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GUANGZHOU AUTOMOBILE GROUP CO., LTD.

廣州汽車集團股份有限公司

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

(Stock Code: 2238)

**OVERSEAS REGULATORY ANNOUNCEMENT
2018 THIRD QUARTERLY REPORT**

This third quarterly report is published by Guangzhou Automobile Group Co., Ltd. (the “**Company**”) pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The third quarterly result of the Company and its subsidiaries (the “**Group**”) contained in this report was prepared under the China Accounting Standards for Business Enterprises and was unaudited. The original text of this report is in Chinese.

1. IMPORTANT NOTICE

- 1.1 The board of directors, the supervisory committee and the directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents contained herein, that there are no false representations or misleading statements contained in or material omissions from this quarterly report, and they jointly and severally accept responsibility.
- 1.2 All directors of the Company attended the board meeting approving this quarterly report.
- 1.3 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 (Accounting Chief), warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.4 The third quarterly report of the Company was unaudited.

2. BASIC INFORMATION OF THE COMPANY

2.1 Major financial data

| | <i>Unit: Yuan Currency: RMB</i> | | |
|--|---|---|--|
| | As at the end of the reporting period | As at the end of last year | Increase/decrease as at the end of the reporting period as compared with the end of last year (%) |
| Total assets | 123,110,727,870 | 119,602,416,855 | 2.93 |
| Net assets attributable to shareholders of the Company | 75,620,810,238 | 69,370,243,626 | 9.01 |
| | From the beginning of the year to the end of the reporting period (January to September) | From the beginning of last year to the end of the last reporting period (January to September) | Increase/decrease as compared with the same period last year (%) |
| Net cash flow from operating activities | -5,218,387,988 | 4,499,007,476 | -215.99 |
| | From the beginning of the year to the end of the reporting period (January to September) | From the beginning of last year to the end of the last reporting period (January to September) | Increase/decrease as compared with the same period last year (%) |
| Revenue from operations | 52,822,420,495 | 51,387,900,035 | 2.79 |
| Net profit attributable to shareholders of the Company | 9,860,334,991 | 8,962,118,184 | 10.02 |
| Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss | 9,220,177,234 | 8,876,876,405 | 3.87 |
| Return on net assets (weighted average) (%) | 13.49 | 18.14 | Decrease by 4.65 percentage points |
| Basic earnings per share (Yuan/share) | 0.97 | 0.99 | -2.02 |
| Diluted earnings per share (Yuan/share) | 0.95 | 0.97 | -2.06 |

Non-recurring profit and loss items and amounts

| Item | <i>Unit: Yuan Currency: RMB</i> | |
|--|--|--|
| | Amount for the period (July to September) | Amount from the beginning of the year to the end of the reporting period (January to September) |
| Gains/losses on disposal of non-current assets | -10,169,318 | 75,856,316 |
| Government grants recognised in profit or loss for the current period (except for those closely related to the Company's normal business and in compliance with national policies and regulations and conferred continuously based on standard amounts and quantities) | 309,965,529 | 545,469,450 |
| Gain or loss from debt restructuring | 13,597,014 | 54,709,976 |
| Gain and loss from changes in fair value arising from holding of trading financial assets and trading financial liabilities except for valid straddle business related to normal business of the Company, as well as investment gain realised from disposal of trading financial assets, trading financial liabilities and financial assets available for sale | 87,888,025 | 0 |
| Gain or loss from external entrusted loans | 2,694,539 | 8,827,683 |
| Custodian fees from custodian business | | |
| Other non-operating income and expense save as stated above | -4,402,057 | 4,772,492 |
| Impact on minority interests (after tax) | 139,767 | -2,764,909 |
| Impact on income tax | -37,281,101 | -46,713,251 |
| Total | 362,432,398 | 640,157,757 |

2.2 Table of total number of shareholders and particulars of shareholdings of the top ten shareholders and the top ten circulating shareholders (or holders of tradable shares not subject to trading moratorium) as at the end of the reporting period

Unit: share

Total number of shareholders (Note 1)

42,993

| Name of shareholder (full name) | Shareholdings of the top ten shareholders | | | | | |
|--|--|----------------|--|--|-------------|---------------------------------------|
| | Number of shares held at the end of the period | Percentage (%) | Number of shares subject to trading moratorium | Under pledge or lock-up Status of shares | Number | Nature of shareholder |
| Guangzhou Automobile Industry Group Co., Ltd. (Note 2) | 5,487,075,630 | 53.66 | 0 | Nil | 0 | State-owned legal person |
| HKSCC NOMINEES LIMITED (Note 3) | 3,095,107,722 | 30.27 | 0 | Unknown | | Foreign legal person |
| Guangzhou Huiyin Tianyue Equity Investment Fund Management Co., Ltd. | 421,898,543 | 4.13 | 421,898,543 | Pledged | 210,949,271 | Other |
| Guangzhou State-owned Assets Development Holdings Co., Ltd. | 210,949,272 | 2.06 | 210,949,272 | Nil | 0 | State-owned legal person |
| Guangzhou Finance Holdings Assets Management Co., Ltd.-GFHAM Wealth Management Select No.3 Private Investment Fund | 210,949,271 | 2.06 | 210,949,271 | Nil | 0 | Other |
| Huaxin Trust Co., Ltd.- Huaxin Trust • Yingtai No.31 Assembled Funds Trust Plan | 106,988,402 | 1.05 | 0 | Nil | 0 | Other |
| Guangzhou Light Industry & Trade Group Co., Ltd | 105,474,635 | 1.03 | 105,474,635 | Nil | 0 | State-owned legal person |
| Suiyong Holdings Co., Ltd. | 105,474,635 | 1.03 | 105,474,635 | Pledged | 105,474,635 | Domestic non-state-owned legal person |
| Shanghai Puxing Energy Limited | 99,913,241 | 0.98 | 0 | Nil | 0 | Domestic non-state-owned legal person |
| Huaxin Trust Co., Ltd.- Huaxin Trust • Yingtai No.66 Assembled Funds Trust Plan | 94,582,648 | 0.92 | 0 | Nil | 0 | Other |

Particulars of shareholdings of the top ten holders of tradable shares not subject to trading moratorium

| Name of shareholder (full name) | Number of tradable shares not subject to trading moratorium | Class of shares and number | |
|---|--|--------------------------------|---------------|
| | | Class of share | Number |
| Guangzhou Automobile Industry Group Co., Ltd. | 5,487,075,630 | A and H shares | 5,487,075,630 |
| HKSCC NOMINEES LIMITED | 3,095,107,722 | Overseas listed foreign shares | 3,095,107,722 |
| Huaxin Trust Co., Ltd.-Huaxin Trust • Yingtai No.31 Assembled Funds Trust Plan | 106,988,402 | RMB ordinary shares | 106,988,402 |
| Shanghai Puxing Energy Limited | 99,913,241 | RMB ordinary shares | 99,913,241 |
| Huaxin Trust Co., Ltd.-Huaxin Trust • Yingtai No.66 Assembled Funds Trust Plan | 94,582,648 | RMB ordinary shares | 94,582,648 |
| Ningbo Mei Shan Baoshuigang Area Jincheng Shazhou Equity Investment Co., Ltd. | 41,852,306 | RMB ordinary shares | 41,852,306 |
| Huaxin Trust Co., Ltd.-Huaxin Trust • Gongxin No.28 Assembled Funds Trust Plan | 37,527,979 | RMB ordinary shares | 37,527,979 |
| China National Machinery Industry Corporation | 35,230,166 | RMB ordinary shares | 35,230,166 |
| Hong Kong Securities Clearing Company Limited (Note 4) | 11,833,505 | RMB ordinary shares | 11,833,505 |
| Guangzhou Iron & Steel Enterprises Group | 11,017,321 | RMB ordinary shares | 11,017,321 |
| Related-party relationship or concerted party relationship among the above shareholders | Guangzhou Automobile Industry Group Co., Ltd (“GAIG”), the largest shareholder of the Company, is not related to any of the above shareholders, nor is it a party acting in concert with any of them, and it is not known to the Company whether other shareholders are related to each other or whether they are parties acting in concert. | | |

Note 1: Total number of shareholders as at the end of the reporting period was 42,993, among which there are 42,739 holders of A shares and 254 holders of H shares.

Note 2: GAIG held 5,194,867,630 A shares of the Company in total (including the accumulative increase of 7,279,906 shares as at the end of the reporting period as disclosed in the plan on increase in shareholding during the year), representing approximately 72.89% of the A share capital of the Company. At the same time, GAIG held 292,208,000 H shares of the Company through Southbound Transaction and its wholly-owned subsidiary in Hong Kong, Guangzhou Auto Group (Hong Kong) Limited during the reporting period, representing approximately 9.43% of the H share capital of the Company. The total number of A and H shares of the Company held by GAIG was therefore 5,487,075,630 shares, representing approximately 53.66% of the total share capital of the Company.

Note 3: H shares held by HKSCC NOMINEES LIMITED were held on behalf of a number of clients. H shares of the Company held by Guangzhou Auto Group (Hong Kong) Limited are also registered in trust with HKSCC NOMINEES LIMITED.

Note 4: Shares held by Hong Kong Securities Clearing Company Limited were A Shares held on behalf of a number of Hong Kong investors through Shanghai – Hong Kong Stock Connect.

2.3 Table of total number of preferred shareholders and particulars of shareholdings of the top ten preferred shareholders and the top ten preferred shareholders not subject to trading moratorium as at the end of the reporting period

Applicable Not applicable

3. SIGNIFICANT EVENTS

3.1 Material changes in items of major accounting statements and financial indicators of the Company and the reasons thereof

Unit: RMB0'000 Currency: RMB

| Item | Balance as at the end of the period or during the reporting period | Percentage change | Reasons for change |
|---|---|--------------------------|--|
| Prepayments | 202,128.96 | 67.08% | Mainly due to the increase in prepayments for parts and components corresponding to the increase in production and sales volume during the reporting period |
| Other receivables | 135,167.03 | -61.98% | Mainly due to the decrease in dividend receivable corresponding to the receipt of distributions from investment in enterprises during the reporting period |
| Inventories | 768,679.32 | 129.69% | Mainly due to the increase in raw materials and finished products corresponding to the increase in production and sales volume during the reporting period |
| Construction in progress | 220,956.51 | 110.10% | Mainly due to the increase in construction in progress due to the capacity expansion of GAMC and new energy vehicle construction during the reporting period |
| Short-term borrowings | 235,248.54 | 77.43% | Mainly due to the increase in bank borrowings compared to the beginning of the year corresponding to the growth in the demand for business development during the reporting period |
| Non-current liabilities due within one year | 74,247.81 | -50.84% | Mainly due to the repayment of RMB1 billion corporate bonds due during the reporting period |

| Item | Balance as at the end of the period or during the reporting period | Percentage change | Reasons for change |
|---|---|--------------------------|--|
| Share capital | 1,022,605.90 | 40.21% | Mainly due to the combined effect of the conversion of convertible bonds and exercise of share options as well as the distribution of dividend, etc. during the reporting period |
| Selling expenses | 445,330.06 | 30.28% | Mainly due to the combined effect of the increase in advertising and marketing expenditures as well as logistics and warehousing expenses, etc. during the reporting period |
| Financial expenses | -10,058.95 | -143.20% | Mainly due to the combined effect of the period-on-period decrease in borrowings, the decrease in average borrowing interest rate, etc. during the reporting period |
| Impairment loss of assets | 6,418.37 | -93.85% | Mainly affected by the impairment of assets of GAMC Hangzhou during the corresponding period of last year |
| Net increase in deposits from customers and deposits from other banks | -375,026.73 | -1,196.63% | Mainly due to the combined effect of the outflow of deposits at Guangzhou Automobile Group Finance Co., Ltd. for non-consolidated enterprises, etc. during the reporting period |
| Cash received from disposal of investments | 261,769.26 | -79.30% | Mainly due to the period-on-period decrease in investment in financial products and cash received from disposal of investments during the reporting period |
| Cash paid for purchase and construction of fixed assets, intangible assets and other long term assets | 643,604.48 | 41.83% | Due to the increase in R&D investment and production capacity expenses during the reporting period |
| Cash paid for investment | 401,205.29 | -64.53% | Mainly due to the period-on-period decrease in investment in financial products during the reporting period |

| Item | Balance as at the end of the period or during the reporting period | Percentage change | Reasons for change |
|---|---|--------------------------|--|
| Cash repayments of borrowings | 209,194.82 | -45.27% | Mainly due to the repayment of RMB1 billion corporate bonds during the reporting period, the repayment of RMB2.3 billion short-term financing during the corresponding period of last year, and the decrease in repayment of bank borrowings |
| Dividends paid, profit distributed or interest paid | 461,547.62 | 78.88% | Mainly due to the period-on-period increase in dividends paid during the reporting period |

3.2 Analysis and explanation of progress and impact of significant events and their solutions

Applicable Not applicable

3.3 Undertakings which have not yet been performed during the reporting period

Applicable Not applicable

3.4 Warning and explanation on the forecast of any possible loss in accumulated net profit from the beginning of the year to the end of the next reporting period or any material changes compared to the corresponding period of last year

Applicable Not applicable

Guangzhou Automobile Group Co., Ltd.

Legal representative: **ZENG Qinghong**

29 October 2018

Guangzhou, the PRC, 29 October 2018

As at the date of this announcement, the executive directors of the Company are ZENG Qinghong and FENG Xingya, the non-executive directors of the Company are YAN Zhuangli, CHEN Maoshan, CHEN Jun, DING Hongxiang and HAN Ying, and the independent non-executive directors of the Company are FU Yuwu, LAN Hailin, LEUNG Lincheong and WANG Susheng.

4. APPENDICES

4.1 Financial Statements

Consolidated Balance Sheet

30 September 2018

Prepared by: Guangzhou Automobile Group Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: unaudited

| Item | Amount as at the end of the period | Amount as at the beginning of the year |
|--|---|---|
| Current assets: | | |
| Monetary fund | 39,719,892,296 | 49,467,949,586 |
| Financial assets measured at fair value and changes of which are recorded in profit or loss for the period | 0 | 608,928,531 |
| Trading financial assets | 602,014,741 | 0 |
| Bills receivables and trade receivables | 4,488,985,989 | 3,843,553,573 |
| Including: Bills receivables | 2,649,532,965 | 2,469,743,996 |
| Trade receivables | 1,839,453,024 | 1,373,809,577 |
| Prepayments | 2,021,289,612 | 1,209,761,931 |
| Other receivables | 1,351,670,335 | 3,555,119,357 |
| Including: Interests receivable | 333,279,330 | 176,921,499 |
| Dividends receivable | 91,541,539 | 2,757,268,564 |
| Inventories | 7,686,793,155 | 3,346,598,109 |
| Non-current assets due within one year | 851,298,719 | 761,523,483 |
| Other current assets | 2,624,494,676 | 1,691,986,099 |
| Total current assets | 59,346,439,523 | 64,485,420,669 |

| Item | Amount as at the end of the period | Amount as at the beginning of the year |
|---|------------------------------------|--|
| Non-current assets: | | |
| Loans and advances granted | 0 | 487,500,000 |
| Available-for-sale financial assets | 0 | 2,205,195,595 |
| Debt investments | 232,000,000 | 0 |
| Long-term receivables | 399,328,179 | 662,956,727 |
| Long-term equity investments | 30,071,950,828 | 25,720,715,947 |
| Other investments in equity instruments | 1,237,977,213 | 0 |
| Other non-current financial assets | 1,703,719,413 | 0 |
| Investment properties | 1,493,272,315 | 1,339,995,749 |
| Fixed assets | 12,745,179,195 | 12,151,558,104 |
| Construction in progress | 2,209,565,090 | 1,051,686,732 |
| Intangible assets | 8,122,859,866 | 7,561,936,355 |
| Development expenses | 2,922,129,217 | 1,881,917,370 |
| Goodwill | 104,504,775 | 104,504,775 |
| Long-term deferred expenditures | 301,127,277 | 295,498,874 |
| Deferred income tax assets | 1,354,268,774 | 1,123,417,537 |
| Other non-current assets | 866,406,205 | 530,112,421 |
| | <u>63,764,288,347</u> | <u>55,116,996,186</u> |
| Total non-current assets | | |
| | <u>63,764,288,347</u> | <u>55,116,996,186</u> |
| Total assets | <u>123,110,727,870</u> | <u>119,602,416,855</u> |
| Current liabilities: | | |
| Short-term borrowings | 2,352,485,355 | 1,325,878,429 |
| Deposit taking and deposit in inter-bank market | 4,467,126,220 | 8,219,047,472 |
| Derivative financial liabilities | | |
| Bills payables and trade payables | 12,698,057,855 | 11,957,848,468 |
| Receipts in advance | 0 | 1,073,690,123 |
| Contractual liabilities | 1,524,518,553 | 0 |
| Staff remuneration payable | 1,543,692,559 | 1,897,093,014 |
| Taxes payable | 1,028,663,714 | 1,687,028,996 |
| Other payables | 7,547,965,554 | 8,405,571,385 |
| Including: Interests payable | 189,295,381 | 276,633,764 |
| Dividends payable | 0 | 0 |
| Non-current liabilities due within one year | 742,478,051 | 1,510,277,869 |
| Other current liabilities | 964,163,676 | 662,880,847 |
| | <u>32,869,151,537</u> | <u>36,739,316,603</u> |
| Total current liabilities | | |
| | <u>32,869,151,537</u> | <u>36,739,316,603</u> |

| Item | Amount as at the end of the period | Amount as at the beginning of the year |
|---|---------------------------------------|--|
| Non-current liabilities: | | |
| Long-term borrowings | 857,733,548 | 568,817,442 |
| Debentures payable | 7,774,310,707 | 7,703,756,018 |
| Including: preference shares perpetual bonds | | |
| Long-term payables | 1,074,697 | 220,893 |
| Estimated liabilities | 869,773,934 | 915,211,777 |
| Deferred income | 3,443,117,757 | 3,012,398,647 |
| Deferred income tax liabilities | 153,747,646 | 107,517,057 |
| Other non-current liabilities | 131,174,121 | 141,210,140 |
| | <u>13,230,932,410</u> | <u>12,449,131,974</u> |
| Total non-current liabilities | 13,230,932,410 | 12,449,131,974 |
| | <u>46,100,083,947</u> | <u>49,188,448,577</u> |
| Total liabilities | 46,100,083,947 | 49,188,448,577 |
| Owners' equity (or shareholders' equity) | | |
| Paid-in capital (or share capital) | 10,226,059,037 | 7,293,424,051 |
| Other equity instrument | 240,942,393 | 241,023,957 |
| Including: preference shares perpetual bonds | 0 0 | 0 0 |
| Capital reserve | 22,412,771,295 | 24,747,753,551 |
| Less: treasury stock | 0 | 0 |
| Other comprehensive income | 110,511,774 | 231,550,470 |
| Special reserve | 26,382,537 | 18,284,964 |
| Surplus reserve | 3,191,903,501 | 3,191,903,501 |
| General risk provision | 92,184,496 | 92,184,496 |
| Undistributed profit | 39,320,055,205 | 33,554,118,636 |
| Total owners' equity attributable to owners of the company | 75,620,810,238 | 69,370,243,626 |
| Minority interests | 1,389,833,685 | 1,043,724,652 |
| | <u>77,010,643,923</u> | <u>70,413,968,278</u> |
| Total owners' equity (or shareholders' equity) | 77,010,643,923 | 70,413,968,278 |
| Total liabilities and owners' equity (or shareholders' equity) | 123,110,727,870 | 119,602,416,855 |

Legal representative:
ZENG Qinghong

Principal accounting
responsible person:
WANG Dan

Manager of the accounting
department:
ZHENG Chao

Balance Sheet of the Parent Company

30 September 2018

Prepared by: Guangzhou Automobile Group Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: unaudited

| Item | Amount as at the end of the period | Amount as at the beginning of the year |
|---|------------------------------------|--|
| Current assets: | | |
| Monetary fund | 15,176,836,468 | 18,311,943,745 |
| Bills receivables and trade receivables | 5,700,396 | 1,622,228,957 |
| Including: Bills receivables | 0 | 1,000,000 |
| Trade receivables | 5,700,396 | 1,621,228,957 |
| Prepayments | 73,419,549 | 71,575,268 |
| Other receivables | 117,131,338 | 3,289,922,391 |
| Including: Interests receivable | 5,952,450 | 2,151,450 |
| Dividends receivable | 0 | 2,704,000,000 |
| Inventories | 56,322,848 | 54,192,074 |
| Contractual assets | 0 | 0 |
| Assets classified as available-for-sale | 0 | 0 |
| Non-current assets due within one year | 0 | 0 |
| Other current assets | 661,595,319 | 657,612,545 |
| Total current assets | 16,091,005,918 | 24,007,474,980 |
| Non-current assets: | | |
| Available-for-sale financial assets | 0 | 601,695,500 |
| Long-term equity investments | 53,187,114,867 | 46,109,943,395 |
| Other non-current financial assets | 651,695,500 | 0 |
| Investment properties | 526,494,532 | 538,422,689 |
| Fixed assets | 2,192,926,259 | 2,203,898,335 |
| Construction in progress | 98,810,362 | 27,840,356 |
| Biological assets for production | 0 | 0 |
| Fuel assets | 0 | 0 |
| Intangible assets | 2,490,068,694 | 2,340,736,386 |
| Development expenses | 1,852,915,173 | 647,066,813 |
| Goodwill | 0 | 0 |
| Long-term deferred expenditures | 487,532 | 650,043 |
| Deferred income tax assets | 0 | 0 |
| Other non-current assets | 18,822,034 | 7,611,336 |
| Total non-current assets | 61,019,334,953 | 52,477,864,853 |

| Item | Amount as at the end of the period | Amount as at the beginning of the year |
|--|---------------------------------------|--|
| Total assets | <u>77,110,340,871</u> | <u>76,485,339,833</u> |
| Current liabilities: | | |
| Short-term borrowings | 0 | 0 |
| Trading financial liabilities | 0 | 0 |
| Derivative financial liabilities | 0 | 0 |
| Bills payables and trade payables | 248,732,731 | 207,495,872 |
| Receipts in advance | 0 | 0 |
| Contractual liabilities | 3,758,245 | 0 |
| Staff remuneration payable | 539,354,301 | 642,866,505 |
| Taxes payable | 38,229,202 | 62,950,696 |
| Other payables | 4,145,113,230 | 4,238,501,498 |
| Including: Interests payable | 162,984,050 | 259,913,989 |
| Dividends payable | 0 | 0 |
| Liabilities classified as available-for-sale | 0 | 0 |
| Non-current liabilities due within one year | 117,586,602 | 1,113,765,995 |
| Other current liabilities | <u>0</u> | <u>0</u> |
| Total current liabilities | <u>5,092,774,311</u> | <u>6,265,580,566</u> |
| Non-current liabilities: | | |
| Long-term borrowings | 0 | 0 |
| Debentures payable | 7,474,628,309 | 7,404,190,329 |
| Including: preference shares | | |
| perpetual bonds | | |
| Deferred income | 514,443,180 | 498,332,148 |
| Deferred income tax liabilities | 0 | 0 |
| Other non-current liabilities | <u>0</u> | <u>0</u> |
| Total non-current liabilities | <u>7,989,071,489</u> | <u>7,902,522,477</u> |
| Total liabilities | <u>13,081,845,800</u> | <u>14,168,103,043</u> |

| Item | Amount as at the end of the period | Amount as at the beginning of the year |
|---|---------------------------------------|--|
| Owners' equity (or shareholders' equity) | | |
| Paid-in capital (or share capital) | 10,226,059,037 | 7,293,424,051 |
| Other equity instrument | 240,942,393 | 241,023,957 |
| Including: preference shares | 0 | 0 |
| perpetual bonds | 0 | 0 |
| Capital reserve | 31,070,373,275 | 33,508,237,886 |
| Less: treasury stock | 0 | 0 |
| Other comprehensive income | 0 | 58,695,500 |
| Special reserve | 0 | 0 |
| Surplus reserve | 3,191,903,501 | 3,191,903,501 |
| Undistributed profit | <u>19,299,216,865</u> | <u>18,023,951,895</u> |
| Total owners' equity (or shareholders' equity) | <u>64,028,495,071</u> | <u>62,317,236,790</u> |
| Total liabilities and owners' equity (or shareholders' equity) | <u><u>77,110,340,871</u></u> | <u><u>76,485,339,833</u></u> |

Legal representative:
ZENG Qinghong

Principal accounting
responsible person:
WANG Dan

Manager of the accounting
department:
ZHENG Chao

Consolidated Income Statement
From January to September 2018

Prepared by: Guangzhou Automobile Group Co., Ltd.

| Item | <i>Unit: Yuan Currency: RMB Type of audit: unaudited</i> | | | |
|--|--|---|--|--|
| | Amount for the period (July to September) | Amount for the previous period (July to September) | Amount from the beginning of the year to the end of the reporting period (January to September) | Amount from the beginning to the end of reporting period of last year (January to September) |
| I. Total revenue from operations | 16,308,101,046 | 16,865,985,637 | 53,508,407,518 | 51,631,428,553 |
| Including: Revenue from operations | 16,116,488,774 | 16,729,851,844 | 52,822,420,495 | 51,387,900,035 |
| Interest income | 191,612,272 | 136,133,793 | 685,987,023 | 243,528,518 |
| II. Total cost of operations | 16,155,005,424 | 15,940,011,414 | 51,016,540,229 | 48,594,283,538 |
| Including: Cost of operations | 13,219,128,066 | 12,674,272,682 | 41,742,643,255 | 39,486,536,250 |
| Interest expenses | 19,659,163 | 1,267,210 | 69,392,372 | 8,827,289 |
| Taxes and surcharges | 498,955,318 | 600,780,824 | 1,768,407,660 | 1,870,144,514 |
| Selling expenses | 1,550,808,833 | 1,407,326,447 | 4,453,300,565 | 3,418,310,588 |
| Management expenses | 763,869,505 | 1,014,235,775 | 2,402,840,023 | 2,084,210,843 |
| Research and development expenses | 190,492,134 | 36,080,987 | 619,749,060 | 450,221,942 |
| Financial expenses | -78,066,334 | 103,320,057 | -100,589,496 | 232,834,384 |
| Including: Interests expenses | 91,086,329 | 130,533,047 | 275,754,508 | 469,806,827 |
| Interest income | 108,580,870 | 115,999,505 | 357,693,243 | 389,380,942 |
| Impairment loss of assets | -4,267,721 | 102,727,432 | 64,183,712 | 1,043,197,728 |
| Impairment loss of credits | -5,573,540 | | -3,386,922 | |
| Add: Other income | 309,235,034 | 60,789,774 | 470,243,027 | 162,932,554 |
| Gains on investment (loss is represented by "-") | 2,559,504,412 | 2,170,846,701 | 7,674,565,262 | 6,858,522,079 |
| Including: Gains from investment in associated companies and joint ventures | 2,550,188,649 | 1,975,570,214 | 7,493,135,169 | 6,576,567,613 |
| Net gains from hedging exposure (loss is represented by "-") | 0 | | 0 | |
| Gains on change in fair value (loss is represented by "-") | 81,754,860 | 133,840 | -44,854,456 | -602,776 |
| Gains on disposal of assets (loss is represented by "-") | -10,373,473 | -28,867,871 | -7,634,165 | -74,984,544 |
| Foreign exchange gains (loss is represented by "-") | | | | |

| Item | Amount for the period (July to September) | Amount for the previous period (July to September) | Amount from the beginning of the year to the end of the reporting period (January to September) | Amount from the beginning to the end of reporting period of last year (January to September) |
|--|---|---|--|--|
| III. Operating profit (loss is represented by "-") | 3,093,216,455 | 3,128,876,667 | 10,584,186,957 | 9,983,012,328 |
| Add: Non-operating income | 20,369,458 | 4,299,401 | 163,628,022 | 80,265,938 |
| Less: Non-operating expenses | 10,634,283 | 21,747,577 | 31,389,021 | 72,608,712 |
| IV. Total profit (total loss is represented by "-") | 3,102,951,630 | 3,111,428,491 | 10,716,425,958 | 9,990,669,554 |
| Less: Income tax expenses | 153,798,949 | 332,770,023 | 822,405,234 | 1,014,029,316 |
| V. Net profit (net loss is represented by "-") | 2,949,152,681 | 2,778,658,468 | 9,894,020,724 | 8,976,640,238 |
| (1) Classified by continuity of operations | | | | |
| 1. Net profit from continuing operations (net loss is represented by "-") | 2,949,152,681 | 2,778,658,468 | 9,894,020,724 | 8,976,640,238 |
| 2. Net profit from discontinued operations (net loss is represented by "-") | 0 | 0 | 0 | 0 |
| (2) Classified by ownership of the equity | | | | |
| 1. Net profit attributable to owners of the company | 2,947,232,311 | 2,779,515,747 | 9,860,334,991 | 8,962,118,184 |
| 2. Minority interests | 1,920,370 | -857,279 | 33,685,733 | 14,522,054 |
| VI. Other comprehensive income (net of tax) | -51,328,012 | 5,939,212 | -50,828,135 | 9,679,475 |
| Other comprehensive income (net of tax) attributable to owners of the parent company | -51,328,012 | 2,119,215 | -50,828,135 | 1,942,574 |
| (1) Other comprehensive income not to be reclassified into profit or loss | -52,828,780 | 0 | -52,828,780 | 0 |
| 1. Changes arising from the re-measurement of defined benefit plans | 0 | 0 | 0 | 0 |
| 2. Other comprehensive income not to be reclassified to profit or loss under the equity method | 0 | 0 | 0 | 0 |
| 3. Changes in fair value arising from other equity instruments investments | -52,828,780 | 0 | -52,828,780 | 0 |
| (2) Other comprehensive income to be reclassified into profit or loss | 1,500,768 | 2,119,215 | 2,000,645 | 1,942,574 |
| 1. Other comprehensive income to be reclassified into profit or loss under the equity method | 0 | 0 | 0 | 0 |
| 2. Change in fair value of other debt investments | 0 | 0 | 0 | 0 |
| 3. Financial assets reclassified into other comprehensive income | 0 | 0 | 0 | 0 |
| 4. Credit impairment provision for other debt instruments | 0 | 0 | 0 | 0 |

| Item | Amount for the period (July to September) | Amount for the previous period (July to September) | Amount from the beginning of the year to the end of the reporting period (January to September) | Amount from the beginning to the end of reporting period of last year (January to September) |
|---|---|---|--|--|
| 5. Reserve for cash flow hedging | 0 | 0 | 0 | 0 |
| 6. Exchange differences on foreign currency financial statements translation | 1,500,768 | 0 | 2,000,645 | 0 |
| 7. Gains or losses arising from changes in fair value of available-for-sale financial assets | 0 | 2,119,215 | 0 | 1,942,574 |
| Other comprehensive income (net of tax) attributable to minority interests | 0 | 3,819,997 | 0 | 7,736,901 |
| VII. Total comprehensive income | 2,897,824,669 | 2,784,597,680 | 9,843,192,589 | 8,986,319,713 |
| Total comprehensive income attributable to the owners of the parent company | 2,895,904,299 | 2,781,634,962 | 9,809,506,856 | 8,964,060,758 |
| Total comprehensive income attributable to minority interests | 1,920,370 | 2,962,718 | 33,685,733 | 22,258,955 |
| VIII. Earnings per share: | | | | |
| (1) Basic earnings per share (Yuan/share) | 0.29 | 0.30 | 0.97 | 0.99 |
| (2) Diluted earnings per share (Yuan/share) | 0.28 | 0.30 | 0.95 | 0.97 |

Legal representative:
ZENG Qinghong

Principal accounting
responsible person:
WANG Dan

Manager of the accounting
department:
ZHENG Chao

Income Statement of the Parent Company

From January to September 2018

Prepared by: Guangzhou Automobile Group Co., Ltd.

| Item | <i>Unit: Yuan Currency: RMB Type of audit: unaudited</i> | | | |
|--|--|---|--|--|
| | Amount for the period (July to September) | Amount for the previous period (July to September) | Amount from the beginning of the year to the end of the reporting period (January to September) | Amount from the beginning to the end of reporting period of last year (January to September) |
| I. Revenue from operations | 36,920,680 | 47,697,943 | 184,437,014 | 218,234,275 |
| Less: Cost of operations | 28,639,093 | 46,349,651 | 154,649,378 | 156,376,704 |
| Taxes and surcharges | 4,993,779 | 3,262,177 | 11,573,966 | 11,894,944 |
| Selling expenses | 0 | 0 | 0 | 0 |
| Management expenses | 376,026,634 | 321,522,507 | 1,070,459,178 | 765,465,887 |
| Research and development expenses | 125,902,411 | 26,015,640 | 341,723,447 | 311,044,646 |
| Financial expenses | -9,245,706 | 39,617,673 | -40,991,522 | 178,260,839 |
| Including: Interests expenses | 54,299,360 | 86,878,114 | 181,570,713 | 306,597,719 |
| Interest income | 92,441,117 | 75,185,390 | 306,199,468 | 211,976,799 |
| Impairment loss of assets | 0 | 0 | 66,612,194 | 169,492,463 |
| Impairment loss of credits | 0 | 0 | 0 | 0 |
| Add: Other income | 29,335,367 | 18,799,477 | 92,171,718 | 40,453,366 |
| Gains on investment (loss is represented by "-") | 2,284,935,223 | 1,757,146,793 | 6,699,836,368 | 5,735,495,405 |
| Including: Gains from investment in associated companies and joint ventures | 2,257,710,505 | 1,783,759,041 | 6,592,014,283 | 5,731,717,954 |
| Net gain from hedging exposure (loss is represented by "-") | 0 | 0 | 0 | 0 |
| Gains on change in fair value (loss is represented by "-") | 0 | 0 | 0 | 0 |
| Gains on disposal of assets (loss is represented by "-") | 3,975 | 0 | -1,375 | -1,765 |
| II. Operating profit (loss is represented by "-") | 1,824,879,034 | 1,386,876,565 | 5,372,417,084 | 4,401,645,798 |
| Add: Non-operating income | 30,771 | 280,220 | 70,092,973 | 356,256 |
| Less: Non-operating expenses | 1,530,000 | 900,000 | 8,621,424 | 9,488,293 |
| III. Total profit (total loss is represented by "-") | 1,823,379,805 | 1,386,256,785 | 5,433,888,633 | 4,392,513,761 |
| Less: Income tax expenses | 0 | 0 | 0 | 0 |
| IV. Net profit (net loss is represented by "-") | 1,823,379,805 | 1,386,256,785 | 5,433,888,633 | 4,392,513,761 |
| (1) Net profit from continuing operations (net loss is represented by "-") | 1,823,379,805 | 1,386,256,785 | 5,433,888,633 | 4,392,513,761 |

| Item | Amount for the period (July to September) | Amount for the previous period (July to September) | Amount from the beginning of the year to the end of the reporting period (January to September) | Amount from the beginning to the end of reporting period of last year (January to September) |
|---|---|--|---|--|
| (2) Net profit from discontinued operations (net loss is represented by “-”) | 0 | 0 | 0 | 0 |
| V. Other comprehensive income (net of tax) | | | | |
| (1) Other comprehensive income not to be reclassified into profit or loss | 0 | 0 | 0 | 0 |
| (2) Other comprehensive income to be reclassified into profit or loss | 0 | 0 | 0 | 0 |
| VI. Total comprehensive income | 1,823,379,805 | 1,386,256,785 | 5,433,888,633 | 4,392,513,761 |

Legal representative:
ZENG Qinghong

Principal accounting
responsible person:
WANG Dan

Manager of the accounting
department:
ZHENG Chao

Consolidated Cash Flow Statement
From January to September 2018

Prepared by: Guangzhou Automobile Group Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: unaudited

| Item | Amount from the beginning of the year to the end of the reporting period (January to September) | Amount from the beginning to the end of reporting period of last year (January to September) |
|---|--|---|
| I. Cash flow generated from operating activities: | | |
| Cash received from sales of goods and rendering labour services | 59,921,396,322 | 58,967,946,708 |
| Net increase in deposits from customer and other banks | -3,750,267,252 | 341,980,474 |
| Cash received from interest, handling fees and commissions | 544,942,621 | 171,448,395 |
| Tax rebates | 151,037,530 | 2,293,208 |
| Other cash received from activities relating to operation | <u>3,202,027,877</u> | <u>2,874,930,632</u> |
| Sub-total of cash inflows from operating activities | <u>60,069,137,098</u> | <u>62,358,599,417</u> |
| Cash paid for goods and services | 50,332,733,716 | 43,622,950,221 |
| Net increase in customer loans and advances | -31,350,000 | 1,740,000,000 |
| Net increase in deposit in PBOC and interbank deposits | 107,000,000 | 1,065,860,000 |
| Cash paid for interest, handling fees and commissions | 60,895,230 | 73,129,986 |
| Cash paid to and on behalf of employees | 4,529,269,337 | 3,322,193,756 |
| Tax payments | 5,246,972,515 | 5,216,731,331 |
| Other cash payments related to operating activities | <u>5,042,004,288</u> | <u>2,818,726,647</u> |
| Sub-total of cash outflows from operating activities | <u>65,287,525,086</u> | <u>57,859,591,941</u> |
| Net cash flow from operating activities | <u><u>-5,218,387,988</u></u> | <u><u>4,499,007,476</u></u> |

| Item | Amount from the beginning of the year to the end of the reporting period (January to September) | Amount from the beginning to the end of reporting period of last year (January to September) |
|---|---|--|
| II. Cash flow generated from investing activities: | | |
| Cash received from disposal of investments | 2,617,692,558 | 12,646,757,582 |
| Cash received from gains on investment | 6,668,053,716 | 5,327,674,822 |
| Net cash received from disposal of fixed assets, intangible assets and other long term assets | 17,764,013 | 280,350,647 |
| Net cash received from disposal of subsidiaries and other operating entities | 0 | 0 |
| Other cash received from activities related to investment | <u>253,013,278</u> | <u>2,440,044,319</u> |
| Sub-total of cash inflows from investing activities | <u>9,556,523,565</u> | <u>20,694,827,370</u> |
| Cash paid for purchase and construction of fixed assets, intangible assets and other long term assets | 6,436,044,838 | 4,537,713,727 |
| Cash paid for investment | 4,012,052,877 | 11,310,059,268 |
| Net cash paid for acquiring subsidiaries and other operating entities | -152,336,945 | 0 |
| Other cash paid for activities related to investment | <u>24,453,290</u> | <u>409,566,042</u> |
| Sub-total of cash outflows from investing activities | <u>10,320,214,060</u> | <u>16,257,339,037</u> |
| Net cash flow generated from investing activities | <u><u>-763,690,495</u></u> | <u><u>4,437,488,333</u></u> |

| Item | Amount from the beginning of the year to the end of the reporting period (January to September) | Amount from the beginning to the end of reporting period of last year (January to September) |
|---|---|--|
| III. Net cash flow generated from financing activities: | | |
| Cash received from capital contributions | 325,245,070 | 79,239,209 |
| Including: Proceeds received by subsidiaries from minority shareholders' investment | 259,274,141 | 13,700,000 |
| Cash received from borrowings | 2,290,030,610 | 1,624,551,677 |
| Cash received from issuing bonds | 0 | 0 |
| Other cash received from activities related to financing activities | <u>299,905,947</u> | <u>1,107,559</u> |
| Sub-total of cash inflows from financing activities | <u>2,915,181,627</u> | <u>1,704,898,445</u> |
| Cash repayments of borrowings | 2,091,948,161 | 3,822,299,525 |
| Dividends paid, profit distributed or interest paid | 4,615,476,207 | 2,580,235,727 |
| Including: Dividends and profit paid by subsidiaries to minority shareholders | 35,763,962 | 40,077,009 |
| Other cash paid for activities related to financing activities | <u>15,499,675</u> | <u>52,469,613</u> |
| Sub-total of cash outflows from financing activities | <u>6,722,924,043</u> | <u>6,455,004,865</u> |
| Net cash flow from financing activities | <u><u>-3,807,742,416</u></u> | <u><u>-4,750,106,420</u></u> |
| IV. Effects of changes in exchange rate on cash and cash equivalents | 77,582,696 | -45,995,517 |
| V. Net increase in cash and cash equivalents | -9,712,238,203 | 4,140,393,872 |
| Add: Cash and cash equivalents at the beginning of the period | 47,312,050,783 | 19,769,502,553 |
| VI. Cash and cash equivalents at the end of the period | 37,599,812,580 | 23,909,896,425 |

Legal representative:
ZENG Qinghong

Principal accounting
responsible person:
WANG Dan

Manager of the accounting
department:
ZHENG Chao

Cash Flow Statement of the Parent Company

From January to September 2018

Prepared by: Guangzhou Automobile Group Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: unaudited

| Item | Amount from the beginning of the year to the end of the reporting period (January to September) | Amount from the beginning to the end of reporting period of last year (January to September) |
|---|--|---|
| I. Cash flow generated from operating activities: | | |
| Cash received from sales of goods and rendering labour services | 1,866,768,818 | 1,372,486,585 |
| Tax rebates | 0 | 0 |
| Other cash received from activities related to operation | 1,278,700,163 | 15,735,780,127 |
| Sub-total of cash inflows from operating activities | 3,145,468,981 | 17,108,266,712 |
| Cash paid for goods and labour services | 4,446,860 | 8,233,048 |
| Cash paid to and on behalf of employees | 579,680,810 | 459,111,855 |
| Tax payments | 70,882,731 | 92,930,206 |
| Other cash payments related to operating activities | 506,503,783 | 23,268,160,758 |
| Sub-total of cash outflows from operating activities | 1,161,514,184 | 23,828,435,867 |
| Net cash flow from operating activities | 1,983,954,797 | -6,720,169,155 |

| Item | Amount from the beginning of the year to the end of the reporting period (January to September) | Amount from the beginning to the end of reporting period of last year (January to September) |
|---|---|--|
| II. Cash flow generated from investing activities: | | |
| Cash received from disposal of investments | 231,592,750 | 9,993,000,000 |
| Cash received from gains on investment | 5,572,813,532 | 4,471,007,017 |
| Net cash received from disposal of fixed assets, intangible assets and other long term assets | 2,600 | 0 |
| Net cash received from disposal of subsidiaries and other operating entities | 0 | 0 |
| Other cash received from activities related to investing activities | <u>231,720,000</u> | <u>1,791,068,000</u> |
| Sub-total of cash inflows from investing activities | <u>6,036,128,882</u> | <u>16,255,075,017</u> |
| Cash paid for purchase and construction of fixed assets, intangible assets and other long term assets | 1,992,745,592 | 1,505,872,881 |
| Cash paid for investment | 3,583,701,372 | 10,805,155,994 |
| Net cash paid for acquiring subsidiaries and other operating entities | 0 | 0 |
| Other cash paid for activities related to investing activities | <u>165,040,000</u> | <u>104,178,000</u> |
| Sub-total of cash outflows from investing activities | <u>5,741,486,964</u> | <u>12,415,206,875</u> |
| Net cash flow from investing activities | <u><u>294,641,918</u></u> | <u><u>3,839,868,142</u></u> |

| Item | Amount from the beginning of the year to the end of the reporting period (January to September) | Amount from the beginning to the end of reporting period of last year (January to September) |
|---|---|--|
| III. Net cash flow generated from financing activities: | | |
| Cash received from capital contributions | 65,970,929 | 65,539,209 |
| Cash received from borrowing | 0 | 0 |
| Cash received from issuance of bonds | 0 | 0 |
| Other cash received from financing-related activities | 0 | 0 |
| | <u>65,970,929</u> | <u>65,539,209</u> |
| Sub-total of cash inflows from financing activities | <u>65,970,929</u> | <u>65,539,209</u> |
| Cash repayments of borrowings | 1,000,000,000 | 2,300,000,000 |
| Dividends paid, profit distributed or interest paid | 4,474,674,921 | 2,445,473,422 |
| Other cash paid for financing-related activities | 5,000,000 | 6,300,000 |
| | <u>5,479,674,921</u> | <u>4,751,773,422</u> |
| Sub-total of cash outflows from financing activities | <u>5,479,674,921</u> | <u>4,751,773,422</u> |
| Net cash flows from financing activities | <u><u>-5,413,703,992</u></u> | <u><u>-4,686,234,213</u></u> |
| IV. Effects of changes in exchange rate on cash and cash equivalents | 0 | 0 |
| V. Net increase in cash and cash equivalents | -3,135,107,277 | -7,566,535,226 |
| Add: Cash and cash equivalents at the beginning of the period | 18,311,943,745 | 13,293,924,296 |
| VI. Cash and cash equivalents at the end of the period | 15,176,836,468 | 5,727,389,070 |

Legal representative:
ZENG Qinghong

Principal accounting
responsible person:
WANG Dan

Manager of the accounting
department:
ZHENG Chao

4.2 Audited report

Applicable Not applicable