

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.



北京汽车
BAIC MOTOR

北京汽车股份有限公司

BAIC MOTOR CORPORATION LIMITED*

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

(Stock Code: 1958)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of BAIC Motor Corporation Limited (the “**Company**” or “**BAIC Motor**” or “**we**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended June 30, 2023 (the “**Reporting Period**” or the “**First Half of 2023**”) together with the comparative figures for the corresponding period in 2022. The results have been prepared in accordance with the International Accounting Standard 34, “Interim Financial Reporting” issued by the International Accounting Standards Board and the disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The audit committee under the Board (the “**Audit Committee**”) and PricewaterhouseCoopers, the external auditor of the Group, have reviewed the unaudited condensed consolidated interim financial information (the “**Condensed Financial Information**”).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2023

		For the six months ended June 30,	
	<i>Note</i>	2023	2022
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
Revenue	3	99,047,066	83,678,641
Cost of sales		<u>(78,480,963)</u>	<u>(65,118,724)</u>
Gross profit		20,566,103	18,559,917
Selling and distribution expenses		(5,660,586)	(4,805,472)
General and administrative expenses		(2,257,793)	(2,265,474)
Net impairment losses on financial assets		(298,218)	(86,234)
Other gains, net		<u>235,672</u>	<u>60,932</u>
Operating profit	6	12,585,178	11,463,669
Finance income		211,002	375,848
Finance costs		<u>(273,194)</u>	<u>(350,580)</u>
Finance (cost)/income, net		(62,192)	25,268
Share of profit/(loss) of investments accounted for using equity method		<u>56,127</u>	<u>(43,414)</u>
Profit before income tax		12,579,113	11,445,523
Income tax expense	7	<u>(4,027,808)</u>	<u>(3,802,473)</u>
Profit for the period		<u>8,551,305</u>	<u>7,643,050</u>
Profit attributable to:			
Equity holders of the Company		2,845,716	2,158,298
Non-controlling interests		<u>5,705,589</u>	<u>5,484,752</u>
		<u>8,551,305</u>	<u>7,643,050</u>
Earnings per share for profit attributable to ordinary shareholders of the Company for the period (expressed in RMB)			
Basic and diluted	8	<u>0.36</u>	<u>0.27</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)**

FOR THE SIX MONTHS ENDED JUNE 30, 2023

	For the six months ended June 30,	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit for the period	<u>8,551,305</u>	<u>7,643,050</u>
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Gain on cash flow hedges, net of tax	118,345	103,414
Share of other comprehensive income of investments accounted for using the equity method	2,228	5,211
Currency translation differences	(170,721)	(57,776)
<i>Items that will not be reclassified to profit or loss</i>		
Changes in fair value of financial assets at fair value through other comprehensive income	<u>263,728</u>	<u>(201,041)</u>
Other comprehensive income/(loss) for the period	<u>213,580</u>	<u>(150,192)</u>
Total comprehensive income for the period	<u>8,764,885</u>	<u>7,492,858</u>
Attributable to:		
Equity holders of the Company	3,035,593	1,950,777
Non-controlling interests	<u>5,729,292</u>	<u>5,542,081</u>
	<u>8,764,885</u>	<u>7,492,858</u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2023

	<i>Note</i>	June 30, 2023 (Unaudited) RMB'000	December 31, 2022 (Audited) RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		48,120,007	49,086,066
Land use rights		6,696,723	6,787,039
Investment properties		235,058	242,107
Intangible assets		10,104,051	10,474,252
Investments accounted for using equity method		12,341,909	13,113,315
Financial assets at fair value through other comprehensive income		4,740,535	1,597,924
Deferred income tax assets		8,798,717	8,739,006
Other receivables and prepayments		1,214,611	880,895
		92,251,611	90,920,604
Current assets			
Inventories		27,301,450	26,092,623
Accounts receivable	4	16,576,137	15,738,853
Advances to suppliers		205,688	219,126
Other receivables and prepayments		2,457,897	2,312,559
Restricted cash and term deposits with initial term of over three months		773,878	864,662
Cash and cash equivalents		35,501,456	37,227,015
		82,816,506	82,454,838
Total assets		175,068,117	173,375,442
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		8,015,338	8,015,338
Other reserves		21,901,287	21,711,410
Retained earnings		26,253,127	24,770,018
		56,169,752	54,496,766
Non-controlling interests		23,416,066	24,440,339
Total equity		79,585,818	78,937,105

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT JUNE 30, 2023

	<i>Note</i>	June 30, 2023 (Unaudited) RMB'000	December 31, 2022 (Audited) RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings		7,193,595	8,580,404
Lease liabilities		114,265	169,525
Deferred income tax liabilities		13,753	16,208
Provisions		3,203,931	3,590,878
Deferred income		2,535,710	2,710,497
Other payables		–	23,534
		13,061,254	15,091,046
Current liabilities			
Accounts payable	5	31,895,243	29,869,141
Contract liabilities		908,677	1,214,906
Other payables and accruals		34,682,451	32,095,423
Current income tax liabilities		1,706,382	1,772,890
Borrowings		10,104,272	11,732,976
Lease liabilities		106,777	105,076
Provisions		3,017,243	2,556,879
		82,421,045	79,347,291
Total liabilities		95,482,299	94,438,337
Total equity and liabilities		175,068,117	173,375,442

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION:

1 GENERAL INFORMATION

The Group is principally engaged in the manufacturing and sales of passenger vehicles, engines and auto parts in the People's Republic of China (the "PRC").

The address of the Company's registered office is A5-061, Unit 101, 5th Floor, Building No. 1, Courtyard No. 99, Shuanghe Street, Shunyi District, Beijing, the PRC.

The Company was incorporated in the PRC on September 20, 2010 as a joint stock company with limited liability under Company Law of the PRC. The immediate parent company of the Company is Beijing Automotive Group Co., Ltd. ("BAIC Group"), which is beneficially owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality. The Company's ordinary shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since December 19, 2014.

This Condensed Financial Information is presented in thousands of Renminbi Yuan ("RMB'000") unless otherwise stated and is approved for issue by the Board of Directors on August 28, 2023.

This Condensed Financial Information has not been audited.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

This Condensed Financial Information has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". The Condensed Financial Information should be read in conjunction with the annual financial statements for the year ended December 31, 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

2.2 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2022, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of certain amended standards as set out below.

Amended standards adopted by the Group

The following amended standards became applicable for the Reporting Period:

- | | |
|---|--|
| • IFRS 17 | Insurance Contracts |
| • Amendments to IAS 1 and IFRS Practice Statement 2 | Disclosure of Accounting Policies |
| • Amendments to IAS 8 | Definition of Accounting Estimates |
| • Amendments to IAS 12 | International Tax Reform – Pillar Two Model Rules |
| • Amendments to IAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |

The above did not have any significant impact on the Group’s accounting policies and did not require retrospective adjustments.

The Group did not early adopt certain new and amended standards that have been published but not yet mandatory effective for the Reporting Period ended June 30, 2023.

		Effective for accounting periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	January 1, 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	January 1, 2024
Amendments to IFRS 10 and IAS 28	Sale or Contributions of Assets between an Investor and its Associate or Joint venture	To be determined

These are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3 SEGMENT INFORMATION

The Group’s segment information is presented on the basis of internal reports that are regularly reviewed by the Group’s executive committee, in order to allocate resources to the segments and assess their performance. For each of the Group’s reportable segments, the Group’s executive committee reviews internal management reports on monthly basis, at a minimum. Management has determined the reporting segments based on these reports.

The Group considers the business from a product perspective and has the following reportable segments:

- Passenger vehicles of Beijing Brand: manufacturing and sales of passenger vehicles of BAIC brands, and providing other businesses and related services.
- Passenger vehicles of Beijing Benz Automotive Co., Ltd. (“**Beijing Benz**”): manufacturing and sales of passenger vehicles of Beijing Benz brand, and providing other related services.

Management defines segment results based on gross profit. Information about reportable segments and reconciliations of reportable segment results are as follows:

	Passenger vehicles – Beijing Brand (Unaudited) RMB'000	Passenger vehicles – Beijing Benz (Unaudited) RMB'000	Eliminations (Unaudited) RMB'000	Total (Unaudited) RMB'000
For the six months ended June 30, 2023				
Total revenue	8,299,821	90,816,874	(69,629)	99,047,066
Inter-segment revenue	(69,629)	–	69,629	–
Revenue from external customers	<u>8,230,192</u>	<u>90,816,874</u>	<u>–</u>	<u>99,047,066</u>
Timing of revenue recognition				
– At a point in time	8,053,472	89,961,128	–	98,014,600
– Over time	176,720	855,746	–	1,032,466
	<u>8,230,192</u>	<u>90,816,874</u>	<u>–</u>	<u>99,047,066</u>
Segment gross (loss)/profit	<u>(2,048,967)</u>	<u>22,615,070</u>	<u>–</u>	<u>20,566,103</u>
Other profit & loss disclosures:				
Selling and distribution expenses				(5,660,586)
General and administrative expenses				(2,257,793)
Net impairment losses on financial assets				(298,218)
Other gains, net				235,672
Finance cost, net				(62,192)
Share of profit of investments accounted for using equity method				<u>56,127</u>
Profit before income tax				12,579,113
Income tax expense				(4,027,808)
Profit for the period				<u>8,551,305</u>
Other information:				
Significant non-cash expenses				
Depreciation and amortization	(1,768,617)	(2,582,002)	–	(4,350,619)
Provisions for impairments on assets	(423,619)	(107,649)	–	(531,268)
As at June 30, 2023				
Total assets	76,019,023	114,181,912	(15,132,818)	175,068,117
Including:				
Investments accounted for using equity method	12,341,909	–	–	12,341,909
Total liabilities	<u>(30,223,466)</u>	<u>(65,273,026)</u>	<u>14,193</u>	<u>(95,482,299)</u>

	Passenger vehicles – Beijing Brand (Unaudited) RMB'000	Passenger vehicles – Beijing Benz (Unaudited) RMB'000	Eliminations (Unaudited) RMB'000	Total (Unaudited) RMB'000
For the six months ended June 30, 2022				
Total revenue	2,263,458	81,474,011	(58,828)	83,678,641
Inter-segment revenue	(58,828)	–	58,828	–
Revenue from external customers	<u>2,204,630</u>	<u>81,474,011</u>	<u>–</u>	<u>83,678,641</u>
Timing of revenue recognition				
– At a point in time	2,145,752	80,660,220	–	82,805,972
– Over time	<u>58,878</u>	<u>813,791</u>	<u>–</u>	<u>872,669</u>
	<u>2,204,630</u>	<u>81,474,011</u>	<u>–</u>	<u>83,678,641</u>
Segment gross (loss)/profit	<u>(2,653,190)</u>	<u>21,213,107</u>	<u>–</u>	<u>18,559,917</u>
Other profit & loss disclosures:				
Selling and distribution expenses				(4,805,472)
General and administrative expenses				(2,265,474)
Net impairment losses on financial assets				(86,234)
Other gains, net				60,932
Finance income, net				25,268
Share of loss of investments accounted for using equity method				<u>(43,414)</u>
Profit before income tax				11,445,523
Income tax expense				<u>(3,802,473)</u>
Profit for the period				<u>7,643,050</u>
Other information:				
Significant non-cash expenses				
Depreciation and amortization	(1,947,902)	(2,549,395)	–	(4,497,297)
(Provisions)/reversal of provisions for impairments on assets	<u>(222,002)</u>	<u>13,047</u>	<u>–</u>	<u>(208,955)</u>
As at December 31, 2022 (audited)				
Total assets	73,840,724	114,675,089	(15,140,371)	173,375,442
Including:				
Investments accounted for using equity method	13,113,315	–	–	13,113,315
Total liabilities	<u>(30,476,937)</u>	<u>(63,974,955)</u>	<u>13,555</u>	<u>(94,438,337)</u>

There is no customer accounting for 10 percent or more of the Group's revenue for each of the six months ended June 30, 2023 and June 30, 2022.

The Group is domiciled in the PRC. The percentage of its revenue from external customers residing in the PRC is approximately 98.4% for the six months ended June 30, 2023 (six months ended June 30, 2022: 99.3%).

As at June 30, 2023, the percentage of the Group's non-current assets, other than financial instruments and deferred income tax assets, located in the mainland of the PRC is approximately 98.1% (December 31, 2022: 98.4%).

4 ACCOUNTS RECEIVABLE

	June 30, 2023 (Unaudited) RMB'000	December 31, 2022 (Audited) RMB'000
Trade receivables, gross (<i>note (a)</i>)	15,684,766	15,702,633
Less: provision for impairment	<u>(1,081,163)</u>	<u>(890,428)</u>
	14,603,603	14,812,205
Notes receivable (<i>note (b)</i>) measured at		
– FVOCI	1,957,651	917,168
– amortized cost	<u>14,883</u>	<u>9,480</u>
	<u>16,576,137</u>	<u>15,738,853</u>

Notes:

- (a) The majority of the Group's sales are on credit. A credit period may be granted in respect of sales to customers with good credit history and long-established relationship with the Group. The ageing analysis of trade receivables based on invoice date is as follows:

	June 30, 2023 (Unaudited) RMB'000	December 31, 2022 (Audited) RMB'000
Current to 1 year	8,853,300	8,392,827
1 to 2 years	521,847	349,340
2 to 3 years	549,432	485,389
Over 3 years	<u>5,760,187</u>	<u>6,475,077</u>
	<u>15,684,766</u>	<u>15,702,633</u>

(b) The amounts of accounts receivable pledged as collateral as at respective balance sheet dates are as follows:

	June 30, 2023 (Unaudited) RMB'000	December 31, 2022 (Audited) RMB'000
Notes receivable (i)	957,487	545,005

(i) collateral for notes payable issued by banks

5 ACCOUNTS PAYABLE

	June 30, 2023 (Unaudited) RMB'000	December 31, 2022 (Audited) RMB'000
Trade payables	28,719,354	27,183,330
Notes payable	3,175,889	2,685,811
	31,895,243	29,869,141

Ageing analysis of trade payables based on invoice date is as follows:

	June 30, 2023 (Unaudited) RMB'000	December 31, 2022 (Audited) RMB'000
Current to 1 year	28,535,773	26,945,233
1 to 2 years	76,465	124,767
2 to 3 years	64,211	21,736
Over 3 years	42,905	91,594
	28,719,354	27,183,330

6 SIGNIFICANT PROFIT AND LOSS ITEMS

Operating profit is arrived at after charging/(crediting) the following:

	For the six months ended June 30,	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Depreciation and amortization	4,350,619	4,497,297
Employee benefit costs	2,932,004	2,564,549
Warranty expenses	363,540	642,556
Provision for impairment on non-financial assets	233,050	122,721
Foreign exchange gains	(97,018)	(283,255)
(Gain)/loss on forward foreign exchange contracts with fair value through profit or loss	(4,753)	346,379
Loss on disposals of property, plant and equipment	5,989	4,353
Government grants	(164,866)	(204,098)
	<u> </u>	<u> </u>

7 INCOME TAX EXPENSE

	For the six months ended June 30,	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current income tax	4,129,423	3,940,793
Deferred income tax	(101,615)	(138,320)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

8 EARNINGS PER SHARE

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

	For the six months ended June 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Profit attributable to ordinary shareholders of the Company (RMB'000)	2,845,716	2,158,298
Weighted average number of ordinary shares in issue (thousands)	8,015,338	8,015,338
Earnings per share for profit attributable to ordinary shareholders of the Company for the period (RMB)	0.36	0.27

Note: During the six months ended June 30, 2023 and 2022, there were no potential dilutive ordinary shares and diluted earnings per share was equal to basic earnings per share.

9 DIVIDENDS

The Board of Directors of the Company does not recommend the payment of any interim dividend for the six months ended June 30, 2023 (six months ended June 30, 2022: Nil).

The final dividend of approximately RMB1,362,607,000 (RMB0.17 per share) relating to the year ended December 31, 2022 was approved by the shareholders at the annual general meeting held in June 2023.

BUSINESS OVERVIEW

I. MAJOR BUSINESS OPERATIONS

The Group's major business operations include research and development, manufacturing, sales and after-sale services of passenger vehicles, production of core parts and components of passenger vehicles, car financing, international businesses and other related businesses. We keep optimizing industry chains and strengthening our brands.

Passenger Vehicles

The Group is accelerating its transformation and upgrade towards electrification and intelligence. Its passenger vehicle product types covers fuel-powered and new energy models, which are carried out through four business segments, namely, Beijing Brand, Beijing Benz, Beijing Hyundai and Fujian Benz.

1. *Beijing Brand*

Beijing Brand, our proprietary brand, covers sedans, SUVs and off-road vehicles in both fuel-powered and new energy models, providing users with a full range of travel experiences.

Beijing Brand is deepening its product layout, embracing the brand philosophy of “Embark with Family, Follow Your Heart,” and dedicated to being “a trusted partner for families seeking outdoor adventures”. With a focus on SUVs as the main lineup and complemented by crossover sedans, Beijing Brand established a mainstream product matrix that includes diverse levels and powertrain options. To meet different levels of needs, Beijing Brand has created three product series, which are “Excellent Off-road Performance, Joyful Outdoor Adventure and Pleasure Travel Experience”, to reach more life scenes. The Excellent Off-road Performance Series is positioned as a hardcore, reliable, all-around, military-quality performance partner, attracting users who prefer off-road SUVs and aspire to freedom, authenticity, and exploration with its hardcore strength. The Joyful Outdoor Adventure Series is positioned as a product that is with high potential, intelligently interconnected, stylish and multi-functional to satisfy users' inner-city, suburban and inter-city outdoor adventures, and to attract users who love life, discovery and the outdoors. The Pleasure Travel Experience Series is positioned as the pioneer of national trend, power aesthetics, and the leader of hip and cool hedonistic players, satisfying the users who are practical and caring about the family, but also pay attention to the trend of quality.

Beijing Brand's on-sale models include SUV models such as the new X7 and MOFANG, pure electric models such as the EU5 PLUS and the X7 hybrid model, as well as off-road models such as BJ40, BJ60 and BJ80, which constitute a diversified mainstream product range for the outdoor needs at different levels.

2. Beijing Benz

Beijing Benz is a subsidiary of the Company. The Company holds 51.0% equity interest of Beijing Benz, while Mercedes-Benz Group AG (“**Mercedes-Benz Group**”) and its wholly-owned subsidiary, Mercedes-Benz China Investment Co., Ltd. (梅賽德斯－奔馳(中國)投資有限公司), together hold 49.0% equity interest in Beijing Benz. Beijing Benz commenced the manufacturing and sales of passenger vehicles of Mercedes-Benz brand in 2006.

At present, Beijing Benz has become a joint venture involved in research and development, manufacturing and sale of engines and vehicles, and after-sales services. It manufactures and sells several fuel-powered and new energy models of Mercedes-Benz brand, such as the long-wheelbase E-class sedan, the new long-wheelbase GLC SUV, the new EQE SUV, etc., while exporting core parts and components of engines and vehicles, which makes itself an important part of the global network of Mercedes-Benz.

Beijing Benz serves as an exemplary company that contributes to the capital’s automobile industry to transform and upgrade towards the direction of high precision and high technology. It integrates the world’s advanced manufacturing technology and modern management, applying the features of “digitalization, adaptability, efficiency and sustainability” in each stage of the production. It has won various honorary titles including “Global Excellent Operating Factory”, “Green Model Factory”, “Intelligent Manufacturing Benchmarking Enterprise in Beijing” and “Pilot Model Project for Sino-German Intelligent Manufacturing Cooperation”, and constantly promotes its high-quality development.

3. Beijing Hyundai

Beijing Hyundai Motor Co., Ltd. (“**Beijing Hyundai**”) is a joint venture of the Company. The Company holds 50.0% equity interest of Beijing Hyundai through its subsidiary BAIC Investment Co., Ltd. (“**BAIC Investment**”), while Hyundai Motor Company (“**Hyundai Motor**”) holds another 50.0% equity interest of Beijing Hyundai. Beijing Hyundai commenced the manufacturing and sales of passenger vehicles of Hyundai brand in 2002.

Beijing Hyundai manufactures and sells more than 10 sedan and SUV models, including mid-size, compact, and small-size models, mainly comprising MUFASA, the seventh-generation Elantra, the fifth-generation TUCSON L, Custo, new ix35, the tenth-generation Sonata, the fourth-generation Santa Fe Traveller and LA FESTA N-Line to fully meet the different needs of consumers.

4. Fujian Benz

Fujian Benz Automotive Co., Ltd. (“**Fujian Benz**”) is a joint venture of the Company. The Company holds 35.0% equity interest of Fujian Benz, and establishes an acting-in-concert agreement with Fujian Motor Industry Group Co. (“**FJMOTOR**”), which holds 15.0% equity interest of Fujian Benz. The consensus will be reached while making decisions regarding the operation, management and other matters of Fujian Benz, as well as the exercising of power by the directors appointed by FJMOTOR. Mercedes-Benz Vans Hong Kong Limited holds the remaining 50.0% equity interest of Fujian Benz. Fujian Benz commenced the manufacturing and sales of multi-purpose passenger vehicles and light passenger vehicles of Mercedes-Benz brand in 2010. At present, Fujian Benz stays on the leading edge in the field of joint venture premium business purpose vehicles, with production and sale of Mercedes-Benz V-Class vehicles and New Vito products.

Core Parts and Components for Passenger Vehicles

In addition to manufacturing of whole vehicles, we also produce engines, powertrain, power battery, and other core parts and components for passenger vehicles through the production bases of Beijing Brand, Beijing Benz and Beijing Hyundai.

In respect of Beijing Brand, we manufacture engines, transmissions, new energy reducer and other core automobile parts and components through entities including BAIC Motor Powertrain Co., Ltd. mainly for use in our whole vehicles as well as for sale to other automobile manufacturers. By digesting and assimilating Saab technology and through the combination of cooperative and independent research and development, we have broken through many technological difficulties, successively completed the development of many types of engines and transmission products, and realized mass production of such products. Such products have been widely used for Beijing Brand passenger vehicles. The self-developed “Magic Core*” (魔核) 1.5T engine was awarded the “Heart of China” Top Ten Engine in the year of 2021, and a variety of hybrid engines are under research and development.

Beijing Benz commenced to manufacture engines in 2013 and currently owns two engine plants and the first power battery factory outside Germany, producing several engines, such as M282, M274, M264, M260, M254, and EB42X power battery products.

Beijing Hyundai commenced to manufacture engines in 2004. Its specific product offerings cover four major series namely BETA, Kappa, Gamma and GammaII, which are industry-leading in terms of technology and power, etc, and are mainly for use in Hyundai-branded passenger vehicles manufactured by Beijing Hyundai.

Car Financing

We conduct car financing and automobile after-sales business of Beijing Brand, Mercedes-Benz brand and Hyundai brand through associates and joint ventures including BAIC Group Finance Co., Ltd. (“**BAIC Finance**”), Mercedes-Benz Leasing Co., Ltd. (“**MBLC**”), Beijing Hyundai Auto Finance Company Limited (“**BHAF**”) and BH Leasing Co., Ltd. (“**BH Leasing**”) and continuously promote the rapid development of car financing businesses by methods including capital investment and business cooperation.

In respect of Beijing Brand’s car financing business, we have conducted group strategic cooperation with various automobile financial companies, commercial banks and lease finance companies, offering clients a great variety of financial products covering all car models now selling in the market, and meeting different customer demands. Through BAIC Finance, we offer interest-free fixed-rate loans, low/zero down payments, zero monthly payments and other financial products to meet the different financial needs of our customers.

MBLC is an associate of the Company. The Company and Mercedes-Benz China Investment Co., Ltd. (梅賽德斯－奔馳(中國)投資有限公司) hold 35.0% and 65.0% equity interests in MBLC, respectively. MBLC comprehensively promoted its digital business, which further stimulated the sales of Beijing Benz’s electric vehicles.

BHAF is an associate of the Company. The Company holds 33.0% and 14.0% equity interests in BHAF through its subsidiary, BAIC Investment, and its joint venture, Beijing Hyundai, respectively, while Hyundai Capital Services and Hyundai Motor hold the remaining equity interest. BHAF is ranked amongst the best in the industry in terms of the number of retail loan contracts, demonstrating its commitment to diversifying its business steadily, which further stimulates the sales of Beijing Hyundai’s new models.

BH Leasing is an associate of the Company. The Company, Hyundai Capital Services and Hyundai (China) Investment Co., Ltd. hold 50%, 40% and 10% equity interests in BH Leasing, respectively. BH Leasing provides sale-leaseback and direct leasing services to customers in the car sales market, which further stimulates the sales of new vehicles.

International Business

We promote the rapid development of international business through the production and operation businesses of the South African production base and the marketing business in South African and Southern African Development Community (SADC) markets which are in the charge of BAIC Automobile SA Proprietary Limited, a joint venture of the Company, through international marketing business in markets outside China and South Africa which are in the charge of BAIC International, a wholly-owned subsidiary of the Company, and through overseas sales companies, KD technology¹ cooperation, vehicle distribution, etc. International business focuses on exporting passenger vehicle products of Beijing Brand. The sales volume continued to grow at a high rate, driven by business innovations such as product restructuring, new market pilots and new energy transformation.

Other Related Businesses

In the First Half of 2023, we continued to conduct lightweight research and development, new energy technology transformation, information big data and used car businesses through relevant joint ventures.

II. BUSINESS DEVELOPMENT IN THE FIRST HALF OF 2023

Industry Development in the First Half of 2023

With the easing of the pandemic and the recovery of consumption, China's economic operation was gradually picking up. Central and local governments have frequently implemented policies to stimulate consumption, and the overall automobile industry has shown signs of recovery. According to the data of the China Association of Automobile Manufacturers (the "CAAM"), in the First Half of 2023, the sales volume of passenger vehicles in China reached 11.268 million units, representing a year-on-year increase of 8.8%, with a steady growing trend.

In the first quarter of 2023, due to the impact of industry policy transition and insufficient release of effective demand, there was a decline in the sales volume of passenger vehicles. However, since the second quarter, the sales volume has rebounded as promotional policies have been implemented frequently. According to the CAAM, new energy vehicle sales in the First Half of 2023 amounted to 3.747 million units, representing a year-on-year increase of 44.1%, with a market share of 28.3%, demonstrating a period of comprehensive market expansion; the sales volume of Chinese-brand passenger vehicles amounted to 5.986 million units in the First Half of 2023, representing a year-on-year increase of 22.4%, with a market share of 53.1%; the sales volume of high-end brand passenger vehicles amounted to 2.033 million units, representing a year-on-year increase of 19.7%; exports of passenger vehicles reached 1.78 million units, representing a year-on-year increase of 88.4%.

¹ means knocked down

In the terms of industry policies, the year 2023 represents a period where the effects of policies promoting steady economic growth are becoming evident in China's economy. Various authorities jointly issued announcements such as the Announcement on the Continuation and Optimization of Tax Reduction and Exemption Policies for Purchase of New Energy Vehicles (《關於延續和優化新能源汽車車輛購置稅減免政策》), announcing that the tax reduction and exemption policies for purchase of new energy vehicles will be extended to 2027, further unleashing the consumption potential for new energy vehicles, which will help to stabilize the market expectation and expand the effective demand.

Operational Performance of the Group in the First Half of 2023

During the Reporting Period, the Group strengthened its development base and achieved remarkable results in electrification and intelligent transformation. In the First Half of 2023, the Group's overall sales volume was 507,000 units, representing a year-on-year increase of 24.1%. Among them, the sales volume of new energy models was 49,000 units, representing a year-on-year increase of 91.5%, marking the realization of market expansion. The sales volume of fuel-powered vehicles increased by 19.7% year-on-year to 459,000 units, showing a steady growth.

The Group's operations in the First Half of 2023 were carried out through four brands, namely Beijing Brand, Beijing Benz, Beijing Hyundai and Fujian Benz.

Operational Performance by Brands

1. Beijing Brand

In the First Half of 2023, despite price wars in the first quarter and other unstable factors, Beijing Brand, based on the "dual strategy" domestic and international markets development, responded quickly to market changes, implemented lean operation, and improved production and sales volume. Beijing Brand recorded accumulated sales in the First Half of 2023 of 72,000 units, representing a year-on-year increase of 125.9%. Through optimization of product lineup, the electric vehicle sector underwent a paradigm shift, resulting in an accumulated sales of 29,000 vehicles. The export segment has been growing steadily, with an accumulated sales of 18,000 units, representing a year-on-year increase of 234.8%. By improving the supply chain and increasing the supply pipeline, Beijing Brand substituted several key chips to enhance operational efficiency.

With a continued focus on key markets in international business, export sales volume has been enhanced. MOFANG was awarded the "Best Family SUV of the Year 2023" in South Africa, and has entered the South American and other markets.

2. *Beijing Benz*

In the First Half of 2023, despite the external pressures of tight supply chain and lack of market vitality, Beijing Benz strengthened its market positioning, conducted in-depth studies on the changes in the industry and the transformation strategy of electrification, digitization and low-carbonization, and devoted itself to stimulating the vitality of research and development, planning, production, and upstream and downstream value chain. It recorded the sales of 301,000 vehicles, a year-on-year increase of 12.9%, and still ranked the forefront of the domestic luxury brands while maintaining high-quality growth.

In addition, Beijing Benz made every effort to promote the implementation of its product strategy, and completed the production and launch of the new long-wheelbase GLC SUV and EQE SUV in the First Half of 2023 as scheduled.

3. *Beijing Hyundai*

In the First Half of 2023, Beijing Hyundai actively addressed various challenges stemming from intensified industry competition and external factors. It accelerated the adoption of digitalization, intelligent network technology, and autonomous driving technology. It successfully launched the MUFASA model, representing a further upgrade of its level of intelligence. At the same time, Beijing Hyundai focused on brand marketing innovation, and further increased the sales proportion of main models such as Elantra and high-end models such as the fifth-generation TUCSON L, realizing vehicle sales of 118,000 units, a year-on-year increase of 25.7%.

Beijing Hyundai actively promoted the optimization of network layout and coverage, continuously improved the health of channels, and leveraged on hotspot innovative marketing to enhance the popularity of the brand and models. It strengthened the dissemination of technical brand features and promoted fan marketing.

4. *Fujian Benz*

In the First Half of 2023, Fujian Benz made full efforts to stabilize vehicle prices and optimize the vehicle portfolio. It achieved sales of 15,000 vehicles, with benign development.

Sales Network

The Group always attaches great importance to the interests of customers, strives to optimize its product-service system, and is devoted to enabling product distributors and customers to receive timely, efficient, accurate and high-quality service guarantee. There are independent marketing channels for all brands.

Beijing Brand embarked on a new journey, leveraging innovative marketing and the operation of a new media matrix to support terminal online sales and continue to optimize channel layout. The service end closely focused on customer concerns and drove service ecosystem construction, while the customer end concentrated on clubs, APPs, and word-of-mouth communication, deepening systematized operations.

Guided by the “2020 network upgrade plan”, Beijing Benz assisted its Benz brand’s sales network with retail transformation by upgrading store design, improving channel development capabilities, and optimizing customer experience. Meanwhile, Beijing Benz kept an eye on the profitability of dealers and pushed forward their efforts to improve quality and increase efficiency by focusing on key cost items.

Beijing Hyundai actively promoted the optimization of network layout and coverage, continuously improved the health of channels, and leveraged on hotspot innovative marketing to enhance the popularity of the brand and models. It strengthened the dissemination of technical brand features and promoted fan marketing to realize precise marketing/service/line management, thereby facilitating the conversion of customer value.

Research and Development

The Group believes that the research and development capability is crucial to future development. In the First Half of 2023, it made efforts to promote the construction of research and development systems and capability, for all of its brand businesses.

Beijing Brand continued to focus on “electrification”, intelligence” and “networking”, promoting a combination of independent innovation and strategic cooperation to achieve breakthroughs in core technologies and core capabilities. Beijing Brand aimed to enhance autonomous control capabilities in core technologies such as intelligent driving, hybrid powertrains, and vehicle architecture. In terms of intelligent cockpits, Beijing Brand built a unified hardware platform and software ecosystem to improve customer data operation capabilities. In the area of hybridization, Beijing Brand developed engines with high thermal efficiency. In terms of electrification, the Company advanced self-development of super charging cores, improved the energy density of batteries, and increased the power density and operating efficiency of electric drive assemblies with an aim to build a 800V high-voltage platform. In terms of off-road vehicle technology, it created off-road ATS technology and adopted unique body structures such as cage body and all-metal anti-roll bar, which comprehensively improved the safety performance in off-road. Meanwhile, the first off-road SUV with unladen body + four-wheel independent suspension was launched, ensuring off-road performance and comfort at the same time.

Beijing Benz has the largest research and development center among all joint venture enterprises of Mercedes-Benz Group, and introduced the Mercedes-Benz development system, continuously shortening the development cycle and strengthening the digital verification capability. The research and development center has an internationally advanced test laboratory for power battery testing, weather corrosion, emissions, engine, vibration and noise and electric drive testing, which is built and operated in strict accordance with the Mercedes-Benz Group's standards, so as to establish the only fully functional prototype plant of the Mercedes-Benz Group abroad, which is able to finish high-quality localized prototype trials, significantly shortens the validation cycle for new product introduction and increases product maturity. Meanwhile, Beijing Benz has a high-level research and development team, with a leading level technology in China in localization of components, product introduction and problem analysis, digital verification of research and development, problem analysis of new energy electric drive/battery systems, implementation and verification of localized technology solutions, and engineering change control, providing strong technical support for the research and development and production of Mercedes-Benz's domestic traditional and new energy models.

Beijing Hyundai continued to pay attention to the changes in the Chinese market and consumer demand, expanding the product matrix and promoting the new transformation of the enterprise. In the First Half of 2023, Beijing Hyundai launched a new class of "intelligent two-room, one-compartment" SUVs, the MUFASA models, with class-leading intelligence, space and safety performance to meet the needs of young families in China. In the second half of 2023, the seventh-generation Elantra facelift model and its N-Line model will be launched to ensure the long-term competitiveness of the main sales models. At the same time, we are actively promoting the research and development of various technologies, such as hybrid and pure electric, to help enterprises realize the "2025 New Plan".

Production Facilities

We have specialized production facilities to manufacture and assemble products. All of our production facilities are equipped with flexible production lines. This not only enables us to flexibly change production plans and respond quickly to changes in market demand, but also reduces our capital expenditures and operating costs.

The intelligent factory in Zhuzhou City of Beijing Brand has adopted an advanced digital and intelligent production quality management system with a focus on the design and manufacturing process for the quality of whole vehicle products and the continuous improvement of the accuracy of implementation of digital standards.

Based on the principle of “digitisation, flexibility, high efficiency and sustainability”, Beijing Benz strives to build the world’s most comprehensive Mercedes-Benz manufacturing base and continuously promotes its high-quality development. Beijing Benz has established a quality centre based on Mercedes-Benz Group’s global standards to ensure that every unit of Mercedes-Benz vehicles is up to its globally unified standards and quality management system.

Upholding the production philosophy of “greenness, quality, intelligentization and high efficiency”, Beijing Hyundai relies on the intelligent production equipment, international management systems and a more than 90% automation rate to fully ensure accuracy and manufacture high-quality products. In the meantime, it uses flexible production plans and mixed model production reasonably to effectively reduce manufacturing costs.

Industry Chain Extension and Cooperation

In the First Half of 2023, the Group continuously promoted the integration of industry and finance and industrial cooperation in various fields, further optimised the industry chain covering research, production, supply and marketing, focused on principal businesses and enhanced its competitiveness.

III. OUTLOOK FOR THE SECOND HALF OF 2023

Looking ahead to the second half of 2023, the mild recovery of the macro-economy will be gradually transmitted to the automobile market, and the good performance of new energy vehicles and automobile exports has effectively boosted market growth. As policies gradually pan out, the consumption potential of the automobile market will be further unleashed, which will help the industry achieve stable growth throughout the year. However, it is evident that the current external environment is complex, with several noticeable structural problems. Consumer demand is insufficient, and the industry is facing increased pressure, posing numerous challenges to business operations. It is necessary to maintain the stability and predictability of policies to propel the smooth operation of the industry. In the second half of 2023, the Group will strive to keep pace with market changes and improve its system capacity and market share, so as to maintain stable and progressive development.

Beijing Brand will adhere to the business principle of “Survival • Reform • Development”, adjust the business rhythm according to changes, retain key users in each segment, and strive to achieve market expansion. Internationally, it will focus on the core markets and secure new orders to achieve positive growth. Meanwhile, efforts will be made to accelerate product iteration and enhance its marketing capabilities to ensure the completion of its full-year business objectives.

Beijing Benz will insist on adopting a systems thinking approach, strategically plan for development, and integrate the concept of high-quality development throughout the entire production and operational process. We will continue to excel in guaranteeing production and increasing sales volume, expedite the implementation of high-quality projects, and actively pursue the transformation and development strategies of electrification, digitization, and low-carbonization. By doing so, Beijing Benz aims to strengthen its leading position in the high-end luxury car market in China.

Beijing Hyundai will steadily push forward lean operations and achieve year-on-year increases in the sales volume and revenue by strengthening exchanges between joint venture partners, accelerating the optimization of its production capacity, revitalizing its sales channels and building a foundation for exports, etc.

With focus on economic benefits, Fujian Benz will ensure the stability of the supply chain to improve production efficiency and quality. It is committed to achieving steady growth in comprehensive strength and operating results, with a goal of “becoming a respected front-runner in the high-end multi-purpose vehicle market in the new era”.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue and Net Profit Attributable to Equity Holders of the Company

The Group’s main business operations are the research and development, manufacturing, sales and after-sales services of passenger vehicles. The above business has brought sustained and stable revenue to the Group. The Group’s revenue increased from RMB83,678.6 million for the six months ended June 30, 2022 (the “**First Half of 2022**”) to RMB99,047.1 million for the First Half of 2023, representing a year-on-year increase of 18.4%, mainly attributable to the increase in the sales volume and the change in model portfolio.

The Group’s net profit attributable to equity holders of the Company increased from RMB2,158.3 million for the First Half of 2022 to RMB2,845.7 million for the First Half of 2023, representing a year-on-year increase of 31.9%. The basic earnings per share increased from RMB0.27 for the First Half of 2022 to RMB0.36 for the First Half of 2023.

Gross profit

The Group’s gross profit increased from RMB18,559.9 million for the First Half of 2022 to RMB20,566.1 million for the First Half of 2023, representing a year-on-year increase of 10.8%, mainly attributable to the increase in the sales volume and the change in model portfolio.

Working Capital and Financial Resources

The Group usually satisfies its daily working capital requirements through self-owned cash and borrowings. The Group's net cash generated from operating activities increased from RMB9,058.5 million for the First Half of 2022 to RMB13,707.7 million for the First Half of 2023, representing a year-on-year increase of 51.3%, mainly due to the increase in the net cash inflow generated from operating activities thanks to the increase in the sales volume of the Group.

As at June 30, 2023, the Group had cash and cash equivalents of RMB35,501.5 million, notes receivable of RMB1,972.5 million, notes payable of RMB3,175.9 million, outstanding borrowings of RMB17,297.9 million, unused bank credit lines of RMB23,820.9 million and commitments for capital expenditure of RMB29,456.0 million.

Capital Structure

The Group maintained a reasonable combination of equity and liability to ensure an effective capital structure.

The Group's asset-liability ratio (total liabilities/total assets) was 54.5% as at December 31, 2022 (the "End of 2022") and 54.5% as at June 30, 2023, with no change as compared to the End of 2022.

The Group's net gearing ratio (total borrowings less cash and cash equivalents/(total equity plus total borrowings less cash and cash equivalents)) decreased from -27.3% at the End of 2022 to -29.7% as at June 30, 2023, mainly attributable to (i) an increase in the total equity and a decrease in the total borrowings, cash and cash equivalents; and (ii) a smaller increase in the total equity and a greater decrease in the total amount of borrowings than the decrease in the cash and cash equivalents.

As at June 30, 2023, the total outstanding borrowings were RMB17,297.9 million, including short-term borrowings of RMB10,104.3 million in aggregate and long-term borrowings of RMB7,193.6 million in aggregate. The Group will repay the aforesaid borrowings in a timely manner at maturity.

As at June 30, 2023, none of the Group's debt covenants in effect included any agreement on the obligations to be performed by controlling shareholders. In the meantime, the Group also strictly followed all the terms and conditions in its debt covenants, and no default took place.

SIGNIFICANT INVESTMENTS

Total capital expenditures of the Group decreased to RMB2,374.1 million in the First Half of 2023 from RMB2,689.2 million in the First Half of 2022.

Total research and development expenditures of the Group decreased to RMB1,034.7 million in the First Half of 2023 from RMB1,326.0 million in the First Half of 2022. Research and development expenditures were mainly incurred by the Group for its product research and development activities. Based on the accounting standards and the Group's accounting policy, the amount of the aforesaid total research and development expenditures which met capitalization conditions had been capitalized accordingly.

MATERIAL ACQUISITIONS AND DISPOSALS

On July 15, 2022, the Group entered into a conditional subscription agreement on non-publicly issued shares with BAIC BluePark New Technology Co., Ltd. (“**BAIC BluePark**”), an A-share listed company under BAIC Group. BAIC BluePark completed the formalities in registration of the aforesaid share issuance on May 25, 2023. Upon completion of the subscription, the Company and BAIC Guangzhou Automotive Co., Ltd., a wholly-owned subsidiary of the Company, hold 10.99% and 4.81% of the total share capital of BAIC BluePark, respectively, together holding 15.80% in aggregate.

Please refer to the relevant announcements of the Company dated July 15, 2022, August 7, 2022 and August 26, 2022 for details of the above cooperation.

FOREIGN EXCHANGE GAINS OR LOSSES²

The Group's foreign exchange gains or losses changed from foreign exchange losses of RMB63.1 million in the First Half of 2022 to foreign exchange gains of RMB101.8 million in the First Half of 2023, mainly due to (i) the effective control on the foreign exchange rate risks due to the judgment in foreign exchange forward contracts; and (ii) the decrease in exchange gains from Euro-denominated payments as a result of the decline in the exchange rate of RMB against Euro.

The Group used foreign currencies (primarily Euro) to pay for part of its imported parts and components. It had borrowings denominated in foreign currencies. Foreign exchange fluctuations may affect the Group's operating results.

The Group has a well-developed foreign exchange management strategy that continuously and orderly controls foreign exchange rate risks of foreign exchange exposure. At present, the Group mainly uses foreign exchange forward contracts as its hedging tool.

² Foreign exchange gains and losses include foreign exchange forward contracts at fair value through profit or loss

PLEDGE OF ASSETS

As at June 30, 2023, the Group had pledged notes receivable of RMB957.5 million.

CONTINGENT LIABILITIES

As at June 30, 2023, the Group had no material contingent liabilities.

MATERIAL LITIGATION AND ARBITRATION

As at June 30, 2023, the Company had no material litigation or arbitration. The Directors were also not aware of any material litigations or claims which were pending or had a significant adverse impact on the Company.

MATTERS AFTER THE REPORTING PERIOD

There were no matters which had a significant impact on the Group after the end of the Reporting Period.

INTERIM DIVIDEND

The Board has not made any recommendation on the payment of an interim dividend for the First Half of 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed securities during the Reporting Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to building and maintaining a high level of corporate governance so as to protect the rights and interests of shareholders and enhance its sense of worth and sense of responsibility. With reference to the code provisions under Part 2 of the Corporate Governance Code (the “**CG Code**”) as set forth in Appendix 14 to the Listing Rules, the Company has set up the purposes, values and strategies that are consistent with its culture and established a modern corporate governance structure comprising the shareholders' general meeting, the Board, the board of supervisors (the “**Board of Supervisors**”) and senior management that operate independently with effective checks and balances.

The Company had complied with all applicable code provisions under the CG Code throughout the Reporting Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct for dealing in securities of the Company by all Directors, supervisors (the “**Supervisors**”) and senior management.

In response to the Company’s enquiries, all Directors, Supervisors and senior management have confirmed that they strictly complied with the Model Code during the Reporting Period.

THE BOARD AND THE COMMITTEES

On June 26, 2023, the Company held its 2022 annual general meeting (the “**2022 AGM**”). Mr. Song Wei was appointed as a non-executive director of the Company and a member of the strategy committee of the Board (the “**Strategy Committee**”) at the meeting for a term commencing from June 26, 2023 until the expiration of the term of the fourth session of the Board.

On June 28, 2023, Mr. Huang Wenbing ceased to be an executive director of the Company, a member of each of the Strategy Committee, the remuneration committee of the Board (the “**Remuneration Committee**”) and the nomination committee of the Board (the “**Nomination Committee**”) due to work adjustment.

On June 30, 2023, in view of Mr. Song Wei’s participation in the daily operation and management of the Company due to job reassignment, he was re-designated from a non-executive Director to an executive Director, with effect from June 30, 2023. On the same day, the Board resolved to appoint Mr. Song Wei as a member of each of the Remuneration Committee and the Nomination Committee for a term commencing from June 30, 2023 until the expiration of the term of the fourth session of the Board.

For details, please refer to the related announcements of the Company dated June 26, 2023 and June 30, 2023 and the related circular dated May 24, 2023.

Save as disclosed above, there was no change in the composition of the Board, the Strategy Committee, the Audit Committee, the Nomination Committee or the Remuneration Committee from January 1, 2023 and up to the date of this announcement.

BOARD OF SUPERVISORS

On March 15, 2023, Mr. Sun Zhihua ceased to be a Supervisor due to work adjustment.

On June 26, 2023, the Company held the 2022 AGM. Ms. Jiao Feng was appointed as a non-employee representative supervisor of the Company at the meeting for a term commencing from June 26, 2023 until the expiration of the term of the fourth session of the Board of Supervisors.

For details, please refer to the related announcements of the Company dated March 17, 2023 and June 26, 2023 and the related circular dated May 24, 2023.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference. As at the date of this announcement, the Audit Committee comprises Mr. Edmund Sit (Chairman), Mr. Hu Hanjun and Mr. Tang Jun, among which two are independent non-executive Directors. The Audit Committee has reviewed with the management the accounting standards and practices adopted by the Group and reviewed the unaudited interim financial statements for the First Half of 2023, the 2023 interim results and the 2023 interim report of the Group.

PUBLICATION OF UNAUDITED INTERIM RESULTS AND 2023 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (www.hkex.com.hk) and the website of the Company (www.baicmotor.com), respectively. The Company will dispatch to the shareholders the 2023 interim report of the Company containing all the information required by the Listing Rules, which will also be published on the websites of the Company and the Stock Exchange in due course.

By order of the Board
BAIC Motor Corporation Limited
Wang Jianhui
Secretary to the Board and Company Secretary

Beijing, the PRC, August 28, 2023

As at the date of this announcement, the Board comprises Mr. Chen Wei, as Chairman of the Board and non-executive Director; Mr. Hu Hanjun and Mr. Chen Hongliang, as non-executive Directors; Mr. Song Wei, as executive Director; Mr. Ye Qian, Mr. Hubertus Troska, Mr. Harald Emil Wilhelm, Mr. Gu Tiemin and Mr. Sun Li, as non-executive Directors; and Mr. Ge Songlin, Ms. Yin Yuanping, Mr. Xu Xiangyang, Mr. Tang Jun and Mr. Edmund Sit, as independent non-executive Directors.

* *For identification purpose only*