reserve to share capital.

## Chapter 8

# DEFINITIONS

In this report, 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 Ampere 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

## DEFINITIONS

“GAC Component”	GAC Component Co., Ltd. (廣汽零部件有限公司) (formerly known as Guangzhou Automobile Group Component Co., Ltd. (廣州汽車集團零部件有限公司)), a wholly-owned subsidiary incorporated in August 2000 under PRC law by the Company and its subsidiaries
“GAC Energy”	GAC Energy Technology Co., Ltd. (廣汽能源科技有限公司), a subsidiary established in July 2022 under PRC law by the Company, in which UPOWER Energy and GAC AION hold 55% and 45% equity interests, respectively
“GAC Finance Company”	Guangzhou Automobile Group Finance Co., Ltd. (廣州汽車集團財務有限公司), a wholly-owned subsidiary incorporated in January 2017 under PRC law by the Company
“GAC Hino”	GAC Hino Motors Co., Ltd. (廣汽日野汽車有限公司), a subsidiary of our Company, in which the Company holds 89.72% equity interests
“GAC Honda”	GAC Honda Automobile Co., Ltd. (廣汽本田汽車有限公司) (formerly known as Guangzhou Honda Automobile Co., Ltd. (廣州本田汽車有限公司)), a jointly controlled entity incorporated in May 1998 under PRC law by the Company, Honda Motor Co., Ltd. and Honda Motor (China) Investment Co., Ltd.
“GAC International”	GAC International Automobile Sales & Service Co., Ltd. (廣汽國際汽車銷售服務有限公司), a subsidiary established in May 2022 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

## DEFINITIONS

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

## DEFINITIONS

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