

BAIC 北京汽车股份有限公司
BAIC MOTOR CORPORATION LIMITED

(於中華人民共和國註冊成立的股份有限公司)
(A joint stock company incorporated in the People's
Republic of China with limited liability)

股份代號 Stock code : 1958



2024
Interim Report
中期報告

* 僅供識別 For identification purpose only



Official website



WeChat Official
account

| Brand New BJ60

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OVERVIEW

The board (the “Board”) of directors (the “Directors”) of BAIC Motor Corporation Limited (the “Company” or “BAIC Motor”) presents the unaudited interim condensed financial information of the Company and its subsidiaries (collectively referred to as the “Group” or “we” or “our”) for the six months ended June 30, 2024 (the “First Half of 2024” or the “Reporting Period”). The condensed financial information has been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

The results of the Group for the First Half of 2024 have been approved by the Board. The unaudited interim condensed financial information set out in this report has been reviewed by PricewaterhouseCoopers, the auditor of the Company.

In the First Half of 2024, the automobile industry in China recorded year-on-year growth in production and sales volume, in which the sales volume of new energy and export vehicles maintained rapid growth. As a result of the increasingly fierce competition in the industry, price wars and other factors, the sales volume of fuel vehicles declined, while the sales volume of premium brand passenger vehicles experienced adjustments. According to data of the China Association of Automobile Manufacturers (the “CAAM”), the sales volume of passenger vehicles in the First Half of 2024 was 11.979 million units.

In the First Half of 2024, adhering to the operating philosophy of “survival, reform and development”, the Group achieved relatively robust operational performance. On one hand, it opened up new markets, developed multi-tech products and was determined to advance high-quality transformation. The Group comprehensively perfected its product lineup, launching new products such as the all-new BJ40 Blade Hero, the BJ60 Magic Core Electric Drive Edition, the all-new BJ30, the E350 e L, the 11th-generation Sonata, and so on. Focusing on the “domestic and international” dual strategic markets, the Group made a breakthrough in the overseas business, achieving steady growth in export sales. The Group released the first Magic Core Electric Drive technology, and entrusted BAIC BluePark New Energy Technology Co., Ltd. (“BAIC BluePark”) as part of its ongoing expansion in the new energy segment. On the other hand, it strengthened the concept of lean operation and responded quickly to market demand. By adjusting the structure, the Group improved terminal sales and increased the sales and proportion of high-value products. It continuously promoted scientific and technological innovation, accelerated the research, development and application of intelligent cutting-edge technology, improved the localization scheme for core components, and controlled the core technology, so as to empower our high-quality development. In addition, the Group has always been practicing green development, continuously improving its green factory, upgrading its product quality system, and continuing to explore high-quality and sustainable development.

During the Reporting Period, the Group achieved sales of 450,000 vehicles, consolidated revenue of RMB94.32 billion, profit attributable to equity holders of the Company of RMB1.98 billion, and earnings per share of RMB0.25.

The Board has not made any recommendation on the payment of an interim dividend for the Reporting Period.

Part One

Corporate Information

- **LEGAL NAME OF THE COMPANY**

BAIC Motor Corporation Limited

- **ENGLISH NAME OF THE COMPANY**

BAIC Motor Corporation Limited¹

- **REGISTERED OFFICE**

A5-061, Unit 101, 5/F, Building No. 1, Courtyard No. 99, Shuanghe Street, Shunyi District, Beijing 101300, China

- **HEADQUARTERS**

No. 99 Shuanghe Street, Shunyi District, Beijing 101300, China

- **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

- **AUTHORIZED REPRESENTATIVES**

Mr. Song Wei

5/F, No. 99 Shuanghe Street, Shunyi District, Beijing, China

Mr. Wang Jianhui

5/F, No. 99 Shuanghe Street, Shunyi District, Beijing, China

- **COMPANY SECRETARY**

Mr. Wang Jianhui

5/F, No. 99 Shuanghe Street, Shunyi District, Beijing, China

- **HONG KONG LEGAL ADVISOR**

Linklaters

11th Floor, Alexandra House, 18 Chater Road, Hong Kong

- **CHINA LEGAL ADVISOR**

JunHe LLP

20/F, China Resources Building, 8 Jianguomenbei Avenue, Dongcheng District, Beijing, China

- **AUDITORS (EXTERNAL AUDIT FIRM)**

PricewaterhouseCoopers

Certified Public Accountants and Registered PIE Auditor

22/F, Prince's Building, Central, Hong Kong

PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership)

11/F, PricewaterhouseCoopers Center, 202 Hubin Road, Shanghai, China

- **PRINCIPAL BANKS**

Bank of Beijing, Jinyun Branch

Block A, Jinyun Building, A43 Xizhimen North Street, Haidian District, Beijing, China

China CITIC Bank, Olympic Village Branch

1/F, Tower D, Tian Chuang Shi Yuan Building, No. 309 Huizhong Beili, Chaoyang District, Beijing, China

- **H SHARE REGISTRAR**

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17/F, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong

- **H SHARE STOCK CODE**

1958

- **INVESTOR ENQUIRIES**

Investor hotline: (86)10 5676 1958; (852)3188 8333

Website: www.baicmotor.com

E-mail: ir@baicmotor.com

¹ For identification purpose only

Part Two

Summary of Operations

Summary of comprehensive financial information of the Group for the First Half of 2024 is as follows:

Unit: RMB million

Item	Six months ended June 30,	
	2024 (Unaudited)	2023 (Unaudited)
Sales volume	450,189	507,326
Revenue	94,322	99,047
Cost of sales	(75,635)	(78,481)
Gross profit	18,687	20,566
Selling and distribution expenses	(5,408)	(5,661)
General and administrative expenses	(2,366)	(2,258)
Net impairment losses on financial assets	(12)	(298)
Other (losses)/gains, net	(151)	236
Finance cost, net	(13)	(62)
Share of (loss)/profit of investments accounted for using equity method	(504)	56
Profit before income tax	10,233	12,579
Income tax expense	(3,367)	(4,028)
Profit for the period	6,866	8,551
Profit attributable to		
Equity holders of the Company	1,978	2,846
Non-controlling interests	4,888	5,705
Total assets, total liabilities and interests attributable to equity holders of the Company	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Total assets	170,361	168,723
Total liabilities	88,655	89,340
Interests attributable to equity holders of the Company	59,536	57,009

Note: The sales figures include the total wholesale sales of Beijing Brand, Beijing Benz, Beijing Hyundai and Fujian Benz.

Part Three

Company Profile and Business Overview

I. OVERVIEW

We are a leading passenger vehicle manufacturer in China and one of the passenger vehicle manufacturers with the relatively optimized brand layout and business system in the industry. Our brands cover joint venture premium passenger vehicles, joint venture premium multipurpose passenger vehicles, joint venture mid-to high-end passenger vehicles, proprietary brand passenger vehicles, and among others, which can maximally satisfy various consumers' demands.

The Company completed its H Shares initial public offering and was listed on the Main Board of the Stock Exchange on December 19, 2014 (H Share stock abbreviation: BAIC Motor; H Share stock code: 1958).

II. MAJOR BUSINESS OPERATIONS

The Group is principally engaged in the research and development, manufacturing, sales and aftersales services of passenger vehicles, production of core parts and components of passenger vehicles, car financing, international businesses and other related businesses. It keeps optimizing its industry chain and strengthening its brands.

Passenger Vehicles

The Group actively responds to market changes, adheres to the multi-tech product strategy, and constantly enriches the product matrix. Its passenger vehicle product lineup covers oil-powered and new energy models. The business of the Group is carried out through four business divisions, 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 oil-powered and new energy models, providing users with a full range of travel experiences.

By adhering to its brand mission of “making happiness and the beauty of distant places within reach” and brand positioning of “becoming a trusted partner for families seeking outdoor adventures”, Beijing Brand has created three major product series, namely the Excellent Offroad Performance, the Joyful Adventure and the Pleasure Experience. Relying on four major technologies, namely Jimu 2.0 Vehicle Technology, Borderless Off-road Technology, Pioneer Intelligence Technology and Magic Core Power Technology, Beijing Brand strives to promote the launch of multi-technology products, including fuel, pure electric and hybrid models. The Excellent Off-road Performance is dominated by the three major series of products, namely BJ40, the all-new BJ40 and BJ60, among which a hybrid model of the Thunder Magic Core Electric Drive Edition is introduced under the BJ60; the Joyful Adventure features BJ30 as its flagship product and simultaneously launches the fuel edition and the magic core electric drive hybrid edition, with focus on “Deep Hybrid Light Off-road Electric 4WD” product characteristics; the Pleasure Experience showcases products, including urban SUV fuel models such as the all-new X7 and the new Magic Cube, as well as pure electric models such as the EU5 and the EU5 PLUS.

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Company Profile and Business Overview

2. Beijing Benz

Beijing Benz Automotive Co., Ltd. (“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 enterprise of Mercedes-Benz Group, which has three major vehicle model platforms in the world, namely front wheel drive vehicle, rear wheel drive vehicle and electric vehicle, and an engine plant and a power battery factory, and has realized the export of core parts and components of the engine and the whole machine, which makes Beijing Benz an important part of the global production network of Mercedes-Benz. Models on sale include the all-new EQE SUV, the EQE, and a number of other pure electric models, as well as the Mercedes – AMG A 35 L 4MATIC, the long-wheelbase A-Class sedan, the long-wheelbase C-Class sedan, the long-wheelbase E-Class sedan, the all-new longwheelbase GLC SUV, the GLB SUV, and the GLA SUV. In addition, Beijing Benz also exports core parts and components of engines and vehicles, which makes itself an important part of the global network of Mercedes-Benz.

3. Beijing Hyundai

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

Beijing Hyundai has established an industry-leading quality operation system and has a nationwide leading production and manufacturing plant, which produces and sells a wide range of compact and mid-size sedans, SUVs and MPVs, including the Elantra CN7, the new LA FESTA N-Line, the 11th-generation Sonata, the fifth-generation Tucson L, Tucson L N-Line, the all-new ix35 – the MUFASA, the fourth-generation Santa Fe, and the Custo, etc.. With these models, Beijing Hyundai fully caters to various consumer needs.

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 act-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.

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Company Profile and Business Overview

Fujian Benz commenced the manufacturing and sales of multi-purpose 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 sales of Mercedes-Benz V-Class vehicles and New Vito products.

Moreover, Arcfox is a high-end new energy vehicle brand of BAIC BluePark under the Company's entrustment. The products on sale include Arcfox Alpha T Forest Edition, an all-terrain performance pure-electric SUV; Arcfox Alpha S Forest Edition, an intelligent luxury pure-electric sedan; Arcfox Alpha S Advance Edition, which is positioned as a high-end intelligent driving pure-electric sedan; Kaola, a smart parenting vehicle; Alpha T5, a super-powerful pure-electric SUV, and S5, a high-performance pure-electric sedan. Simultaneously, BAIC BluePark have entered into multidimensional strategic cooperations with Huawei and other parties.

Core Parts and Components for Passenger Vehicles

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

We manufacture engines, range extenders, 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. Through the combination of cooperative and independent development, we have broken through many technological difficulties, successively completed the development of many types of oil-powered and hybrid engines, range extenders, and transmission products, and put them into mass production. Such products have been widely used for Beijing Brand passenger vehicles. In addition, we are gradually expanding product sales to external customers.

Beijing Benz currently has two engine factories and its first power battery factory outside of Germany, producing a variety of engines such as M282, M274, M260, M254 and EB42X power batteries.

Beijing Hyundai has been manufacturing engines since 2004. Its specific product offerings cover four major series including Gamma and Gamma II, etc. The engines produced are industry-leading in terms of technology and power, etc. The products are mainly used in Hyundai passenger vehicles manufactured by Beijing Hyundai.

Part Three

Company Profile and Business Overview

Car Financing

We conduct car financing and automobile aftermarket-related businesses of Beijing Brand, Mercedes-Benz brand and Hyundai brand through associates and joint venture, including BAIC Group Finance Co., Ltd., Mercedes-Benz Leasing Co., Ltd., Beijing Hyundai Auto Finance Co., Ltd. and BH Leasing Co., Ltd. and continuously promote rapid development of car financing businesses by methods including capital investment and business cooperation.

In respect of car financing business, we have conducted group strategic cooperation with various automobile financial companies, commercial banks and finance lease companies, offering clients a great variety of financial products covering all car models for sale and meeting different customer demands.

International Business

We conduct international marketing business through a wholly-owned subsidiary, BAIC International Development Co., Ltd., and we promote the rapid development of international business through overseas sales companies, KD technology² cooperation, vehicle distribution, etc. In addition, BAIC Automobile SA Proprietary Limited, a non-wholly-owned subsidiary of the Company, is responsible for the production and operation of the South African production base and the marketing business in South African and Southern African Development Community (SADC) markets.

III. INDUSTRY DEVELOPMENT IN THE FIRST HALF OF 2024

In the First Half of 2024, the automobile industry recorded year-on-year growth in production and sales volume, in which the sales volume of new energy and export vehicles maintained rapid growth, contributing significantly to boosting the market. As a result of the increasingly fierce competition in the industry and price wars, the sales volume of oil-powered vehicles and the market share of joint venture brands declined, while the sales volume of premium brand passenger vehicles experienced adjustments. According to data from the China Association of Automobile Manufacturers (CAAM), the sales volume of passenger vehicles in the First Half of 2024 amounted to 11.979 million units. Exports of passenger vehicles totalled 2.339 million units, indicating continuous rapid growth. Sales of new energy vehicles amounted to 4.944 million units, with a market share of 35.2%. The sales volume of Chinese-branded passenger vehicles amounted to 7.419 million units, with a market share of 61.9%. The sales volume of high-end brand passenger vehicles amounted to 2.290 million units.

Favourable policies including the Detailed Implementation Rules for Subsidies for Automobile Trade-ins and the Notice on the Sale of New Energy Vehicle in the Countryside in 2024 were released, further releasing the spending power of the automobile market, and providing a boost for the industry to achieve steady growth throughout the year.

² means knocked-down

Part Three

Company Profile and Business Overview

IV. OPERATIONAL PERFORMANCE OF THE GROUP IN THE FIRST HALF OF 2024

In the First Half of 2024, the Group continued to consolidate its development base and optimize its product lineups. It adhered to the operational philosophy of “survival, reform and development” to meet challenges and enhance efficiency while enhancing the concept of lean operation, striving to achieve growth in scale. During the Reporting Period, Beijing Brand, Beijing Benz, Beijing Hyundai and Fujian Benz collectively achieved vehicle wholesale of 0.45 million units and retail sales of 0.476 million units.

Multi-tech product development

In the First Half of 2024, the Group continued to open up new markets and develop multi-tech products, covering a wide range of products such as oil vehicles, electric vehicles, hybrid vehicles, extended-range vehicles and off-road vehicles. Rapidly responding to market demand, we released the first Magic Core Electric Drive technology, as well as electric off-road products such as the BJ60 Magic Core Electric Drive Edition, the all-new BJ40 Magic Core Electric Drive Edition, and the BJ30, the “Deep Hybrid Light Off-road Electric 4WD SUV”. The Group comprehensively optimized its product lineup, launching new products such as BJ40 Honor, the all-new BJ40 Blade Hero, the all-new long-wheelbase E-Class E350 e L plug-in hybrid, the 11th-generation Sonata, and the fifth-generation Santa Fe.

To explore in-depth new energy transformation, the Group continued to advance the establishment of a new energy platform and initiated projects about major models. Through strategic entrustment of BAIC BluePark, the Group relied on synergies to strengthen the entire value chain of research, production, sales and service of purely electric passenger vehicles. It enhanced the comprehensive utilization rate of resources and expand its presence in the new energy industry.

Expanding high-quality overseas markets

In the First Half of 2024, the Group, which focused on the “domestic and international” dual markets, accelerated globalization and continued to open up new markets, with steady growth in exports sales. It exported 38,000 vehicles during the Reporting Period, outperforming the market in terms of growth rate.

During the Reporting Period, the Group continued to expand the overseas market of its popular models. For instance, BJ40 PLUS and BAIC Magic Cube entered Indonesia and Malaysia, the first BAIC flagship store officially was opened in Egypt, and the Group launched three models, namely U5 PLUS, Magic Cube and the new X7. BAIC gained the top spot in sales in Argentina. Custo and Sonata tapped into markets such as Vietnam and Kazakhstan. Parts and engines of Beijing Benz E-Class were exported through new channels, and a number of local suppliers were successfully included into Mercedes-Benz’s international procurement service provider resource library.

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Company Profile and Business Overview

Technological innovation empowering development

The Group firmly believes that research, development and innovation are the key driving force for future development, and has continued to promote the construction of the research and development system and the enhancement of its innovation capability. During the Reporting Period, its expenditure on research and development once again increased. The Group insisted on controlling its core technology to empower its high-quality development.

In the First Half of 2024, the Group actively promoted the research and development of intelligent driving technologies and accelerated the pace to develop advanced intelligent driving technologies. Beijing Hyundai introduced the latest CCNC intelligent network architecture and launched the 11th-generation Sonata, the “new aesthetics benchmark of Class B vehicles”, which realized the continuous optimization throughout the whole lifecycle via the 5-domain controller FOTA. The fifth-generation Santa Fe’s 30 advanced driver assistance systems (ADAS) and 22 high-precision sensors enable L2+ driver assistance, setting a new standard for the intelligent driving system for fuel-powered vehicles.

At the same time, the Group actively promoted independent research and development of key technologies, facilitated the substitution of key automotive-grade domestic chips, and enhanced the capability of independent control. It developed the high-speed (4.0 ratio) transfer case technology and all-wheel drive technology to further enhance the off-road performance. Beijing Benz completed the localization of volute and 48V battery, creating a benchmark project for localization.

Moreover, we carried out the research and development of key technologies for electric offroaders, and pushed the development of core technologies, such as distributed electric drive offroad platform architecture, off-road scenario power battery evaluation system, highly integrated distributed electric drive bridge, and distributed drive control strategy. The BJ30 magic core electric drive version, which adopts the magic core deep hybrid electric drive structure, was honored as the best to-be-launched vehicle at the Beijing International Automotive Exhibition.

Fulfilling promises and honouring commitments under low carbon and green action

The Group adhered to the development philosophy of “innovation, coordination, greenness, openness, and sharing”, proactively responded to the national “dual carbon” guideline and continuously explored high-quality, sustainable approaches. In the First Half of 2024, Beijing Benz’s intelligent factory was upgraded again, with the intelligent management of photovoltaic power generation and rainwater regulation, storage and recycling. The concepts of greenness and low carbon were incorporated in the manufacturing process. Beyond that, the Group insisted on upgrading its product quality system and practicing corporate social responsibility. Its offroad vehicles business passed the IATF 16949 system certification. BJ60 topped the 2023 list of off-road vehicles in terms of quality. Beijing EU7 escorted the National People’s Congress and the National Committee of the Chinese People’s Political Consultative Conference with outstanding quality.

Part Three

Company Profile and Business Overview

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 our brands.

Beijing Brand has made a fresh start with innovative marketing and new media matrix operation to expand coverage and stabilize growth. It continued to broaden sales channels and increase its penetration rate in cities. The service end closely focused on customer pain points and drove service ecosystem construction, while the customer end concentrated on clubs, APPs and word-of-mouth communication, deepening systematized operations.

Beijing Benz continued to promote the network upgrade program, and constantly improved the image upgrade, function optimization, process design and service team of offline outlets, which helps improve the customer experience and the operational efficiency of dealers to a new level. At the same time, it focused on digital marketing based on data and new media, and strengthened dealers' training and talent development to digitally empower retail and support business development. Beijing Benz kept a close 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 has actively promoted the optimization of its network layout, stabilized channel operation and continued to enhance the healthy development of its channels. It strengthened the marketing rhythm by taking advantage of hotspots and created a new media marketing matrix to help increase the exposure of brands and products and promote them on new media platforms. Beijing Hyundai promoted fan marketing and built an online and offline customer operation matrix to achieve accurate marketing/service/line management, assisting in the transformation of customer value.

Production facilities

We have specialised 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 Zhuzhou and Guangzhou plants of Beijing Brand have implemented an advanced digital and intelligent production quality management system, focus on the design and manufacturing processes of vehicle products, continuously improve the accuracy of implementing digital standards and continuously enhance product quality.

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Company Profile and Business Overview

Guided by the principle of “digitalization, flexibility, effectiveness and sustainability”, Beijing Benz continuously builds Mercedes-Benz’s most comprehensive production base in the world to continuously promote its own high-quality development. Beijing Benz has established a quality center based on Mercedes-Benz Group’s global standards and ensure the quality of every unit of Mercedes-Benz vehicles through globally unified standards and quality management system.

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

Industry chain extension and cooperation

In the First Half of 2024, 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.

On March 15, 2024, the Company entered into an entrustment agreement with Beijing Automotive Group Co., Ltd. (“BAIC Group”), pursuant to which BAIC Group will entrust the Company to exercise the voting rights, right of proposal and submitting proposals, right to call and attend meetings, right of raising enquiries and suggestions and other rights but excluding disposal rights and rights to income/loss attached to all A shares of BAIC BluePark directly held by BAIC Group on an irrevocable, exclusive, and sole basis for the duration of the entrustment, without the need to seek the opinion of BAIC Group in advance or to obtain its consent. The entrustment agreement was approved at the 2024 second extraordinary general meeting of the Company on May 22, 2024 and became effective. Please refer to the relevant announcement of the Company for details.

In the future, the Group will focus on its overall business strategy, rely on synergies and deepen its regional presence to further enhance its competitiveness in the industry and its ability to acquire resources in the industry chain.

Employees

As at June 30, 2024, the Group had a total of 31,236 employees (as at December 31, 2023: 31,711 employees).

Part Three

Company Profile and Business Overview

V. OUTLOOK FOR THE SECOND HALF OF 2024

In the second half of the year, the automobile industry will encounter opportunities and challenges. As effects of policies gradually emerge, the consumption potential of the automobile market will be further unleashed, which will help the industry achieve stable growth throughout the year.

In the second half of 2024, the Group will keep abreast of market changes and endeavor to enhance its system capability and market share. Driven by sales volume, the Group will maintain its investment rhythm, focusing on key sectors such as off-road models, SUVs, mid-to-high-end hybrids, as well as overseas potential markets. Furthermore, the Group will appropriately adjust its product lineup to constantly expand the sales structure of its high-value, popular products and to form a synergy in various segments of the market. The Group will maintain its strategic positioning and strive to advance reform and innovation. Taking the strategic transformation of products as the mainstay, the Group is committed to achieving the progress plan of major projects on schedule. Balancing “survival, reform and development”, the Group will continue to promote innovation via long-term and short-term measures to unlock the upward potential of the Group. Beijing Brand will focus on new launches and off-road vehicle competitiveness enhancement, and insist on high-quality transformation. Beijing Benz will accelerate the progress of quality projects and continue to consolidate its leading position in the domestic high-end luxury car market. Beijing Hyundai will stabilize its sales rhythm and continue to expand its exports to achieve its full-year goal. Fujian Benz will maintain stable operation and solidly push forward the work of quality improvement and efficiency enhancement, striving to achieve the goal of “becoming a respected front-runner in the high-end multi-purpose vehicle market in the new era”.

Part Four

Governance Practice

I. CORPORATE GOVERNANCE

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group has been building and maintaining a high level of corporate governance so as to protect the rights and interests of Shareholders and enhance corporate value and sense of responsibility. The Company has put together a sound and market-oriented corporate governance structure and established the general meeting, the Board, the strategy and sustainability committee of the Board (the “Strategy Committee”), the audit committee of the Board (the “Audit Committee”), the remuneration committee of the Board (the “Remuneration Committee”) and the nomination committee of the Board (the “Nomination Committee”) and the board of supervisors (the “Board of Supervisors”), and implemented corporate governance practices in strict accordance with the Company’s articles of association (the “Articles of Association”). With reference to the code provisions under Part 2 of the Corporate Governance Code (the “CG Code”) as set forth in Appendix C1 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 general meeting, the Board, the Board of Supervisors and senior management that operate independently and are subject to 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”) in Appendix C3 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 of the Company.

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.

CHANGES IN COMPOSITION OF THE BOARD AND THE COMMITTEES

The three-year term of the fourth session of the Board expired on March 24, 2024. On March 22, 2024, at the 2024 first extraordinary general meeting of the Company (the “First Extraordinary General Meeting”), Mr. Chen Wei, Mr. Hu Hanjun and Mr. Chen Hongliang were appointed as non-executive Directors, Mr. Song Wei was appointed as an executive Director, Mr. Liu Guanqiao, Mr. Ye Qian, Mr. Paul Gao, Mr. Kevin Walter Binder, Mr. Gu Tiemin and Mr. Sun Li were appointed as non-executive Directors, and Ms. Yin Yuanping, Mr. Xu Xiangyang, Mr. Tang Jun, Mr. Edmund Sit and Mr. Ji Xuehong were appointed as independent non-executive Directors, for a term of office commencing on March 22, 2024, until the expiration of the term of the fifth session of the Board. On the same day, Mr. Chen Wei was elected as the Chairman of the Company at the first meeting of the fifth session of the Board, and the chairmen and members of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy Committee were elected. The term of office of the above personnel commenced on March 22, 2024, and will end upon the expiry of the term of the fifth session of the Board.

Part Four Governance Practice

With the establishment of the fifth session of the Board, Mr. Hubertus Troska, Mr. Harald Emil Wilhelm and Mr. Ge Songlin, who were the Directors of the fourth session of the Board, ceased to be the Directors. For details, please refer to the relevant announcement of the Company dated March 22, 2024.

Due to work adjustment, Mr. Liu Guanqiao ceased to be a non-executive Director and a member of the Strategy Committee with effect from August 22, 2024. For details, please refer to the relevant announcement of the Company dated August 26, 2024.

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, 2024 and up to the Latest Practicable Date.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

Supervisors

On March 19, 2024, in accordance with the Articles of Association, Mr. Zhang Ran and Ms. Jiang Yumei were elected as employee representative Supervisors of the fifth session of the Board of Supervisors at the employee representative's meeting of the Company. On March 22, 2024, Ms. Jiao Feng, Ms. Zhu Yan and Mr. Deng Yishuai were appointed as non-employee representative Supervisors of the fifth session of Board of Supervisors at the First Extraordinary General Meeting. The above five Supervisors form the fifth session of the Board of Supervisors for a term of office commencing on the date of his/her appointment until the expiration of the term of the fifth session of the Board of

Supervisors. On the same day, Mr. Zhang Ran was elected as the chairman of the fifth session of the Board of Supervisors at the first meeting of the fifth session of the Board of Supervisors, with a term of office commencing from March 22, 2024 until the expiration of the term of the fifth session of the Board of Supervisors.

With the establishment of the fifth session of the Board of Supervisors, Mr. Zhang Yanjun, a Supervisor of the fourth session of the Board of Supervisors, ceased to be an employee representative Supervisor with effect from March 19, 2024. Mr. Zhou Xuehui and Ms. Qiao Yufei ceased to act as the Supervisors with effect from March 22, 2024.

For details, please refer to the relevant announcement of the Company dated March 22, 2024.

Senior Management and Company Secretary

On March 22, 2024, Mr. Song Wei was elected as the President at the first meeting of the fifth session of the Board, with a term of office commencing from March 22, 2024 until the expiration of the term of the fifth session of the Board. For details, please refer to the relevant announcement of the Company dated March 22, 2024.

On the same day, a resolution to amend the Articles of Association was considered and approved at the First Extraordinary General Meeting, adding a provision stating that the general counsel shall be a member of the Company's senior management. Mr. Zhang Zuyuan was elected as the general counsel of the Company at the first meeting of the fifth session of the Board, with a term of office commencing on March 22, 2024, until the expiration of the term of the fifth session of the Board.

Part Four

Governance Practice

On April 26, 2024, Mr. Zhang Kai was elected as the Vice President of the Company at the second meeting of the fifth session of the Board, with a term of office commencing from April 26, 2024 until the expiration of the term of the fifth session of the Board.

Save as disclosed above, there was no change in Supervisors, senior management and company secretary of the Company from January 1, 2024 and up to the Latest Practicable Date. Meanwhile, the Directors, Supervisors, senior management and company secretary of the Company confirmed that there was no information required to be disclosed in accordance with Rule 13.51B(1) of the Listing Rules.

INTERIM DIVIDEND

The Board has not made any recommendation on the payment of an interim dividend for the First Half of 2024.

Audit Committee

The Company has established the Audit Committee with written terms of reference. As at the Latest Practicable Date, 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 2024, the 2024 interim results and the 2024 interim report of the Group.

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 (including the sale of treasury shares, if any) during the Reporting Period.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2024, none of the Directors, Supervisors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or to be entered in the register as referred to therein pursuant to section 352 of the SFO, or to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Part Four Governance Practice

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at June 30, 2024, to the best knowledge of the Directors, the following entities/persons (except for the Directors, Supervisors and Chief Executives) had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept under section 336 of the SFO, or who were directly and/or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meeting of the Company:

Name of Shareholder	Class of Shares	Number of Shares/ Underlying Shares Held ^{Note 1}	Percentage of Relevant Class of Shares (%) ^{Note 2}	Percentage of the total share capital (%)
Beijing Automotive Group Co., Ltd.	Domestic Shares	3,716,659,704(L)	67.64	46.37
Shougang Group Co., Ltd.	Domestic Shares	1,028,748,707(L)	18.72	12.83
Mercedes-Benz Group AG	H Shares	765,818,182(L)	30.38	9.55

Note 1: (L) – Long position, (S) – Short position, (P) – Lending pool.

Note 2: The percentage is calculated based on the number of Shares held by relevant Shareholders/the number of relevant classes of Shares in issue as at June 30, 2024.

MATERIAL LITIGATION AND ARBITRATION

As of June 30, 2024, 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.

EVENTS AFTER THE REPORTING PERIOD

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

Part Four

Governance Practice

II. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As at the Latest Practicable Date, the Directors, Supervisors and senior management of the Company are as follows:

Directors

Name	Positions
Mr. Chen Wei	Chairman of the Board and non-executive Director
Mr. Hu Hanjun	Non-executive Director
Mr. Chen Hongliang	Non-executive Director
Mr. Song Wei	Executive Director
Mr. Ye Qian	Non-executive Director
Mr. Paul Gao	Non-executive Director
Mr. Kevin Walter Binder	Non-executive Director
Mr. Gu Tiemin	Non-executive Director
Mr. Sun Li	Non-executive Director
Ms. Yin Yuanping	Independent Non-executive Director
Mr. Xu Xiangyang	Independent Non-executive Director
Mr. Tang Jun	Independent Non-executive Director
Mr. Edmund Sit	Independent Non-executive Director
Mr. Ji Xuehong	Independent Non-executive Director

Supervisors

Name	Positions
Mr. Zhang Ran	Chairman of the Board of Supervisors and employee representative Supervisor
Ms. Jiao Feng	Non-employee representative Supervisor
Ms. Zhu Yan	Non-employee representative Supervisor
Mr. Deng Yishuai	Non-employee representative Supervisor
Ms. Jiang Yumei	Employee representative Supervisor

Senior Management and Company Secretary

Name	Positions
Mr. Song Wei	President
Mr. Li Deren	Vice President
Mr. Peng Gang	Vice President
Mr. Ding Zuxue	Vice President
Mr. Yang Xueguang	Vice President
Mr. Wang Jianhui	Vice President, Secretary to the Board and Company Secretary
Mr. Zhang Kai	Vice President
Mr. Zhang Zuyuan	General Counsel

Part Five

Management Discussion and Analysis

REVENUE AND NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The Group is principally engaged in the research and development, manufacturing, sales and after-sales services of passenger vehicles. The above businesses have brought sustained and stable revenue to the Group. The Group's revenue fell from RMB99,047.1 million for the six months ended June 30, 2023 (the "First Half of 2023") to RMB94,322.3 million for the First Half of 2024, representing a year-on-year decrease of 4.8%, which was primarily due to a decline in revenue from oil-powered vehicles and new energy vehicles.

The revenue associated with oil-powered vehicles fell from RMB92,364.8 million in the First Half of 2023 to RMB89,962.0 million in the First Half of 2024, representing a year-on-year decrease of 2.6%, which was primarily due to a decrease in sales volume and changes in model portfolio.

The revenue associated with new energy vehicles fell from RMB6,682.3 million in the First Half of 2023 to RMB4,360.3 million in the First Half of 2024, representing a year-on-year decrease of 34.7%, which was primarily due to a decrease in sales volume and changes in model portfolio.

The Group's net profit attributable to equity holders of the Company decreased from RMB2,845.7 million in the First Half of 2023 to RMB1,978.0 million in the First Half of 2024, representing a year-on-year decrease of 30.5%. The basic earnings per share fell from RMB0.36 in the First Half of 2023 to RMB0.25 in the First Half of 2024.

GROSS PROFIT

The Group's gross profit fell from RMB20,566.1 million in the First Half of 2023 to RMB18,686.8 million in the First Half of 2024, representing a year-on-year decrease of 9.1%, which was mainly due to a decline in gross profit of oil-powered vehicles.

Gross profit from oil-powered vehicles fell from RMB21,983.2 million in the First Half of 2023 to RMB20,162.7 million in the First Half of 2024, representing a year-on-year decrease of 8.3%, which was mainly due to a decline in sales volume and changes in model portfolio.

Gross profit from new energy vehicles fell from RMB-1,417.1 million in the First Half of 2023 to RMB-1,476.0 million in the First Half of 2024, representing a year-on-year decrease of 4.2%, which was mainly due to a decline in sales volume and increasing promotion on certain models.

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 fell from RMB13,707.7 million in the First Half of 2023 to RMB11,533.5 million in the First Half of 2024, representing a year-on-year decrease of 15.9%, mainly due to a decline in the net cash inflow generated from operating activities as a result of a decrease in revenue.

As at June 30, 2024, the Group had cash and cash equivalents of RMB31,375.2 million, notes receivable of RMB4,051.2 million, notes payable of RMB7,446.1 million, outstanding borrowings of RMB10,891.0 million, unused bank credit lines of RMB24,846.0 million and commitments for capital expenditure of RMB18,066.9 million.

Part Five

Management Discussion and Analysis

CAPITAL STRUCTURE

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

The Group's debt-to-asset ratio (total debt/total assets) was 52.0% as at June 30, 2024, down 1.0 percentage point from 53.0% as at December 31, 2023 (the "end of 2023").

The Group's net gearing ratio ((total borrowings less cash and cash equivalents)/(total equity plus total borrowings less cash and cash equivalents)) fell from -29.0% as at the end of 2023 to -33.5% as at June 30, 2024, mainly due to (i) an increase in total equity and a decrease in the total borrowings; and (ii) a smaller increase in total equity and a sharper decrease in total borrowings.

As at June 30, 2024, the total outstanding borrowings were RMB10,891.0 million, including short-term borrowings of RMB5,906.7 million in aggregate and long-term borrowings of RMB4,984.3 million in aggregate. The Group will repay the aforesaid borrowings in a timely manner at maturity.

As at June 30, 2024, 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 fell to RMB2,214.1 million in the First Half of 2024 from RMB2,374.1 million in the First Half of 2023.

Total research and development expenditures of the Group rose to RMB1,802.3 million in the First Half of 2024 from RMB1,034.7 million in the First Half of 2023, mainly due to an increase in research and development expenditures on the Group's products including off-road vehicles and the next-generation pure electric platform. Based on the accounting standards and the Group's accounting policy, expenses of the aforesaid total research and development expenditures which met capitalization conditions had been capitalized accordingly.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not carry out material acquisitions or disposals of subsidiaries, associates or joint ventures during the First Half of 2024.

FOREIGN EXCHANGE GAINS OR LOSSES³

The Group's foreign exchange gains or losses changed from foreign exchange gains of RMB101.8 million in the First Half of 2023 to foreign exchange losses of RMB320.1 million in the First Half of 2024, 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 increase in exchange losses from Euro-denominated payments as a result of the change in the exchange rate of RMB against Euro.

³ Foreign exchange gains and losses include foreign exchange forward contracts at fair value through profit or loss

Part Five

Management Discussion and Analysis

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.

EMPLOYEES REMUNERATION POLICIES

Through the implementation of its human resources strategy, the Group has established a performance- and competence-oriented remuneration system on the basis of job classification. The annual business objectives are linked to the performance appraisal of employees via a performance appraisal system, providing an effective guarantee for the Group to recruit, retain and motivate talents, and carry out its human resources strategy.

In addition, the Group has established an enterprise annuity system to provide the qualified and voluntary employees with the supplementary pension system with certain guarantee on retirement income.

PLEDGE OF ASSETS

As at June 30, 2024, the Group pledged notes receivable of RMB3,144.3 million.

CONTINGENT LIABILITIES

As at June 30, 2024, the Group had no material contingent liabilities.

Part Six

Report on Review of Unaudited Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024



羅兵咸永道

Report on Review of Interim Financial Information

To the Board of Directors of BAIC Motor Corporation Limited

(incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 23 to 46, which comprises the interim condensed consolidated balance sheet of BAIC Motor Corporation Limited (the “Company”) and its subsidiaries (together, the “Group”) as at June 30, 2024 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, August 26, 2024

Part Seven

Interim Condensed Consolidated Balance Sheet

As at June 30, 2024

	Note	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	45,772,550	47,086,248
Land use rights	7	6,515,526	6,606,030
Investment properties		229,460	227,093
Intangible assets	7	11,379,741	10,938,512
Investments accounted for using equity method		7,913,122	9,304,861
Financial assets at FVOCI		7,118,109	5,400,973
Deferred income tax assets		7,748,713	7,763,960
Other receivables and prepayments		629,583	504,678
		87,306,804	87,832,355
Current assets			
Inventories		28,186,242	23,867,358
Accounts receivable	8	19,262,034	21,026,946
Advances to suppliers		138,453	97,269
Other receivables and prepayments		1,887,020	2,761,952
Restricted cash and term deposits with initial term of over three months		2,205,412	2,013,044
Cash and cash equivalents		31,375,177	31,124,229
		83,054,338	80,890,798
Total assets		170,361,142	168,723,153

Part Seven

Interim Condensed Consolidated Balance Sheet

As at June 30, 2024

	Note	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	9	8,015,338	8,015,338
Other reserves		24,147,076	22,556,124
Retained earnings		27,373,784	26,437,757
		59,536,198	57,009,219
Non-controlling interests		22,170,154	22,374,399
Total equity		81,706,352	79,383,618
LIABILITIES			
Non-current liabilities			
Borrowings	10	4,984,273	6,539,268
Lease liabilities		67,312	61,511
Deferred income tax liabilities		10,051	12,524
Provisions		3,954,121	3,787,350
Deferred income		2,325,885	2,485,420
		11,341,642	12,886,073
Current liabilities			
Accounts payable	11	37,700,526	35,847,709
Contract liabilities		927,019	889,385
Other payables and accruals		29,193,957	29,913,089
Current income tax liabilities		577,918	95,071
Borrowings	10	5,906,726	6,735,673
Lease liabilities		65,816	108,315
Provisions		2,941,186	2,864,220
		77,313,148	76,453,462
Total liabilities		88,654,790	89,339,535
Total equity and liabilities		170,361,142	168,723,153

Part Eight

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2024

	Note	For the six months ended June 30,	
		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Revenue	6	94,322,292	99,047,066
Cost of sales		(75,635,535)	(78,480,963)
Gross profit		18,686,757	20,566,103
Selling and distribution expenses		(5,407,781)	(5,660,586)
General and administrative expenses		(2,366,004)	(2,257,793)
Net impairment losses on financial assets		(11,509)	(298,218)
Other (losses)/gains, net		(151,286)	235,672
Operating profit	12	10,750,177	12,585,178
Finance income		200,232	211,002
Finance costs		(213,068)	(273,194)
Finance cost, net		(12,836)	(62,192)
Share of (loss)/profit of investments accounted for using equity method		(504,306)	56,127
Profit before income tax		10,233,035	12,579,113
Income tax expense	13	(3,366,737)	(4,027,808)
Profit for the interim period		6,866,298	8,551,305
Profit attributable to:			
Equity holders of the Company		1,978,021	2,845,716
Non-controlling interests		4,888,277	5,705,589
		6,866,298	8,551,305
Profit attributable to equity holders of the Company arises from:			
Continuing operations		1,978,021	2,845,716
Earnings per share for profit attributable to ordinary shareholders of the Company for the period (expressed in RMB)			
Basic and diluted	14	0.25	0.36

Part Eight

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2024

	For the six months ended June 30,	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Profit for the interim period	6,866,298	8,551,305
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
(Losses)/gains on cash flow hedges, net of tax	(201,514)	118,345
Share of other comprehensive (losses)/income of investments accounted for using the equity method	(1,452)	2,228
Currency translation differences	(29,633)	(170,721)
<i>Items that will not be reclassified to profit or loss</i>		
Changes in fair value of financial assets at FVOCI	1,717,136	263,728
Other comprehensive income for the interim period	1,484,537	213,580
Total comprehensive income for the interim period	8,350,835	8,764,885
Total comprehensive income attributable to:		
Equity holders of the Company	3,568,973	3,035,593
Non-controlling interests	4,781,862	5,729,292
	8,350,835	8,764,885
Comprehensive income attributable to equity holders of the Company arises from:		
Continuing operations	3,568,973	3,035,593

Part Nine

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2024

	(Unaudited)					
	Attributable to equity holders of the Company					
	Share capital RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
For the six months ended June 30, 2024						
Balance at January 1, 2024	8,015,338	22,556,124	26,437,757	57,009,219	22,374,399	79,383,618
Profit for the interim period	-	-	1,978,021	1,978,021	4,888,277	6,866,298
Other comprehensive income/(loss)	-	1,590,952	-	1,590,952	(106,415)	1,484,537
Total comprehensive income for the interim period	-	1,590,952	1,978,021	3,568,973	4,781,862	8,350,835
Transactions with owners						
2023 final dividends	-	-	(1,041,994)	(1,041,994)	-	(1,041,994)
Dividends to non-controlling interest holders of a subsidiary	-	-	-	-	(4,998,000)	(4,998,000)
Contribution from non-controlling interest holder of a subsidiary	-	-	-	-	11,893	11,893
	-	-	(1,041,994)	(1,041,994)	(4,986,107)	(6,028,101)
Balance at June 30, 2024	8,015,338	24,147,076	27,373,784	59,536,198	22,170,154	81,706,352

Part Nine

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2024

	(Unaudited)						
	Attributable to equity holders of the Company					Non-controlling interests	Total
	Share capital	Other reserves	Retained earnings	Sub-total	RMB'000		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
For the six months ended June 30, 2023							
Balance at January 1, 2023	8,015,338	21,711,410	24,770,018	54,496,766	24,440,339	78,937,105	
Profit for the interim period	-	-	2,845,716	2,845,716	5,705,589	8,551,305	
Other comprehensive income	-	189,877	-	189,877	23,703	213,580	
Total comprehensive income for the interim period	-	189,877	2,845,716	3,035,593	5,729,292	8,764,885	
Transactions with owners							
2022 final dividends	-	-	(1,362,607)	(1,362,607)	-	(1,362,607)	
Dividends to non-controlling interest holders of a subsidiary	-	-	-	-	(6,860,000)	(6,860,000)	
Contribution from non-controlling interest holder of a subsidiary	-	-	-	-	106,435	106,435	
	-	-	(1,362,607)	(1,362,607)	(6,753,565)	(8,116,172)	
Balance at June 30, 2023	8,015,338	21,901,287	26,253,127	56,169,752	23,416,066	79,585,818	

Part Ten

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2024

	For the six months ended June 30,	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Cash flows from operating activities		
Cash generated from operations	14,272,536	17,866,177
Interest paid	(123,935)	(173,564)
Interest received	189,135	211,002
Income tax paid	(2,804,232)	(4,195,930)
Net cash generated from operating activities	11,533,504	13,707,685
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,077,995)	(2,967,004)
Addition of intangible assets	(1,649,274)	(679,750)
Payments for financial assets at FVOCI	–	(2,878,883)
Receipt of government grants for capital expenditures	7,109	410
Proceeds from disposals of property, plant and equipment	22,238	5,688
Proceeds from disposal of investments accounted for using equity method in prior year	–	22,107
Dividends received from investments accounted for using equity method	885,981	813,964
Net cash used in investing activities	(3,811,941)	(5,683,468)
Cash flows from financing activities		
Proceeds from borrowings	2,875,400	5,440,310
Repayments of borrowings	(5,283,823)	(8,557,579)
Repayment of loans from a fellow subsidiary	–	(101,681)
Contribution from non-controlling interest holder of a subsidiary	11,893	106,435
Payment of lease liabilities (principal)	(36,809)	(53,559)
Dividends paid to non-controlling interest holders of a subsidiary	(4,998,000)	(6,860,000)
Net cash used in financing activities	(7,431,339)	(10,026,074)
Net increase/(decrease) in cash and cash equivalents	290,224	(2,001,857)
Cash and cash equivalents at January 1	31,124,229	37,227,015
Exchange differences on cash and cash equivalents	(39,276)	276,298
Cash and cash equivalents at June 30	31,375,177	35,501,456

Part Eleven

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

1 GENERAL INFORMATION

BAIC Motor Corporation Limited (the “Company”), together with its subsidiaries (collectively referred to as the “Group”), are 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 (“SASAC Beijing”). 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 interim condensed consolidated financial information (“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 26, 2024.

This Condensed Financial Information has not been audited.

2 SIGNIFICANT EVENT AND TRANSACTION

The Board of Directors announced that, on March 15, 2024, the Company and BAIC Group entered into the Entrustment Agreement, pursuant to which BAIC Group will entrust the Company to exercise the voting rights, right of proposal and submitting proposals, right to call and attend meetings, right of raising enquiries and suggestions and other rights but excluding disposal rights and rights to income/loss attached to all A shares of BAIC BluePark New Energy Technology Co., Ltd. (“BAIC BluePark”) directly held by BAIC Group on an irrevocable, exclusive, and sole basis for the duration of the Entrustment, without the need to seek the opinion of BAIC Group in advance or to obtain its consent. The Company announced that, the resolution to approve the Entrustment Agreement and the Entrustment contemplated thereunder was duly passed by way of poll at the 2024 second extraordinary general meeting held on May 22, 2024.

The Company’s voting rights in BAIC BluePark will give it the ability to direct the relevant activities of BAIC BluePark that significantly affect BAIC BluePark’s returns as the shareholders meeting is the highest power organ of BAIC BluePark. Such power will also allow the Company to have the ability through the voting rights it holds to determine the composition of the board of directors of BAIC BluePark. At that time, the Company will have control over BAIC BluePark, thus the Company will be able to consolidate BAIC BluePark into its financial statements. As at June 30, 2024, the Company does not have control over BAIC BluePark, thus BAIC BluePark’s assets, liabilities and financial results were not be consolidated into this Condensed Financial Information of the Company.

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

3 BASIS OF PREPARATION AND ACCOUNTING POLICIES

3.1 Basis of preparation

This Condensed Financial Information has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The interim report does not include all of the notes normally included in annual consolidated financial statements. Accordingly, the Condensed Financial Information should be read in conjunction with the annual financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS Accounting Standards (“IFRS”).

3.2 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2023, as described in those annual financial statements except for the adoption of certain amended standards as set out below.

Amended standards adopted by the Group

The following amended standards became applicable for the current reporting period:

- | | |
|----------------------------------|--|
| • Amendments to IAS 1 | Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants |
| • Amendments to IFRS 16 | Lease Liability in Sale and Leaseback |
| • Amendments to IAS 7 and IFRS 7 | Supplier Finance Arrangements |

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

Certain amended and new standards have been published that are not mandatory for the reporting period ended June 30, 2024 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint venture	To be determined
Amendments to IFRS 9 and IFRS 7	Disclosures on classification and measurement of financial instruments	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

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

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

4 ESTIMATES AND JUDGEMENTS

The preparation of the Condensed Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Condensed Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2023.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Condensed Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2023.

There have been no changes in the risk management policies since year end.

5.2 Fair value estimation

(a) Fair value hierarchy

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

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

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets at FVOCI				
At June 30, 2024 (unaudited)	7,115,109	–	4,047,717	11,162,826
At December 31, 2023 (audited)	5,397,973	–	5,384,152	10,782,125
Derivative financial instruments				
At June 30, 2024 (unaudited)	–	–	–	–
At December 31, 2023 (audited)	–	293,276	–	293,276
Liabilities				
Derivative financial instruments				
At June 30, 2024 (unaudited)	–	(84,490)	–	(84,490)
At December 31, 2023 (audited)	–	–	–	–

(b) Fair value measurements using significant unobservable inputs (level 3)

(i) Valuation inputs and relationship to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements and how a reasonable possible change in the input would affect the fair values.

Description	Fair value at 30 June, 2024 (Unaudited) RMB'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Notes receivable	4,044,717	Discount rate	1.70%-3.20%	Increase the discount rate (+100 basis point (bps)) would decrease fair value by RMB398,000

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Fair value estimation (Continued)

(b) Fair value measurements using significant unobservable inputs (level 3) (Continued)

(ii) Valuation process

For the financial assets and liabilities, including level 3 fair values, the Company's finance department performs the valuations. The finance department reports directly to the chief financial officer ("CFO"). Discussions of valuation processes and results are held between the CFO and finance department semiannually, in line with the Company's semiannual reporting dates.

Financial Assets

The valuation technique is discounted cash flows. Future cash flows are estimated and discounted using the expected yield rate with reference to the benchmark yield rate of the financial investment products of banks.

6 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:

- Oil-powered vehicles: manufacturing and sales of passenger vehicles of fuel, and providing other businesses and related services;
- New energy vehicles: manufacturing and sales of passenger vehicles of new energy, and providing other businesses and related services.

The Group changed the structure of its internal organization in a manner that caused the composition of its reportable segments to change and the previously reported segment information is restated.

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

6 SEGMENT INFORMATION (CONTINUED)

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

	Passenger vehicles – Oil-powered vehicles (Unaudited) RMB'000	Passenger vehicles – New energy vehicles (Unaudited) RMB'000	Total (Unaudited) RMB'000
For the six months ended June 30, 2024			
Total revenue	89,961,975	4,360,317	94,322,292
Timing of revenue recognition			
– At a point in time	89,025,046	4,314,971	93,340,017
– Over time	936,929	45,346	982,275
	89,961,975	4,360,317	94,322,292
Segment gross profit/(loss)	20,162,718	(1,475,961)	18,686,757
Other profit & loss disclosures:			
Selling and distribution expenses			(5,407,781)
General and administrative expenses			(2,366,004)
Net impairment losses on financial assets			(11,509)
Other loss, net			(151,286)
Finance cost, net			(12,836)
Share of loss of investments accounted for using equity method			(504,306)
Profit before income tax			10,233,035
Income tax expense			(3,366,737)
Profit for the period			6,866,298
Other information:			
Significant non-cash expenses			
Depreciation and amortization	(3,531,943)	(895,707)	(4,427,650)
Provisions for impairments on assets	(300,960)	(43,447)	(344,407)
As at June 30, 2024			
Total assets	136,990,979	33,370,163	170,361,142
Total liabilities	(79,207,252)	(9,447,538)	(88,654,790)

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

6 SEGMENT INFORMATION (CONTINUED)

	Passenger vehicles – Oil-powered vehicles (Unaudited) RMB'000	Passenger vehicles – New energy vehicles (Unaudited) RMB'000	Total (Unaudited) RMB'000
Six months ended June 30, 2023			
Total revenue	92,364,754	6,682,312	99,047,066
Timing of revenue recognition			
– At a point in time	91,396,031	6,618,569	98,014,600
– Over time	968,723	63,743	1,032,466
	92,364,754	6,682,312	99,047,066
Segment gross profit/(loss)	21,983,175	(1,417,072)	20,566,103
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			56,127
Profit before income tax			12,579,113
Income tax expense			(4,027,808)
Profit for the period			8,551,305
Other information:			
Significant non-cash expenses			
Depreciation and amortization	(3,496,862)	(853,757)	(4,350,619)
Provisions for impairments on assets	(529,577)	(1,691)	(531,268)
As at December 31, 2023 (audited)			
Total assets	136,853,428	31,869,725	168,723,153
Total liabilities	(81,359,842)	(7,979,693)	(89,339,535)

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

6 SEGMENT INFORMATION (CONTINUED)

There is no customer accounting for 10 percent or more of the Group's revenue for each of the six months ended June 30, 2024 and 2023.

The Group is domiciled in the PRC. The percentage of its revenue from external customers residing in the PRC is approximately 98.8% for the six months ended June 30, 2024 (six months ended June 30, 2023: 98.4%).

As at June 30, 2024, 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 98.4% (December 31, 2023: 98.5%).

7 PROPERTY, PLANT AND EQUIPMENT, LAND USE RIGHTS AND INTANGIBLE ASSETS

	Property, plant and equipment RMB'000	Land use rights RMB'000	Intangible assets RMB'000
Six months ended June 30, 2024			
Net book amount at January 1, 2024 (audited)	47,086,248	6,606,030	10,938,512
Additions	2,014,643	-	1,573,973
Disposals	(59,418)	-	-
Depreciation/amortization	(3,268,923)	(90,504)	(1,132,744)
Net book amount at June 30, 2024 (unaudited)	45,772,550	6,515,526	11,379,741
Six months ended June 30, 2023			
Net book amount at January 1, 2023 (audited)	49,086,066	6,787,039	10,474,252
Additions	2,282,985	-	735,721
Disposals	(24,779)	-	-
Depreciation/amortization	(3,222,059)	(90,316)	(1,105,922)
Impairment	(2,206)	-	-
Net book amount at June 30, 2023 (unaudited)	48,120,007	6,696,723	10,104,051

Notes:

- The Group has capitalized borrowing costs amounting to RMB59,603,000 on qualifying assets of property, plant and equipment and intangible assets for the six months ended June 30, 2024 (six months ended June 30, 2023: RMB58,828,000). Borrowing costs were capitalized at the weighted average of its borrowing rate of 2.57% during the six months ended June 30, 2024 (six months ended June 30, 2023: 2.90%).
- The right-of-use assets included in property, plant and equipment as of June 30, 2024 amounted to RMB140,305,000 (December 31, 2023: RMB186,324,000).

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

8 ACCOUNTS RECEIVABLE

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Trade receivables, gross (note (a))	16,510,335	16,722,343
Less: provision for impairment	(1,299,543)	(1,286,135)
	15,210,792	15,436,208
Notes receivable (note (b)) measured at		
– FVOCI	4,052,251	5,391,236
– amortized cost	6,525	209,881
Less: provision for impairment	(7,534)	(10,379)
	19,262,034	21,026,946

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, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Current to 1 year	10,188,357	9,737,170
1 to 2 years	342,907	611,225
2 to 3 years	378,277	299,601
Over 3 years	5,600,794	6,074,347
	16,510,335	16,722,343

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

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Notes receivable (i)	3,144,349	3,701,644

- (i) collateral for notes payable issued by banks

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

9 SHARE CAPITAL

	Number of ordinary shares of RMB1 each (thousands)	RMB'000
At January 1, 2024 (audited) and June 30, 2024 (unaudited)	8,015,338	8,015,338
At January 1, 2023 (audited) and June 30, 2023 (unaudited)	8,015,338	8,015,338

10 BORROWINGS

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Non-current		
Borrowings from financial institutions	3,486,010	4,043,110
Corporate bonds	1,498,263	2,496,158
	4,984,273	6,539,268
Current		
Borrowings from financial institutions	2,932,087	1,565,237
Add: current portion of non-current borrowings from financial institutions	923,053	1,648,333
Corporate bonds	2,051,586	3,522,103
	5,906,726	6,735,673
Total borrowings	10,890,999	13,274,941

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

10 BORROWINGS (CONTINUED)

Notes:

(a) Movements in borrowings are analyzed as follows:

	For the six months ended June 30,	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
At the beginning of the period	13,274,941	20,313,380
Proceeds of new borrowings	2,875,400	5,440,310
Repayments of borrowings	(5,283,823)	(8,557,579)
Amortization of bond issuance costs	2,473	4,206
Exchange differences	14,573	97,042
Others	7,435	508
At the end of the period	10,890,999	17,297,867

(b) Undrawn facilities at floating rates:

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Within 1 year	19,376,008	24,365,650
Over 1 year	5,470,000	7,964,000
	24,846,008	32,329,650

11 ACCOUNTS PAYABLE

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Trade payables	30,254,454	29,652,250
Notes payable	7,446,072	6,195,459
	37,700,526	35,847,709

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

11 ACCOUNTS PAYABLE (CONTINUED)

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

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Current to 1 year	30,208,108	29,456,589
1 to 2 years	23,780	27,163
2 to 3 years	11,469	97,782
Over 3 years	11,097	70,716
	30,254,454	29,652,250

12 MATERIAL PROFIT AND LOSS ITEMS

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

	For the six months ended June 30,	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Depreciation and amortization	4,427,650	4,350,619
Employee benefit costs	2,904,720	2,932,004
Warranty expenses	1,112,811	363,540
Provision for impairment on non-financial assets	332,898	233,050
Foreign exchange losses/(gains)	297,214	(97,018)
Losses/(gains) on forward foreign exchange contracts with fair value through profit or loss	22,881	(4,753)
Loss on disposals of property, plant and equipment	32,055	5,989
Government grants	(198,907)	(164,866)

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

13 INCOME TAX EXPENSE

	For the six months ended June 30,	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Current income tax expense	3,286,791	4,129,423
Deferred income tax expense/(credit)	79,946	(101,615)
	3,366,737	4,027,808

14 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,	
	2024 (Unaudited)	2023 (Unaudited)
Profit attributable to ordinary shareholders of the Company (RMB'000)	1,978,021	2,845,716
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)	0.25	0.36

Note:

During the six months ended June 30, 2024 and 2023, there were no potential dilutive ordinary shares and diluted earnings per share was equal to basic earnings per share.

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

15 DIVIDENDS

The Board of Directors of the Company does not recommend the payment of any interim dividend for the six months ended June 30, 2024 (six months ended June 30, 2023: Nil).

The final dividend of approximately RMB1,041,994,000 (RMB0.13 per share) relating to the year ended December 31, 2023 was approved by the shareholders at the annual general meeting held in June 24, 2024.

16 CAPITAL COMMITMENTS

The Group has the following capital commitments for property, plant and equipment as at June 30, 2024 and December 31, 2023 respectively.

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Contracted but not provided for	5,011,765	6,200,094
Authorized but not contracted for	13,055,102	13,557,512

17 RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in this Condensed Financial Information, the followings are related party transactions which were carried out in the ordinary course of the Group's business and determined based on mutually agreed terms for each of the six months ended June 30, 2024 and 2023.

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

17 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant transactions with related parties

	For the six months ended June 30,	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Sale of goods and materials and property, plant and equipment to		
– fellow subsidiaries	9,103,249	11,004,034
– joint ventures	395,519	385,784
– an associate	608	–
– other related companies	1,775,064	2,139,346
Services provided to		
– fellow subsidiaries	20,256	16,809
– joint ventures	1,323	1,280
– an associate	5,003	–
– other related companies	12,622	68,155
Purchases of goods and materials from		
– fellow subsidiaries	7,113,930	7,590,081
– joint ventures	60,581	59,643
– other related companies	36,561,196	33,319,185
Services received from		
– immediate parent company	323,080	383,345
– fellow subsidiaries	2,658,021	1,854,377
– joint ventures	514,403	669,008
– an associate	544	23,123
– other related companies	2,566,920	2,998,748
Lease income from		
– fellow subsidiaries	8,173	4,791
– other related companies	35,760	34,504
Lease expenses to		
– fellow subsidiaries	51,252	52,580
Interest income from		
– an associate	45,200	41,388
– an other related company	240	478
Interest expenses to		
– a fellow subsidiary	3,416	3,365
– an associate	15,358	14,795
Key management compensations		
– salaries, allowances and other benefits	3,399	3,736
– employer's contributions to pension schemes	433	387

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

17 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant balances with related parties

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Assets		
Financial assets at FVOCI		
– a fellow subsidiary	7,115,109	5,397,973
Trade receivables		
– fellow subsidiaries	1,567,271	1,130,805
– joint ventures	110,911	128,322
– other related companies	1,005,819	826,039
Notes receivables		
– fellow subsidiaries	672,527	955,479
– joint ventures	9,020	13,317
Advances to suppliers		
– fellow subsidiaries	41,820	46,294
Other receivables		
– fellow subsidiaries	316,504	339,310
– joint ventures	288,779	210,982
– an associate	–	4,248
– other related companies	248,266	543,389
Cash and cash equivalents		
– an associate	15,975,757	15,257,588
– an other related company	126,947	26,709

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2024

17 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant balances with related parties (Continued)

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Liabilities		
Trade payables		
– fellow subsidiaries	3,813,244	3,887,127
– joint ventures	45,226	64,867
– other related companies	10,196,016	10,180,899
Notes payable		
– fellow subsidiaries	2,428,947	1,360,194
– a joint venture	49,590	72,066
– other related companies	44,676	80,609
Contract liabilities		
– fellow subsidiaries	28,767	21,784
Other payables and accruals		
– immediate parent company	710,206	732,974
– fellow subsidiaries	1,376,447	671,726
– joint ventures	129,924	147,376
– an associate	425	–
– other related companies	3,842,162	3,701,146
Borrowings from		
– an associate	1,281,610	1,291,413
Lease liabilities		
– a fellow subsidiary	64,687	106,868

Part Twelve

Definitions

“Articles of Association”	the articles of association of BAIC Motor Corporation Limited considered and amended at the 2024 first extraordinary general meeting of the Company held on March 22, 2024
“Audit Committee”	audit committee of the Board
“BAIC BluePark”	BAIC BluePark New Energy Technology Co., Ltd.
“BAIC Group”	Beijing Automotive Group Co., Ltd.
“Beijing Benz”	Beijing Benz Automotive Co., Ltd. (previously known as Beijing Jeep Motor Co., Ltd. and Beijing Benz-Daimler Chrysler Automotive Co., Ltd.)
“Beijing Brand”	the passenger vehicle business of our proprietary brand
“Beijing Hyundai”	Beijing Hyundai Motor Co., Ltd.
“Board” or “Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“CAAM”	China Association of Automobile Manufacturers
“CG Code”	the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules

Part Twelve

Definitions

“Company” or “BAIC Motor”	BAIC Motor Corporation Limited
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary Share(s) in the Company’s share capital, with a nominal value of RMB1.0 each, which are subscribed for and paid up in Renminbi
“end of 2023”	December 31, 2023
“First Half of 2023”	six months ended June 30, 2023
“First Half of 2024” or “Reporting Period”	six months ended June 30, 2024
“Fujian Benz”	Fujian Benz Automotive Co., Ltd.
“Group” or “we” or “our”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.0 each, to be subscribed for and traded in HK dollars and listed and traded on the Stock Exchange
“HK dollar(s)”	the lawful currency of Hong Kong

Part Twelve

Definitions

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards issued by the International Accounting Standards Board
“Latest Practicable Date”	September 13, 2024, being the latest practicable date prior to the publication of this interim report for the purpose of ascertaining the relevant information contained in this interim report
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock market operated by the Stock Exchange (excluding options market), independent of the GEM of the Stock Exchange and under parallel operation with the GEM
“Mercedes-Benz Group”	Mercedes-Benz Group AG (formerly known as Daimler AG)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set forth in Appendix C3 to the Listing Rules
“Nomination Committee”	nomination committee of the Board
“President”	president of the Company
“Remuneration Committee”	remuneration committee of the Board

Part Twelve

Definitions

“RMB” or “Renminbi”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	strategy and sustainability committee of the Board (formerly known as the strategy committee, renamed in accordance with the Articles of Association approved by the Shareholders at the 2024 first extraordinary general meeting of the Company held on March 22, 2024)
“subsidiary(ies)”	has the meaning ascribed thereto in section 15 of the Companies Ordinance
“Supervisor(s)”	supervisor(s) of the Company
“2023”	the year ended December 31, 2023



BAIC 北京汽车股份有限公司
BAIC MOTOR CORPORATION LIMITED*