

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**DONGFENG MOTOR GROUP COMPANY LIMITED\***

**東風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: 489)*

**2024 INTERIM RESULTS ANNOUNCEMENT**

The Board of Directors (the “Board”) of Dongfeng Motor Group Company Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group” or the “Dongfeng Motor Group”) for the six months ended 30 June 2024 together with the comparative figures of the corresponding period of 2023. The 2024 interim financial information has been reviewed by the Company’s audit and risk management committee and the Company’s auditor, Ernst & Young, in accordance with Hong Kong Standards on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

In this announcement, unless otherwise specified, all references to business, including manufacture, research and development, outputs and sales volume, market share, investment, sales network, employee, corporate governance includes all relating to Dongfeng Motor Group, subsidiaries, joint ventures and associates.

Dongfeng Motor Group Company Limited  
Interim Condensed Consolidated Statement of Profit or Loss  
For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB million (Unaudited)	2023 RMB million (Unaudited) (As restated)
Revenue	3	51,145	45,640
Cost of sales		<u>(45,209)</u>	<u>(40,476)</u>
Gross profit		5,936	5,164
Other income and gain	4	3,115	2,456
Selling and distribution expenses		(4,165)	(3,638)
Administrative expenses		(2,453)	(2,060)
Impairment losses on financial assets	5	(471)	(10)
Other expenses	6	(2,499)	(2,708)
Finance expenses	7	(407)	(631)
Share of profits and losses of:		1,073	1,735
Joint ventures		753	1,403
Associates		<u>320</u>	<u>332</u>
<b>PROFIT BEFORE INCOME TAX</b>	8	129	308
Income tax expense	9	<u>(89)</u>	<u>(57)</u>
<b>PROFIT FOR THE PERIOD</b>		<u>40</u>	<u>251</u>
Attributable to:			
Owners of the parent	10	684	1,314
Non-controlling interests		<u>(644)</u>	<u>(1,063)</u>
		<u>40</u>	<u>251</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:</b>			
Basic and diluted earnings per share	10	<u>8.27 cents</u>	<u>15.30 cents</u>

Dongfeng Motor Group Company Limited  
Interim Condensed Consolidated Statement of Financial Position  
As at 30 June 2024

	Six months ended 30 June	
	2024 RMB million (Unaudited)	2023 RMB million (Unaudited) (As restated)
<b>PROFIT FOR THE PERIOD</b>	<b>40</b>	<b>251</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>		
Changes in fair value of financial assets at fair value through other comprehensive income	(1,391)	3,010
Others	(14)	(5)
	<b>(1,405)</b>	<b>3,005</b>
<i>Other comprehensive income that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	(8)	(1)
Income tax effect		
Item that will not be reclassified subsequently to profit or loss	347	(752)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>(1,066)</b>	<b>2,252</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(1,026)</b>	<b>2,503</b>
Attributable to:		
Owners of the parent	(375)	3,566
Non-controlling interests	(651)	(1,063)
	<b>(1,026)</b>	<b>2,503</b>

Dongfeng Motor Group Company Limited  
Interim Condensed Consolidated Statement of Financial Position  
As at 30 June 2024

	Notes	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Unaudited) (As restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	25,949	24,941
Investment properties		4,303	4,344
Right-of-use assets		4,848	4,796
Goodwill		3,155	3,155
Intangible assets		11,183	10,531
Investments in joint ventures		37,792	38,814
Investments in associates		16,178	16,611
Financial assets at fair value through other comprehensive income	16	7,603	8,997
Other non-current assets		40,071	37,451
Deferred tax assets		5,337	5,154
Total non-current assets		156,419	154,794
<b>Current assets</b>			
Inventories		12,756	14,432
Trade receivables	12	17,194	8,774
Bills receivable	13	3,518	7,304
Due from joint ventures		993	1,280
Prepayments, deposits and other receivables		32,773	40,516
Financial assets at fair value through other comprehensive income	16	4,557	9,248
Financial assets at fair value through profit or loss		16,596	16,568
Pledged bank balances and time deposits		3,457	4,159
Cash and bank balances		75,107	79,355
Total current assets		166,951	181,636
<b>TOTAL ASSETS</b>		<b>323,370</b>	<b>336,430</b>

Dongfeng Motor Group Company Limited  
Interim Condensed Consolidated Statement of Financial Position (Continued)  
As at 30 June 2024

	Notes	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Unaudited) (As restated)
<b>Current liabilities</b>			
Trade payables	14	24,070	27,164
Bills payable	15	28,100	29,534
Other payables and accruals		18,027	18,505
Contract liabilities		3,456	4,318
Due to joint ventures		16,891	20,513
Interest-bearing borrowings		40,171	34,454
Lease liabilities		328	332
Income tax payables		103	1,509
Provisions		838	1,011
Total current liabilities		131,984	137,340
NET CURRENT ASSETS		34,967	44,296
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		191,386	199,090
<b>Non-current liabilities</b>			
Interest-bearing borrowings		23,016	28,518
Lease liabilities		1,999	1,836
Other long term liabilities		2,487	2,189
Government grants		2,019	2,198
Deferred tax liabilities		1,327	1,691
Provisions		2,000	1,942
Total non-current liabilities		32,848	38,374
Net assets		158,538	160,716
<b>Equity attributable to owners of the parent</b>			
Issued capital	17	8,253	8,302
Reserves		25,647	27,897
Treasury stock		-	(78)
Retained profits		118,454	117,762
Total Equity attributable to owners of the parent		152,354	153,883
Non-controlling interests		6,184	6,833
<b>TOTAL EQUITY</b>		158,538	160,716
<b>TOTAL EQUITY AND LIABILITIES</b>		323,370	336,430

Dongfeng Motor Group Company Limited  
Interim Condensed Consolidated Statement of Changes in Equity  
For the six months ended 30 June 2024

	Attributable to owners of the company					Non-controlling interests RMB million (Unaudited)	Total equity RMB million (Unaudited)
	Issued capital RMB million (Unaudited)	Capital reserves* RMB million (Unaudited)	Treasury stock RMB million (Unaudited)	Statutory reserves* RMB million (Unaudited)	Retained profits RMB million (Unaudited)	Total RMB million (Unaudited)	
As at 31 December 2023	8,302	7,196	(78)	19,709	117,658	152,787	159,609
Business combination under common control	-	992	-	-	104	1,096	1,107
As at 1 January 2024 (As restated)	8,302	8,188	(78)	19,709	117,762	153,883	160,716
Total profit for the period	-	-	-	-	684	684	40
Total other comprehensive income for the period	-	(1,059)	-	-	-	(1,059)	(1,066)
Shares repurchased	-	-	(71)	-	-	(71)	(71)
Shares cancellation	(49)	(100)	149	-	-	-	-
Dividends paid to non-controlling shareholders	-	-	-	-	-	(37)	(37)
Capital contribution from non-controlling shareholders	-	-	-	-	-	47	47
Business combination under common control	-	(1,122)	-	-	-	(1,122)	(1,122)
Transactions with non-controlling interests holder	-	9	-	-	-	(23)	(14)
Share-based payment	-	20	-	-	-	5	25
Other	-	2	-	-	8	10	20
As at 30 June 2024	8,253	5,938	-	19,709	118,454	152,354	158,538

Dongfeng Motor Group Company Limited  
Interim Condensed Consolidated Statement of Changes in Equity (Continued)  
For the six months ended 30 June 2024

	Attributable to owners of the company					Non-controlling interests RMB million (Unaudited) (As restated)	Total equity RMB million (Unaudited) (As restated)
	Issued capital	Capital reserves*	Treasury stock	Statutory reserves*	Retained profits	Total	
	RMB million (Unaudited)	RMB million (Unaudited) (As restated)	RMB million (Unaudited)	RMB million (Unaudited)	RMB million (Unaudited) (As restated)	RMB million (Unaudited) (As restated)	
As at 31 December 2022	8,616	5,359	(93)	19,723	122,247	155,852	165,536
Restatement for business combination under common control	-	983	-	-	201	1,184	1,205
As at 1 January 2023 (As restated)	<u>8,616</u>	<u>6,342</u>	<u>(93)</u>	<u>19,723</u>	<u>122,448</u>	<u>157,036</u>	<u>166,741</u>
Total profit for the period	-	-	-	-	1,314	1,314	251
Total other comprehensive income for the period	-	2,252	-	-	-	2,252	2,252
Shares repurchased	-	-	(207)	-	-	(207)	(207)
Shares cancellation	(85)	(215)	300	-	-	-	-
Final 2022 dividend declared	-	-	-	-	(2,560)	(2,560)	(2,560)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(39)	(39)
Capital contribution from non-controlling shareholders	-	-	-	-	-	43	43
Other	-	(4)	-	-	-	9	5
As at 30 June 2023	<u>8,531</u>	<u>8,375</u>	<u>-</u>	<u>19,723</u>	<u>121,202</u>	<u>157,831</u>	<u>166,486</u>

\*These reserve accounts comprise the consolidated reserves of RMB25,647 million as at 30 June 2024 (30 June 2023: RMB 28,098 million) in the consolidated statement of financial position.

Dongfeng Motor Group Company Limited  
Interim Condensed Consolidated Statement of Cash Flows  
For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024 RMB million (Unaudited)	2023 RMB million (Unaudited) (As restated)
Cash flows from operating activities			
Cash flows used in operating activities		1,218	(5,882)
Income tax paid		(1,712)	(1,531)
Cash flows used in operating activities – net		(494)	(7,413)
Cash flows from investing activities			
Acquisition of subsidiaries – net		(1,122)	-
Acquisition of joint ventures and associates – net		-	(192)
Dividends from joint ventures and associates		3,039	6,299
Purchase of property, plant and equipment, right-of-use assets and intangible assets		(3,611)	(6,311)
Increase in non-pledged time deposits with original maturity of over three months		(7,858)	1,755
Other investing cash flows – net		1,298	2,022
Cash flows (used in)/generated from investing activities – net		(8,254)	3,573
Cash flows from financing activities			
Proceeds from borrowings and bonds		1,797	13,480
Repayments of borrowings and bonds		(4,674)	(12,765)
Dividends paid to non-controlling interests		(20)	(39)
Other financing cash flows – net		(227)	(341)
Cash flows (used in)/generated from financing activities – net		(3,124)	335
Net decrease in cash and cash equivalents		(11,872)	(3,505)
Effects of exchange rate changes on cash and cash equivalents		(20)	139
Cash and cash equivalents at beginning of the period		72,453	65,291
Cash and cash equivalents at end of the period		60,561	61,925



Dongfeng Motor Group Company Limited  
Interim Condensed Consolidated Statement of Cash Flows  
For the six months ended 30 June 2024

	Six months ended 30 June 2024 RMB million (Unaudited)	2023 RMB million (Unaudited) (As restated)
Cash and bank balances deposits	57,005	49,788
Time deposits	<u>21,559</u>	<u>15,446</u>
	78,564	65,234
Less: Pledged bank balances and time deposits for securing general banking facilities	<u>(3,457)</u>	<u>(2,261)</u>
Cash and bank balances in the consolidated statement of financial position	75,107	62,973
Less: Non-pledged time deposits with original maturity of over three months when acquired	<u>(14,546)</u>	<u>(1,048)</u>
Cash and cash equivalents in the consolidated statement of cash flow	<u><u>60,561</u></u>	<u><u>61,925</u></u>

## 1.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with International Accounting Standards (“IAS”) 34 *Interim Financial Reporting*.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

## 1.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards (“IFRS”) for the first time for the current period’s financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of liabilities as current or Non-current</i> (the “2020 Amendments”)
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”)
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

## 1.2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The nature and impact of the revised IFRSs are described below: (continued)

- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

### 1.3 PRIOR PERIOD RESTAMENT

In March 2024, the Group acquired a subsidiary from Dongfeng Motor Corporation (“DFM”). Since the subsidiary and the Group are both under control of DFM before and after the acquisition, the acquisition is considered as a business combination under common control, which is mentioned in note 18.

#### Restated interim condensed consolidated statement of comprehensive income

	For the six months ended 30 June 2023		
	consolidated statement of comprehensive income		
	As per originally reported (Unaudited) RMB million	Retrospective adjustments (Unaudited) RMB million	As restated (Unaudited) RMB million
Profit for the period	206	45	251
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(1)	-	(1)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	2,253	-	2,253
Total comprehensive income for the period	2,458	45	2,503
Attributable to:			
Owners of the parent	3,522	44	3,566
Non-controlling interests	(1,064)	1	(1,063)

#### Restated consolidated statement of financial position

	31 December 2023		
	statement of financial position		
	As per originally reported RMB million	Retrospective adjustments (Unaudited) RMB million	As restated (Unaudited) RMB million
Total assets	330,678	5,752	336,430
Total liabilities	171,069	4,645	175,714
Equity attributable to owners of the parent	152,787	1,096	153,883
Non-controlling interests	6,822	11	6,833
Total equity	159,609	1,107	160,716

## 2. REVENUE AND OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services, and has four reportable operating segments as follows:

- The commercial vehicles segment mainly manufactures and sells commercial vehicles, and its related engines and other automotive parts;
- The passenger vehicles segment mainly manufactures and sells passenger vehicles, and its related engines and other automotive parts;
- The financing service segment mainly provides financing services to external customers and companies within the Group; and
- The corporate and others segment mainly manufactures and sells other automobile related products.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating segment profit or loss and is measured consistently with profit or loss in the consolidated financial information. However, Group financing (including finance costs) and income taxes are managed on a Group basis and are not allocated to operating segments.

During the six months ended 30 June 2023 and 2024, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

Dongfeng Motor Group Company Limited  
Notes to Interim Condensed Consolidated Financial Information  
For the six months ended 30 June 2024

2. REVENUE AND OPERATING SEGMENT INFORMATION (CONTINUED)

For the six months ended 30 June 2024

	Commercial vehicles RMB million (Unaudited)	Passenger vehicles RMB million (Unaudited)	Financing service RMB million (Unaudited)	Corporate and others RMB million (Unaudited)	Elimination RMB million (Unaudited)	Total RMB million (Unaudited)
Segment revenue						
Sales to external customers	26,066	21,492	2,805	782	-	51,145
Intersegment sales	<u>100</u>	<u>64</u>	<u>60</u>	<u>28</u>	<u>(252)</u>	<u>-</u>
	<u>26,166</u>	<u>21,556</u>	<u>2,865</u>	<u>810</u>	<u>(252)</u>	<u>51,145</u>
Results						
Segment results	<u>(1,110)</u>	<u>(1,774)</u>	<u>416</u>	<u>202</u>	<u>999</u>	<u>(1,267)</u>
Interest income	230	1,373	-	183	(1,056)	730
Finance expenses						(407)
Share of profits and losses of:						
Associates						320
Joint ventures						<u>753</u>
Profit before income tax						129
Income tax expense						<u>(89)</u>
Profit for the period						<u>40</u>

Dongfeng Motor Group Company Limited  
Notes to Interim Condensed Consolidated Financial Information  
For the six months ended 30 June 2024

2. REVENUE AND OPERATING SEGMENT INFORMATION (CONTINUED)

For the six months ended 30 June 2023

	Commercial vehicles RMB million (Unaudited) (As restated)	Passenger vehicles RMB million (Unaudited) (As restated)	Financing service RMB million (Unaudited) (As restated)	Corporate and others RMB million (Unaudited) (As restated)	Elimination RMB million (Unaudited) (As restated)	Total RMB million (Unaudited) (As restated)
Segment revenue						
Sales to external customers	25,384	15,750	3,414	1,092	-	45,640
Intersegment sales	52	108	20	12	(192)	-
	<u>25,436</u>	<u>15,858</u>	<u>3,434</u>	<u>1,104</u>	<u>(192)</u>	<u>45,640</u>
Results						
Segment results	<u>(1,783)</u>	<u>(2,526)</u>	<u>1,673</u>	<u>512</u>	<u>994</u>	<u>(1,130)</u>
Interest income	234	115	-	1,061	(1,076)	334
Finance expenses						(631)
Share of profits and losses of:						
Associates						332
Joint ventures						<u>1,403</u>
Profit before income tax						308
Income tax expense						<u>(57)</u>
Profit for the period						<u><u>251</u></u>

The revenue from the transfer of goods are mainly recognized at a point in time.

2. REVENUE AND OPERATING SEGMENT INFORMATION (CONTINUED)

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2024 and 31 December 2023.

At 30 June 2024

	Commercial vehicles RMB million (Unaudited)	Passenger vehicles RMB million (Unaudited)	Financing service RMB million (Unaudited)	Corporate and others RMB million (Unaudited)	Elimination RMB million (Unaudited)	Total RMB million (Unaudited)
Segment assets	59,440	94,751	152,817	86,932	(70,570)	323,370
Segment liabilities	49,811	44,475	97,856	43,260	(70,570)	164,832
	<u>9,629</u>	<u>50,276</u>	<u>54,961</u>	<u>43,672</u>	<u>-</u>	<u>158,538</u>

At 31 December 2023

	Commercial vehicles RMB million (Unaudited) (As restated)	Passenger vehicles RMB million (Unaudited) (As restated)	Financing service RMB million (Unaudited) (As restated)	Corporate and others RMB million (Unaudited) (As restated)	Elimination RMB million (Unaudited) (As restated)	Total RMB million (Unaudited) (As restated)
Segment assets	77,541	92,123	159,972	83,319	(76,525)	336,430
Segment liabilities	54,440	49,807	105,945	42,047	(76,525)	175,714
	<u>23,101</u>	<u>42,316</u>	<u>54,027</u>	<u>41,272</u>	<u>-</u>	<u>160,716</u>



### 3. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2024 RMB million (Unaudited)	2023 RMB million (Unaudited) (As restated)
Revenue from principal operations	51,145	45,640

#### Disaggregated revenue information for revenue from contracts with customers

##### Segments

	Six months ended 30 June	
	2024 RMB million (Unaudited)	2023 RMB million (Unaudited) (As restated)
<b>Types of goods or services</b>		
Commercial vehicles	26,066	25,384
Passenger vehicles	21,492	15,750
Financing service	2,805	3,414
Corporate and others	782	1,092
Total	51,145	45,640

4. OTHER INCOME AND GAIN

	Six months ended 30 June	
	2024 RMB million (Unaudited)	2023 RMB million (Unaudited) (As restated)
Government grants and subsidies	912	256
Interest income	730	376
Dividends from financial assets at fair value through other comprehensive income	598	1,013
Management dispatch fee received from the joint ventures	106	101
Gain on disposal of joint ventures and associates	-	79
Others	769	631
Total	<u>3,115</u>	<u>2,456</u>

5. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Six months ended 30 June	
	2024 RMB million (Unaudited)	2023 RMB million (Unaudited) (As restated)
Impairment of trade receivables, net	(61)	(24)
Impairment of other receivables, net	-	(5)
Impairment of loans and receivables from financing services	532	39
Total	<u>471</u>	<u>10</u>

6. OTHER EXPENSE

	Six months ended 30 June	
	2024 RMB million (Unaudited)	2023 RMB million (Unaudited) (As restated)
Research costs	2,205	2,001
Others	294	707
Total	<u>2,499</u>	<u>2,708</u>

## 7. FINANCE EXPENSES

	Six months ended 30 June	
	2024	2023
	RMB million	RMB million
	(Unaudited)	(Unaudited)
		(As restated)
Interest expenses on bank loans and other borrowings	278	290
Interest expenses on lease liabilities	59	55
Exchange loss of financing activities, net	70	286
Finance expenses	407	631

## 8. PROFIT BEFORE INCOME TAX

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

	Six months ended 30 June	
	2024	2023
	RMB million	RMB million
	(Unaudited)	(Unaudited)
		(As restated)
Cost of inventories sold	45,209	40,476
Interest expense for financing services (included in cost of sales)	207	354
(Reversal of impairment)/impairment losses of inventories to net realisable value	(110)	292
Research and development costs	2,205	2,001
Depreciation of property, plant and equipment	1,568	1,310
Amortization of intangible assets	840	684
Amortization of long-term deferred expenses	63	56
Depreciation of right-of-use assets	178	187
Depreciation of investment properties	108	35
Impairment losses on financial assets	471	10
Gain on disposal of items of property, plant and equipment, net	(54)	(63)
Government grants	(912)	(256)
Employee expense	3,567	3,479
Exchange differences, net	20	309

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024 RMB million (Unaudited)	2023 RMB million (Unaudited) (As restated)
Current income tax	289	449
Deferred income tax	<u>(200)</u>	<u>(392)</u>
Income tax expense for the period	<u>89</u>	<u>57</u>

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for the Company and its subsidiaries is calculated at a statutory rate of 25% or a preferential rate of 15% where applicable, on their estimated assessable profits for the year based on the existing legislations, interpretations and practices in respect thereof.

No provision for Hong Kong profits tax (tax rate: 16.5%) has been made as the Group had no assessable profits arising in Hong Kong during the year.

Deferred tax assets are mainly recognized in respect of temporary differences relating to certain future deductible expenses for the purpose of corporate income tax.

According to IAS 12 Income Taxes, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 8,268,178,889 (2023: 8,586,348,456) in issue during the period.

The Company had no potentially dilutive shares in issue during the periods ended 30 June 2024 and 2023.

The calculation of basic earnings per share is based on:

	Six months ended 30 June	
	2024	2023
	RMB million	RMB million
	(Unaudited)	(Unaudited)
		(As restated)
Earnings:		
Profit attributable to ordinary equity holders of the Company	<u>684</u>	<u>1,314</u>
	<u>Number of shares</u>	<u>Number of shares</u>
	million	million
Shares:		
Weighted average number of ordinary shares in issue during the period	<u>8,268</u>	<u>8,586</u>
Earnings per share	<u>8.27 cents</u>	<u>15.30 cents</u>

During the six months ended 30 June 2024, 49,664,000 repurchased shares were canceled by the Company.

# 11. PROPERTY, PLANT AND EQUIPMENT

	RMB million (Unaudited) (As restated)
At 31 December 2023, net of accumulated depreciation and impairment	24,477
Restatement for business combination under common control	464
At 1 January 2024, net of accumulated depreciation and impairment(As restated)	24,941
Additions	2,866
Disposals	(236)
Transfer to investment properties and intangible assets	(48)
Depreciation during the period	(1,568)
Impairment	(6)
At 30 June 2024, net of accumulated depreciation and impairment	25,949

# 12. TRADE RECEIVABLES

Sales of the Group's commercial and passenger vehicles are normally settled on the basis of payment in advance, whereby the dealers are required to pay in advance either in cash or by bank acceptance drafts. However, in the case of long-standing customers with bulk purchases and good repayment history, the Group may offer these customers credit terms that are generally between 30 and 180 days. For sales of engines and other automotive parts, the Group generally offers their customers credit terms that are generally between 30 and 180 days. Trade receivables are non-interest bearing.

An aging analysis of the Group's trade receivables as at the end of the reporting period, net of provision for impairment, based on the invoice date, is as follows:

	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Unaudited) (As restated)
Within three months	9,806	2,785
Over three months but within one year	2,733	2,453
Over one year	4,655	3,536
	17,194	8,774

# 13. BILLS RECEIVABLE

	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Unaudited) (As restated)
Bills receivable	3,518	7,304

As at 30 June 2024 and 31 December 2023, the age of bills receivable of the Group was all within 1 year and none of the bills receivable was overdue.

14. TRADE PAYABLES

An aging analysis of the trade payables of the Group at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Unaudited) (As restated)
Within three months	19,075	24,342
Over three months but within one year	3,711	1,892
Over one year	1,284	930
	<u>24,070</u>	<u>27,164</u>

15. BILLS PAYABLE

	30 June 2024 RMB million (Unaudited) (As restated)	31 December 2023 RMB million (Unaudited) (As restated)
Bills payable	<u>28,100</u>	<u>29,534</u>

As at 30 June 2024 and 31 December 2023, the age of bills payable of the Group was all within 1 year.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Unaudited) (As restated)
Non-current:		
Listed equity investments at fair value through other comprehensive income		
- Stellantis N.V.(i)	7,082	8,182
- FORVIA SE	334	623
Unlisted equity investments at fair value through other comprehensive income	<u>187</u>	<u>192</u>
	7,603	8,997
Current:		
Unlisted debt instruments at fair value through other comprehensive income	<u>4,557</u>	<u>9,248</u>
	<u>12,160</u>	<u>18,245</u>

- (i) The Group held 49,223,907 shares of Stellantis at 30 June 2024. The Group is unable to directly participate in or exercise significant influence over the financial and operating decisions of Stellantis and hence the investment is accounted for as financial assets at fair value through other comprehensive income.

## 17. SHARE CAPITAL

During the six months ended 30 June 2024, the Company repurchased 27,490,000 shares of its shares on the Hong Kong Stock Exchange at a total consideration of RMB71 million.

During the six months ended 30 June 2024, the Company canceled 49,664,000 repurchased shares, resulting in a decrease in share capital of RMB49 million and capital reserve of RMB100 million.

## 18. BUSINESS COMBINATION

On 29 January 2024, Dongfeng Changxing Science and Technology Co., Ltd. ("Dongfeng Changxing") (a non-wholly owned subsidiary of the Company) and DFM entered into an equity transfer agreement, pursuant to which Dongfeng Changxing agreed to acquire 100% equity interests in Chuangge Financial Leasing Co., Ltd. ("Chuangge Financial Leasing") from DFM at a consideration of RMB1,122 million. The equity transfer of Chuangge Financial Leasing was completed in March 2024 and Chuangge Financial Leasing becomes a subsidiary of the Group hereafter.

Chuangge Financial Leasing and the Group are both under control of DFM before and after the equity transfer, pooling of interests method was applied to account for the business combination under common control. The assets and liabilities of Chuangge Financial Leasing are reflected by the Group using their respective carrying amounts as recognised by DFM, and the difference between the carrying amounts of the net assets of Chuangge Finance Leasing as recognised by DFM and the purchase consideration paid are credited to the Group's reserve. The comparative amounts of the Group's consolidated financial statements have also been restated as a result of the business combination under common control.

## 19. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Unaudited) (As restated)
Contracted, but not provided for:		
Plant and machinery	<u>2,371</u>	<u>653</u>



## CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I hereby present the 2024 interim results of Dongfeng Motor Group for your review.

In the first half of 2024, the sales volume of the automobile industry maintained a growth at 6.1%, but the growth rate declined month by month, with the industry's demand being differentiated and the situation being more complicated. New energy vehicles and overseas exports became the main growth drivers, growing by 32% and 30.5% year-on-year respectively, with the penetration rate of new energy vehicles reaching 35.2%. Sales volume of the independent brand passenger vehicle business increased by 23.9% year-on-year. Sales volume of the joint-invested non-luxury vehicle segment and internal combustion engine vehicle segment continued to decline. Since the beginning of last year, the terminal price of passenger vehicles has decreased by 15.6%.

Dongfeng Motor Group has actively responded to changes in the industry, accelerated the optimisation of its business layout and structural adjustment, strengthened scientific and technological innovation, achieved an upturn and improvement trend in its operations, and made every effort to promote high-quality development.

The Group sold approximately 966,100 vehicles, representing a year-on-year increase of 2.2%. Among them, the independent brand passenger vehicle business achieved sales volume of approximately 188,000 units, representing a year-on-year increase of 19.9%, with both its sales volume and price increasing, and the gross profit margin increased by 4.7 percentage points over the corresponding period of last year. The commercial vehicle segment recorded sales volume of approximately 191,400 units, representing a year-on-year increase of 8.9%. The new energy vehicle segment achieved sales volume of approximately 153,600 units, representing a year-on-year increase of 28.5%, indicating an improvement of 3.3 percentage points in the contribution to the Group's overall sales performance over the same period. The Group's joint invested vehicle business basically stabilised and halted the decline, recording sales volume of approximately 587,000 units; particularly, sales volume of Dongfeng Nissan dropped year-on-year by 1.4% and Dongfeng Honda increased year-on-year by 4.8%. The export business registered a sales volume of approximately 93,000 vehicles, a year-on-year increase of 14.8% and hitting a record high.

The Group achieved sales revenue of RMB51,145 million, and net profit attributable to equity holders of the Company of RMB684 million. Its asset-liability structure was robust, and the gearing ratio stayed at 51.0%. Its cash reserve<sup>1</sup> was abundant, reaching nearly RMB100 billion at the end of the Period, and its cash flows from operating activities increased by RMB6,991 million year-on-year.

In the first half of the year, the Group made positive progress in its work.

The accelerated development of new energy vehicles. The Group accelerated the launch of new products and introduced new products such as Dongfeng NAMMI01, Dongfeng eπ007 and 008, Dongfeng VOYAH FREE318, Dongfeng Aeolus L7 and Dongfeng Forthing Xinghai V9. Among them, the sales volume of eπ007 and 008 saw immediate growth since the launch, with eπ007 ranking among the top 3 in terms of sales among medium and large-sized pure electric sedans of the 150,000~200,000 class, and eπ008 ranking first among 6-seat new energy SUVs priced at less

---

<sup>1</sup> including: i) cash and cash in bank, ii) pledged bank balances and time deposits, iii) financial assets at fair value through profit or loss, and iv) financial assets at fair value through other comprehensive income.

than RMB250,000; the Dongfeng Aeolus L7 has achieved a comprehensive range exceeding 2,000 kilometers, while the VOYAH Dream ranks second in terms of sales among new energy MPV models in the industry. The Group developed a dedicated platform for new energy commercial and passenger vehicles. In the passenger vehicle segment, the M-Hero platform, Quantum Architecture, and DSMA Architecture have successfully enabled the mass production and delivery of multiple models, further enhancing the product deployment. In the commercial vehicle segment, the major commercial vehicle platforms such as T1 platform for heavy, medium, and light-duty vehicles, and the T2 platform for both passenger and commercial use accelerated product layout. Major new energy projects are progressing steadily, with achievement in the in-house manufacturing, industrialization, and localization of key resources for the “three core e-components”.

Swift yet steady structural adjustments. By focusing on its core responsibilities and main business areas, the Group promoted specialized integration and optimization across its independent brand passenger vehicles, commercial vehicles, parts & components, and automotive finance businesses. To this end, the Group has established the Dongfeng Independent Brand Passenger Vehicle Operations Committee, the Commercial Vehicle Division, the Components Division, and the Group’s Financial Business Development Committee, further consolidating resources in procurement, manufacturing, and marketing to drive the concentrated development of independent brands and new energy vehicles. The Group also built a “1+n” research and development system, pooling research and development resources to promote a platform-based and modular R&D model. It implemented a PM system to strengthen the entire product lifecycle management and establish mechanisms to create blockbuster models. To optimize the incentive and restraint mechanism, a dual-target system has been introduced, implementing dual-goal rigid assessment management of “current objectives + medium-long-term capability building”. Monthly and quarterly performance assessments were published in “red and black lists”, encouraging teams to strive for high targets.

Solid progress in technological innovation. The Group laid out key core technologies, focused on the two major tracks of new energy and intelligent driving, and advanced national research projects and major internal technology initiatives, with a strong push for the development and application of next-generation technologies such as skateboard chassis, solid-state batterie, hydrogen fuel cell, centralized electronic architecture, proprietary operating systems, proprietary chips, intelligent driving, and 800V/6C ultra-fast charging. The Group has increased its investment in science and technology, strengthened the research and development of new energy vehicles under its independent brand, built a global innovation center, a global modeling center, etc., and comprehensively improved its software and hardware capabilities. It enhanced the docking and cooperation among enterprises, universities and research institutes, carried out joint development and technological research, vigorously cultivated and introduced scientific and technological talents, and promoted the transformation of scientific and technological achievements. At the 4th “China Automotive Summit” hosted by CCTV, the M-Hero 917 and VOYAH Passion PHEV and others won four awards.

Fully stabilizing the foundation of joint ventures. To facilitate the electrification transformation of joint venture businesses, Dongfeng Honda has introduced the dual-brand “H+Lingxi”; Dongfeng Nissan has launched the “New Fight 100 Action Plan”; while DPCA has been integrated into Dongfeng’s self-developed models. The Group has made significant strides in exploring the market for fuel-efficient vehicles, continuously optimizing network layouts and speeding up its business network’s “expanding into lower-tier cities” and the “western areas”. We have innovated our business models, improved customer retention and marketing strategies, and elevated after-sales

service level. Additionally, we have focused on enhancing profitability, vigorously expanding the aftermarket business, advancing domestic substitution and local supply, and rigorously pursuing cost reductions and efficiency gains. Concurrently, we have enhanced strategic communication among multiple levels, ensuring that foreign shareholders have a deeper understanding of domestic market dynamics, and collaboratively advancing the transformation, upgrading, and sustainable development of joint ventures in the new era.

Next up, the group will focus on its objectives and actively promote extreme cost reduction to enhance profitability, improve sales and profit structures, and fully commit to driving steady and progressive operational development. We will accelerate the pace of transformation and upgrading, and strive for greater dynamism, reform, innovation, and transformation. We are determined to promote high-quality development, aiding all shareholders in achieving value growth.

Finally, on behalf of the Board, I would like to express my sincere gratitude to all shareholders for their continued support and dedication.

Yang Qing  
Chairman  
Wuhan, the PRC  
29 August 2024

## BUSINESS OVERVIEW

### (I) Principal Business Operations during the First Half of 2024

As at 30 June 2024, the production and sales volume for vehicles of Dongfeng Motor Group were approximately 951,000 units and 966,000 units respectively. According to the statistics published by the China Association of Automobile Manufacturers, Dongfeng Motor Group had a market share of approximately 6.9% in terms of sales volume of commercial and passenger vehicles made by domestic manufacturers in the first half of 2024. The following table sets out the production and sales volumes of commercial and passenger vehicles of Dongfeng Motor Group as well as their respective market shares in terms of sales volume in the first half of 2024:

	Production Volume (Unit)	Sales Volume (Unit)	Market Share (%) <sup>1</sup>
<b>Commercial Vehicles</b>	178,730	191,355	9.3
Trucks	171,548	183,384	11.9**
Buses	7,182	7,971	3.3
<b>Passenger Vehicles</b>	771,927	774,782	6.5
Basic passenger cars	403,728	398,074	7.8
MPVs	43,751	43,154	9.5
SUVs	324,448	333,554	5.3
<b>Total</b>	<b>950,657</b>	<b>966,137</b>	<b>6.9</b>

\* Calculated based on the statistics published by the China Association of Automobile Manufacturers;

\*\* Excluding mini trucks.

### (II) Business Outlook

In the first half of 2024, China's automobile industry generally showed a steady growth trend, with total sales volume of 14,047,000 vehicles, representing a year-on-year increase of 6.1%. The sales volume of new energy vehicles recorded a significant year-on-year growth, with the penetration rate of new energy vehicles reaching 35.25%. For the whole year, it is expected that China's automobile industry will maintain its growth momentum, will continue to accelerate the transformation into new energy and intelligent vehicles, and remain as No. 1 in the world in terms of production and sales volume, with the industry's TIV for the whole year being estimated to be 30.9 million vehicles, representing a year-on-year growth of around 2.7%.

The Group achieved significant results in its transformation and upgrading, gaining a pick up in its overall operations in the first half of the year, and attained "year-on-year growth in sales volume, significant progress in the transformation and upgrading of independent brand businesses, rapid development of new energy and overseas businesses, solid advancement in technological innovation, and continuous improvement in the profitability of independent brand businesses". For the whole year, the Group will push forward the optimisation of its layout and the structural adjustment, rapidly promote the development of new energy, further enhance its marketing capabilities, and steadfastly promote the Company's high-quality development.

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. OPERATING ENVIRONMENT

In the first half of 2024, China's GDP grew by 5.0% year on year, the overall economy ran steadily and made progress while remaining stable, with the development of new energy vehicles being accelerating and new progress being made in high-quality development, solidly ranking second in the world in terms of overall scale.

In the first half of 2024, China's automobile industry generally showed a steady growth trend, especially in the area of new energy vehicles, with significant year-on-year growth being recorded in sales volume. Production and sales from January to June of the year were 13,891,300 units and 14,047,500 units, respectively, representing a year-on-year growth of 4.9% and 6.1%, with production and sales volumes, which was a record high, remaining the highest in the world.

The passenger vehicles market maintained its growth, with sales of 11,979,100 units throughout the period from January to June, a year-on-year increase of 6.3%. Among which, the sales volume of SUV increased by 11.5% year on year, the sales volume of basic vehicles increased by 1.8% year on year, the sales volume of MPV decreased by 5.9% year on year and the sales volume of CUV (cross-over utility vehicle) decreased by 3.3% year on year.

In the commercial vehicle market, due to the stabilizing and improving macro economy, as well as the recovering demands of the consumer market, the commercial vehicles sales throughout the period from January to June were 2,068,400 units, representing a year-on-year increase of 4.9%. In terms of the production and sales of different models, the sales of buses represented a year-on-year increase of 9.3%, and the sales of trucks represented a year-on-year increase of 4.4%.

The new energy vehicle market sustained its rapid growth, with production and sales of 4,929,000 units and 4,944,000 units of new energy vehicles throughout the year, representing a year-on-year increase of 30.1% and 32%, respectively, with a market share of 35.2%.

## II. OPERATION ANALYSIS

In the first half of 2024, the sales volume of the industry reached 14,047,500 units, representing a year-on-year increase of 6.1%. In particular, new energy vehicles and outbound exports became the main growth engine for the industry, the market demand differentiation accelerated, and the sales of non-luxury brand vehicles of joint ventures continued to decline. As the competition became more intensive brought about by “reducing price to secure more sales”, the transaction price of passenger vehicles continued to drop. The Group’s transformation and upgrade efforts were remarkably successful, with overall operations showing a positive rebound in the first half of the year. Key achievements included “year-on-year growth in sales volume, significant progress in the transformation and upgrading of independent brand businesses, rapid development of new energy and overseas businesses, solid advancement in technological innovation, and continuous improvement in the profitability of independent brand businesses”.

The Group achieved sales volume of approximately 966,100 units during the period, representing a year-on-year increase of approximately 2.2%, sales revenue of approximately RMB51,145 million, representing a year-on-year increase of approximately 12.1%, gross profit margin of 11.6%, higher than that of the corresponding period of last year, and profit attributable to owners of the parent of approximately RMB684 million. The sales volume of the Group’s independent brand passenger vehicle business was approximately 188,000 units, representing a year-on-year increase of 19.9%, the sales mix and profitability continued to improve, and the gross profit margin of the Group’s independent brand passenger vehicle business increased by 4.7 percentage points. Due to the impact of the continuous decline in the market share of the non-luxury passenger vehicles of joint ventures market, the Group optimized its joint venture business by enhancing network layout, deeply exploring the energy-efficient fuel vehicle market, leveraging the potential of a strong customer base, innovating business models, improving customer retention and marketing strategies, and improving dealer profitability through multiple measures to stabilize the network channels. Despite the overall downward trend in the joint venture industry, the Group’s joint venture passenger vehicle business stabilized and halted the decline, with the sales volume of the joint venture business for the period reaching 587,000 units approximately, of which, Dongfeng Nissan’s sales decreased by 1.4% year-on-year and Dongfeng Honda’s sales increased by 4.8% year-on-year.

Due to the effect of stabilizing and improving macro economy, recovering demands of the consumer market, the commercial vehicle market achieved restorative growth. The sales volume of the Group’s commercial vehicle business was approximately 191,400 units, representing a year-on-year increase of approximately 8.9%. The Group’s commercial vehicle business has the core independent research and development capability of the entire product chain, and the engine brand “Dragon Engine” of commercial vehicles leads the industry in terms of technical performance.

The Group’s overall new energy business achieved rapid development, with sales volume reaching 154,000 units during this period, representing a year-on-year increase of 28.5%. The proportion of new energy vehicle sales volume in the Group’s total sales increased by 3.3 percentage points. In the first half of the year, the Group successively launched new products such as the NAMMI 01, eπ007 and 008, Voyah FREE 318, Dongfeng Aeolus L7, and Dongfeng Forthing Xinghai V9. Among these, the sales volume of eπ007 and 008 saw immediate growth since the launch, and the Voyah DREAM ranked second in terms of sales among new energy MPV models in the industry.

### III. FINANCIAL ANALYSIS

#### 1. Revenue

The revenue of the Group for the interim period of 2024 was approximately RMB51,145 million, representing an increase of approximately RMB5,505 million, or approximately 12.1%, as compared with approximately RMB45,640 million for the corresponding period of last year. The change in revenue was mainly from VOYAH Automobile Technology Co., Ltd., Dongfeng Motor Group Co., Ltd. Passenger Vehicle Company, Dongfeng Liuzhou Motor Co., Ltd., Dongfeng Commercial Vehicle Co., Ltd., and Dongfeng Automobile Co., Ltd.

	<b>The first half of 2024</b>	<b>The first half of 2023</b>
	<b>Sales Revenue</b>	<b>Sales Revenue</b>
	<b>RMB million</b>	<b>RMB million</b>
Passenger vehicles	<b>21,556</b>	15,858
Commercial vehicles	<b>26,166</b>	25,436
Auto financing service	<b>2,865</b>	3,434
Corporate and others	<b>810</b>	1,104
Elimination	<b>-252</b>	-192
<b>Total</b>	<b>51,145</b>	45,640

#### 1.1 Passenger Vehicle Business

The sales revenue of passenger vehicles of the Group for the interim period of 2024 increased by approximately RMB5,698 million, or approximately 35.93%, to approximately RMB21,556 million from approximately RMB15,858 million for the corresponding period of last year. The increase in revenue was mainly from the passenger vehicles business of VOYAH Automobile Technology Co., Ltd., Dongfeng Motor Group Co., Ltd. Passenger Vehicle Company, and Dongfeng Motor Group Co., Ltd. Mengshi Automobile Technology Company.

#### 1.2 Commercial Vehicle Business

Our commercial vehicle business achieved a recovery in growth due to the stabilizing and improving macro economy, as well as the recovering demands of the consumer market. The sales revenue of commercial vehicle business for the interim period of 2024 was approximately RMB26,166 million, representing an increase of approximately RMB730 million or an increase of approximately 2.87% from approximately RMB25,436 million for the corresponding period of last year. The increase in revenue was mainly from the commercial vehicles business of Dongfeng Liuzhou Motor Co., Ltd. and Dongfeng Automobile Co., Ltd.



### **1.3 Auto Financing Service Business**

In the first half of 2024, the Group optimised the layout of and made adjustment to its mobile transportation business and subsequently provided customers with entire-process tailor-made financial services for car-buying, car-using and car-exchanging scenarios.

The revenue of auto financing service of the Group for the interim period of 2024 decreased by approximately RMB569 million, or approximately 16.57%, to approximately RMB2,865 million from approximately RMB3,434 million of the corresponding period of last year.

## **2. Cost of Sales and Gross Profit**

The total cost of sales of the Group for the interim period of 2024 was approximately RMB45,209 million, representing an increase of approximately RMB4,733 million, or approximately 11.7%, as compared with approximately RMB40,476 million of the corresponding period of last year. The total gross profit was approximately RMB5,936 million, representing an increase of approximately RMB772 million, or approximately 15.0%, as compared with approximately RMB5,164 million of the corresponding period of last year.

In the first half of 2024, the competition in the automobile industry remained fierce, the Group continued to enhance its marketing capabilities and profitability to cope with the fierce competition brought about by “reducing price to secure more sales” in the automobile market, and the gross profit margin for current period was approximately 11.6%, which was higher than that of the corresponding period of last year. The change in gross profit in the current period was mainly attributable to the significant increase in gross profit of the Group’s independent brand passenger vehicles (Aeolus series) and new energy business (VOYAH series) compared with the corresponding period of last year.

## **3. Other Income**

The total other income of the Group for the interim period of 2024 amounted to approximately RMB3,115 million, representing an increase of approximately RMB659 million compared with approximately RMB2,456 million of the corresponding period of last year.

The increase in other income was mainly due to the receipt of special subsidies from relevant government in the current period.

## **4. Selling and Distribution Expenses**

The selling and distribution expenses of the Group for the interim period of 2024 increased by approximately RMB527 million to approximately RMB4,165 million from approximately RMB3,638 million of the corresponding period of last year.



The increase in selling and distribution expenses was mainly due to: the launch of a number of new car models under the Group's three major passenger vehicle brands (Aeolus, 睿, Nammi) and the release thereof resulted in an increase in marketing and publicity expenses on new car models.

## **5. Administrative Expenses**

The administrative expenses of the Group for the interim period of 2024 increased by approximately RMB393 million to approximately RMB2,453 million from approximately RMB2,060 million of the corresponding period of last year.

The increase in administrative expenses was mainly due to the improvement in the new energy vehicle and export businesses in the current period and the corresponding increase in staff salaries.

## **6. Impairment Losses on Financial Assets**

The impairment losses on financial assets of the Group for the interim period of 2024 increased by approximately RMB461 million to approximately RMB471 million from approximately RMB10 million in the corresponding period last year.

The changes in impairment losses on financial assets were mainly due to the increase in the amount of impairment losses from financing service of the Group over the corresponding period of last year.

## **7. Other Expenses**

The other expenses of the Group for the interim period of 2024 amounted to approximately RMB2,499 million, representing a decrease of approximately RMB209 million as compared with approximately RMB2,708 million of the corresponding period of last year.

The change in net of other expenses in the current period was mainly due to the decrease in exchange (gain)/loss and other expenses as compared with the corresponding period of last year.

The Group attaches great importance to the trend of development towards new energy, digitalisation and intelligentization in the automobile sector, and make continuous investment in research and development in strategic areas and key core technologies, with research and development expenses increasing continuously.

## **8. Finance Expenses**

The finance expenses of the Group for the interim period of 2024 amounted to approximately RMB407 million, representing a decrease of approximately RMB224

million as compared with approximately RMB631 million of the corresponding period of last year.

The decrease in finance expenses in current period was mainly due to the decrease in foreign exchange losses as a result of changes in the exchange rate of Euro against RMB.

## **9. Share of Profits and Losses of Joint Ventures**

Affected by the declining market share of non-luxury vehicles of joint ventures year by year, share of profits and losses of joint ventures of the Group for the interim period of 2024 decreased by approximately RMB650 million to approximately RMB753 million, from approximately RMB1,403 million of the corresponding period of last year. The main reasons for the change were that: (1) Dongfeng Motor Co., Ltd. decreased by approximately RMB265 million over the corresponding period; (2) Dongfeng Honda Automobile Co., Ltd. decreased by approximately RMB175 million over the corresponding period; (3) Dongfeng Honda Engine Co., Ltd. decreased by approximately RMB196 million over the corresponding period.

## **10. Share of Profits and Losses of Associates**

The share of profits and losses of associates of the Group for the interim period was approximately RMB320 million, a decrease of about RMB12 million compared to approximately RMB332 million for the same period last year. The primary reason for the change is the fluctuation in investment income from Dongfeng Nissan Auto Finance Co., Ltd.

## **11. Income Tax Expense**

The income tax expense of the Group for the interim period of 2024 was approximately RMB89 million, an increase of about RMB32 million compared to approximately RMB57 million for the same period last year.

## **12. Profit Attributable to Equity Holders of the Company for the Year**

The profit attributable to shareholders of the Group for the interim period of 2024 was approximately RMB684 million, representing a decrease of approximately RMB630 million as compared with that of approximately RMB1,314 million of the corresponding period of last year. The net profit margin (a percentage of profit attributable to owners of the parent to total revenue) was approximately 1.3%, representing a decrease of approximately 1.6 percentage point as compared with approximately 2.9% of the corresponding period of last year. The return on net assets (a percentage of profit attributable to owners of the parent to average net assets) was approximately 0.9%.

## **13. Total Assets**

Total assets of the Group for the interim period of 2024 amounted to approximately RMB323,370 million, representing a decrease of approximately RMB13,060 million, or 3.9%, as compared with RMB336,430 million as at the end of the last year. This was

mainly due to: (1) a decrease in cash and cash equivalents of RMB4,248 million; (2) a decrease in prepayments, deposits and other receivables and other long-term assets of RMB5,123 million; (3) a decrease in bills receivable and current financial assets at fair value through other comprehensive income of RMB8,477 million; (4) a decrease in inventories of RMB1,676 million; (5) an increase in trade receivables of RMB8,420 million.

#### **14. Total Liabilities**

Total liabilities of the Group for the interim period of 2024 amounted to approximately RMB164,832 million, representing a decrease of approximately RMB10,882 million, or 6.19% as compared with approximately RMB175,714 million as at the end of the last year. The decrease was mainly due to: (1) a decrease in trade payables of RMB3,094 million; (2) a decrease in bills payable of RMB1,433 million; (3) a decrease in amount due to joint ventures of RMB3,623 million; (4) a decrease in income taxes payable of RMB1,406 million; (5) a decrease in contract liabilities of RMB862 million.

#### **15. Total Equity**

Total equity for the interim period of 2024 amounted to RMB158,538 million, representing a decrease of RMB2,178 million or 1.36% as compared with RMB160,716 million as at the end of last year, of which, equity attributable to owners of the parent of the Company amounted to RMB152,354 million, representing a decrease of RMB1,529 million as compared with RMB153,883 million as at the end of last year; non-controlling interests amounted to RMB6,184 million, representing a decrease of RMB649 million as compared with RMB6,833 million as at the end of last year.

#### **16. Liquidity and Sources of Capital**

Net outflow of cash and cash equivalents for the interim period of 2024 was RMB11,872 million, representing a decrease of RMB8,367 million over the interim period of 2023. This included a net cash outflow from operating activities of RMB494 million, a net cash outflow from investing activities of RMB8,254 million and a net cash outflow from financing activities of RMB3,124 million.

Net cash outflow from operating activities amounted to RMB494 million. The amount mainly consisted of: (1) profit before income tax amounted to RMB1,208 million, net of depreciation, impairment and other non-cash items; (2) the decrease of RMB4,736 million in the balance of trade and bills receivables and prepayments and deposits; (3) the decrease of RMB1,799 million in the balance of inventories; (4) the decrease of RMB8,088 million in the balance of trade payables, bills payable and other payables and accruals; (5) the decrease of RMB2,756 million in the balance of the loans granted by Dongfeng Motor Finance Co., Ltd.; (6) the decrease of RMB2,680 million in the balance of deposit taking of Dongfeng Motor Finance Co., Ltd.; (7) the decrease of RMB3,606 million in the balance of amounts deposited with finance companies by joint venture; (8) income tax payment of RMB1,712 million; (9) interest payment of RMB203 million.

Net cash outflow from investing activities amounted to RMB8,254 million. The amount mainly consisted of: (1) the receipt of Investment dividend of RMB3,611 million; (2) payments for purchase of property, plant and equipment of RMB1,867 million; (3) payments for purchase of intangible assets of RMB1,716 million; (4) payment of

RMB1,120 million for acquisition of Chuangge by Dongfeng Changxing; (5) increase of unsecured time deposits with original maturity of over three months, resulting in a cash outflow of RMB7,585 million.

Net cash outflow from financing activities amounted to RMB3,124 million. This amount mainly consisted of: (1) increase of bank borrowings, resulting in a cash inflow of RMB1,797 million; (2) repayment of bank borrowings and redemption of bonds, resulting in a cash outflow of RMB4,674 million.

As a result of the above, the Group's balance of cash and cash equivalents (excluding non-pledged time deposits with original maturity of three months or more when acquired) amounted to RMB60,561 million as at 30 June 2024, representing a decrease of RMB11,892 million as compared with RMB72,453 million as at the end of the previous period. Cash and bank deposits (including non-pledged time deposits with original maturity of three months or more when acquired) amounted to RMB75,107 million, representing a decrease of RMB4,248 million as compared with RMB79,355 million as at the end of the previous period.

## **17. Major Financial Figures Based on Proportionate Consolidation**

Based on proportionate consolidation, the revenue of the Group for the six months ended 30 June 2024 was approximately RMB87,356 million, representing a decrease of approximately RMB6,324 million, or approximately 6.75%, as compared with approximately RMB93,680 million of the corresponding period of last year. Profit before income tax was approximately RMB599 million, representing a decrease of approximately RMB215 million, or approximately 26.38%, as compared with approximately RMB813 million of the corresponding period of last year. Total assets were approximately RMB364,528 million, representing a decrease of RMB23,494 million, or approximately 6.05%, as compared with approximately RMB388,022 million as at the end of last year.

## **OTHER MATTERS**

### **INTERIM DIVIDEND**

The Board of Directors is pleased to declare an interim dividend of RMB0.05 per share (for the six months ended 30 June 2023: Nil) to the shareholders whose names appear on the register of members of the Company on Monday, 23 September 2024. The interim dividend will be distributed no later than Friday, 25 October 2024.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 16 September 2024 to Monday, 23 September 2024 (both days inclusive). In order to be entitled to the interim dividend, H shares shareholders who have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at Computershare Hong Kong Investor Services Limited, the H share registrar of the Company, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong at or before 4:30 p.m. on Friday, 13 September 2024 (Hong Kong time), being the last share registration date.

### **MAJOR ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES**

For the six months ended 30 June 2024, there were no material acquisitions and disposals of subsidiaries, joint ventures and associated enterprises by Dongfeng Motor Group.

### **MATERIAL LEGAL PROCEEDINGS**

For the six months ended 30 June 2024, Dongfeng Motor Group was not involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against Dongfeng Motor Group as far as Dongfeng Motor Group was aware.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Reference is made to the circular dated 30 May 2024 relating to the annual general meeting, domestic share class meeting and H share class meeting of the Company, the directors of the Company believe that the reason to repurchase of the Company's H Shares is based on the full confidence in the future development of the Company, and to maintain the Company's investment value and the Company's reputation in the capital market, which is also in line with the Company's future development strategy. The directors of the Company are of the view that the flexibility offered by the H Share Repurchase Mandate would be beneficial to and in the best interest of the Company and its Shareholders. The relevant H Share Repurchase Mandate had been passed at annual general meeting, domestic share class meeting and H share class meeting held on 21 June 2024.

For the six months ended 30 June 2024, the Company bought back a total of 27,490,000 H Shares on The Stock Exchange of Hong Kong Limited. As at 30 June 2024, the total number of issued H shares of the Company was 2,492,200,000 shares.

Details of Share purchases are as follows:

Month	Number of Shares bought back	Buy-back price per Share (HKD)		Total consideration (before expenses)
		Highest	Lowest	
April 2024	27,490,000	2.92	2.72	77,881,733

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period ended 30 June 2024.

## **CORPORATE GOVERNANCE**

For the six months ended 30 June 2024, the Company has fully complied with all code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except for Code Provision B.2.2.

The current Board of Directors was elected on 25 September 2020. According to the provisions of Code Provisions B.2.2 of the Code, each director should be subject to retirement by rotation at least once every three years, which means the term of the current Board should expire on 24 September 2023, and the directors should retire by rotation. However, due to the collective nature of the Board, various factors need to be considered to ensure the smooth continuation of the Company's senior management. As a result, the Company was unable to complete the Board renewal process on schedule. The Board renewal process is currently underway and will be presented for discussion at the shareholders' meeting in due course.

## **REVIEW OF THE ACCOUNTS**

The external auditor of the Company, Ernst&Young has reviewed the unaudited financial statements of the Group for the six months ended 30 June 2024.

## **BOARD OF DIRECTORS**

*As at the date of this announcement, Mr. Yang Qing, Mr. Zhou Zhiping and Mr. You Zheng are the executive directors of the Company, and Mr. Zong Qingsheng, Mr. Leung Wai Lap, Philip and Mr. Hu Yiguang are the independent non-executive directors of the Company.*

By order of the Board

Yang Qing  
Chairman

Wuhan, the PRC, 29 August 2024

*\* For identification only*