



**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



**2021**  
**INTERIM REPORT**  
**中期報告**



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

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# CONTENTS

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Overview	02	Part Seven	22
Part One Corporate Information	03	Interim Condensed Consolidated Balance Sheet	
Part Two Summary of Financial and Business Information	04	Part Eight Interim Condensed Consolidated Statement of Comprehensive Income	24
Part Three Company Profile and Business Overview	06	Part Nine Interim Condensed Consolidated Statement of Changes in Equity	26
Part Four Governance Practice	14	Part Ten Interim Condensed Consolidated Statement of Cash Flows	28
Part Five Management Discussion and Analysis	18	Part Eleven Notes to the Interim Condensed Consolidated Financial Information	29
Part Six Report on Review of Unaudited Interim Condensed Consolidated Financial Information	21	Part Twelve Definitions	45

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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, 2021 (the “first half of 2021” or “Reporting Period”). The condensed financial information has been prepared in accordance with International Accounting Standard 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 2021 have been approved by the Board of the Company. 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 2021, benefited from the continuous recovery of the macro-economy, national policies encouraging the consumption of commodities, such as automobiles, and the strategic targets to achieve peak carbon emission and carbon neutrality, the PRC passenger vehicle industry sought progress while maintaining stability, with the wholesale sales volume of 10,007,000 units of vehicles in the first half of 2021, representing a year-on-year increase of 27.0%<sup>1</sup>. Facing the rise of raw material prices and intensified competition during the economic recovery, the Group actively responded and achieved an overall growth. During the Reporting Period, Beijing Brand, Beijing Benz, Beijing Hyundai and Fujian Benz of the Group sold a total of 0.557 million units of vehicles, representing a year-on-year increase of 10.8%; achieved the consolidated revenue of RMB90.38 billion; and achieved a profit attributable to equity holders of the Company of RMB2.76 billion and earnings per share of RMB0.34.

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

<sup>1</sup> Source: China Association of Automobile Manufactures (“CAAM”)

## Part One

### Corporate Information

- **LEGAL NAME OF THE COMPANY**

北京汽車股份有限公司

- **ENGLISH NAME OF THE COMPANY**

BAIC Motor Corporation Limited<sup>2</sup>

- **REGISTERED OFFICE**

A5-061, Unit 101, 5th Floor, 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. Huang Wenbing**

5/F, 99 Shuanghe Street, Shunyi District, Beijing, China

**Mr. Wang Jianhui**

5/F, 99 Shuanghe Street, Shunyi District, Beijing, China

- **COMPANY SECRETARY**

**Mr. Wang Jianhui**

5/F, 99 Shuanghe Street, Shunyi District, Beijing, China

- **COMPANY SECRETARY ASSISTANT**

**Mr. Lee Kwok Fai**

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

- **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

- **AUDITOR (EXTERNAL AUDIT FIRM)**

**PricewaterhouseCoopers**

Certified Public Accountants and Registered PIE Auditor

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

**PricewaterhouseCoopers Zhong Tian LLP**

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 ENQUIRY**

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

Website: www.baicmotor.com

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<sup>2</sup> For identification purpose only

## Part Two

### Summary of Financial and Business Information

#### I. MAJOR FINANCIAL SUMMARY

Summary of comprehensive financial information of the Group for the first half of 2021 is as follows:

Unit: RMB million

Item	Six months ended June 30,	
	2021 (Unaudited)	2020 (Unaudited)
Revenue	90,375	77,854
Cost of sales	(69,050)	(59,824)
Gross profit	21,325	18,030
Selling and distribution expenses	(5,429)	(5,090)
General and administrative expenses	(3,151)	(2,656)
Net impairment losses on financial assets	(125)	(121)
Other gains, net	1,358	70
Finance income, net	95	20
Share of loss of investments accounted for using equity method	(494)	(1,165)
Profit before income tax	13,579	9,088
Income tax expense	(4,396)	(3,277)
Profit for the period	9,183	5,811
Profit attributable to		
Equity holders of the Company	2,758	1,047
Non-controlling interests	6,425	4,764
<b>Total assets, total liabilities and interests attributable to equity holders of the Company</b>	<b>June 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
Total assets	190,467	193,703
Total liabilities	109,058	120,109
Interests attributable to equity holders of the Company	52,532	51,088

## Part Two

### Summary of Financial and Business Information

#### II. MAJOR PERFORMANCE SUMMARY

The wholesale sales volume of vehicles of each passenger vehicle business segment of the Group for the first half of 2021 is as follows:

Unit: thousand unit

<b>Business Segment</b>	<b>First Half of 2021 Cumulative Sales Volume</b>	<b>First Half of 2020 Cumulative Sales Volume</b>
Beijing Brand	<b>28</b>	35
Oil-powered vehicle	<b>21</b>	24
New energy	<b>7</b>	11
Beijing Benz	<b>316</b>	270
Beijing Hyundai	<b>194</b>	184
Fujian Benz	<b>19</b>	14

## Part Three

### Company Profile and Business Overview

#### I. OVERVIEW

We are a leading enterprise of passenger vehicles in China, and are one of the enterprises of passenger vehicles with the most optimized brand layout and business system in the industry. Our brands cover business segments such as joint venture premium passenger vehicles, joint venture premium multi-purpose passenger vehicles, joint venture mid- to high-end passenger vehicles and proprietary brand passenger vehicles, 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's major business operations include research and development, manufacturing, sales and after-sale services of passenger vehicles, production of core parts and components of passenger vehicles, car financing, international businesses and other related businesses. We keep optimizing industry chains and strengthening our brands.

##### Passenger Vehicles

Our passenger vehicle business is conducted through four business segments, namely Beijing Brand, Beijing Benz, Beijing Hyundai and Fujian Benz.

#### 1. Beijing Brand

Beijing Brand, our proprietary brand, has nearly ten models on the market, covering a full range of oil powered models and new energy models of sedan and SUV.

Targeting at consumers who value both vehicle performance and high-quality life, products of Beijing Brand are designed according to the concept of "metropolitan beauty" with continual quality improvement. At present, Beijing Brand has a series of products, such as X3 and X5 compact SUV, X7 midsize SUV, U5 compact sedan, U7 middle class sedan, EU5 pure electric compact sedan and EU7 middle class pure electric sedan. In April 2021, Beijing Brand announced "Power journey of Beijing vehicles" which covered oil-powered, hybrid and pure electric vehicles, "@me Intelligent Platform" technology route, and the product plan for era 3.0 "defining demand by scenario". With "cabin scenarios + vehicle networking + automatic self-driving" as the core goal of reform, it will build three platforms, namely SUPER power, HEV hybrid and EV electric vehicle, to provide travelling experiences in all scenarios for users.



## Part Three

### 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 Daimler AG (“Daimler AG”) and its wholly-owned subsidiary, Daimler Greater China Ltd. (“Daimler Greater China”), together hold 49.0% equity interest of 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 company of Daimler AG, owning the platforms of three main vehicle models, namely front-wheel drive vehicle, rear-wheel drive vehicle and electric vehicle, as well as an engine factory and a power battery factory in the world. It has exported core engine parts and engines and become an important part of the global production network of Mercedes-Benz. Beijing Benz manufactures and sells various main models of Mercedes-Benz, including E-Class long-wheelbase sedan, C-Class long-wheelbase sedan, A-Class long-wheelbase sedan, long-wheelbase GLC SUV, GLB SUV, GLA SUV, EQC pure electric SUV and AMG A 35 L. In recent years, it has won the honorary titles of “Global Excellent Operating Factory”, “Green Model Factory”, “Beijing Intelligent Manufacturing Benchmarking Enterprise” and “Sino-German Intelligent Manufacturing Cooperation Pilot Model Project”, etc.

Featured with digitalization, flexibility, effectiveness and sustainability, Shunyi factory of Beijing Benz sets a new benchmark as a highly digitalized vehicle manufacturing plant. In future, it will continue to provide diversified products up to global standards of Mercedes-Benz to Chinese consumers.

#### 3. Beijing Hyundai

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

At present, Beijing Hyundai has capacities in Beijing, Hebei and Chongqing, which form a nationwide production and marketing system. Beijing Hyundai manufactures and sells over ten types of vehicles, covering a full range of major sedan models including middle class, compact and A0-Class models, as well as SUV models, with vehicle models for sale mainly including the fourth-generation Santa Fe, the fifth-generation TUCSON L, the seventh-generation ELANTRA, LA FESTA EV, new generation MISTRA EV, etc., to fully meet the needs of different consumers.

#### 4. Fujian Benz

Fujian Benz Automotive Co., Ltd. (“Fujian Benz”) is a joint venture of the Company. The Company holds 35.0% equity interest of Fujian Benz, and establishes an 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. Daimler Vans Hong Kong Limited holds the

## Part Three

### Company Profile and Business Overview

remaining 50.0% equity interest of Fujian Benz. Fujian Benz commenced the manufacturing and sales of multi-purpose passenger vehicles and light passenger vehicles of Mercedes-Benz brand in 2010.

At present, Fujian Benz stays on the leading edge in the field of joint venture premium business purpose vehicles, with production and sale of Mercedes-Benz V-Class vehicles and New Vito products.

#### Core Parts and Components for Passenger Vehicles

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

In respect of Beijing Brand, we manufacture engines, transmissions, new energy reducers 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.

Beijing Benz commenced to manufacture engines in 2013, and currently owns two engine factories and the first power battery factory outside Germany. Its products include M274, M282, M264, M254 engines and the first new energy power battery product. It has exported core engine parts and engines.

Beijing Hyundai commenced to manufacture engines in 2004, and currently has several engine factories. Its products are mainly for use in Hyundai branded passenger vehicles manufactured by Beijing Hyundai, while certain products are sold to overseas factories of Hyundai Motor.

#### 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.

#### Sales and Service Business

In April 2020, the Company and BAIC BluePark New Energy Technology Co., Ltd. (“BAIC BluePark”) jointly established BAIC BluePark Marketing Services Co., Ltd. (北京汽車藍谷營銷服務有限公司) (“BAIC BluePark Marketing Services”). BAIC BluePark Marketing Services is committed to providing the Company and BAIC BluePark with marketing business consultation, signing service agreements, promoting the sharing of channels, service resources and sales resources, etc., and enhancing the marketing competitiveness of the Beijing Brand as a whole.

## Part Three

### Company Profile and Business Overview

#### International Business

We promote the rapid development of international business through the production and operation businesses of the South African production base and the marketing business in South African and Southern African Development Community (SADC) markets which are in the charge of BAIC Automobile SA Proprietary Limited, a joint venture of the Company, through international marketing business in markets outside China and South Africa which are in the charge of BAIC International Development Co., Ltd., a wholly-owned subsidiary of the Company, and through overseas sales companies, KD technology<sup>3</sup> cooperation, vehicle distribution, etc. International business focuses on exporting passenger vehicle products of Beijing Brand.

#### Other Related Businesses

In the first half of 2021, we continued to conduct research and development of light materials, new energy technology changes, information big data and used car businesses through relevant joint ventures.

### III. INDUSTRY DEVELOPMENT IN THE FIRST HALF OF 2021

According to the National Bureau of Statistics, in the first half of 2021, China's GDP increased by 12.7% on a year-on-year basis, indicating its steady recovery from the impact of epidemic.

As the epidemic prevention and control became normal in China, the automobile market restored into a steady pace, and the sales volume of the domestic passenger car market increased significantly in the first half of 2021. According to data from CAAM, the overall wholesale sales of passenger cars in China in the first half of 2021 reached 10,007,000 units, representing a year-on-year increase of 27.0%, with sales of all passenger car segments, including sedans, SUV, MPV and CUV, increasing by varying degrees. The market growth was firstly due to the low base effect of last year, and secondly due to the increasing contribution of new energy vehicles.

In terms of new energy passenger vehicles, wholesale sales of 1.140 million units were achieved in the first half of 2021, a year-on-year increase of 217.4%. Of these, 941 thousand units of pure electric passenger cars were sold, an increase of 244.1% year-on-year, while 199 thousand units of plug-in hybrid passenger cars were sold, an increase of 132.5% year-on-year, and thus the performance of the new energy vehicles market was better than expected.

In addition, the premium vehicles market continued to show rapid growth, reflecting the continued strong demand for high-end replacement as a result of consumer upgrading. According to data from CAAM, the first half of 2021 saw wholesale sales of 1.658 million premium vehicles, a year-on-year increase of 41.5%, which was 14.5 percentage points higher than the cumulative growth rate of passenger car sales.

<sup>3</sup> means Knocked-down

## Part Three

### Company Profile and Business Overview

In terms of industry policies, in the first half of 2021, the State issued the Notice on Several Measures for Boosting the Consumption of Major Durables and Key Consumer Goods and Unleashing Consumption Potential in Rural Areas and the Notice on Launching the 2021 New Energy Vehicle Campaign in Rural Areas, and accordingly a new round of auto consumption campaign to the countryside was launched, clarifying the signal for promoting consumption at the national level and releasing the consumption potential of the auto market.

#### IV. OPERATIONAL PERFORMANCE OF THE GROUP IN THE FIRST HALF OF 2021

##### Operational Performance by Brands

###### 1. Beijing Brand

Under challenges from intensified competition and significant adjustment in demand structure, the Company actively responded and achieved sales of 28 thousand units under the Beijing Brand and a year-on-year increase in sales of SUV models during the Reporting Period. In the first half of 2021, Beijing Brand has been refreshing its products. It announced the pre-sale of U5 PLUS compact sedan, which preserved the philosophy of “metropolitan beauty” and self-confidence DNA, in April, and the vehicle will be launched in the second half of 2021. In April, we delivered EU5, which is a model targeting at commercial use, suitable for quick changing rental and ridesharing. In June, EU5 PLUS, which is a newly upgraded model for individual users, was launched.

###### 2. Beijing Benz

In the first half of 2021, Beijing Benz actively responded to various challenges. Its sales volume remained at the forefront of domestic luxury brands, with a sales volume of 316 thousand units, representing a year-on-year growth of 17.0%. The respective monthly sales volume of three major vehicle models of Beijing Benz, namely E-Class sedan, C-Class sedan and GLC SUV, exceeded ten thousand units.

Meanwhile, the major projects, such as Shunyi factory, proceeded as scheduled. New products, such as new Mercedes-Benz E 350 e L plug-in hybrid electric sedan, new Mercedes-Benz C-Class long-wheelbase sedan and Mercedes-Benz M254 engine, were produced on time.

Beijing Benz was also recognized in different aspects. In terms of product quality, according to the “2020 China Automotive Product Quality Performance Study”, GLA SUV and the long-wheelbase E-Class sedan were ranked first in their respective market segments. In terms of corporate development, Beijing Benz was awarded the “13th Five-Year Plan” Outstanding Unit for Corporate Culture Development in China.

## Part Three

### Company Profile and Business Overview

#### 3. Beijing Hyundai

In the first half of 2021, in a highly competitive market, Beijing Hyundai adjusted its marketing progress, and achieved a wholesale sales volume of 194 thousand units, representing a year-on-year growth of 5.3%, while the retail sales volume was 203 thousand units, laying the foundation for a sustainable and continued increase in production and marketing.

In terms of specific products, the new generation of MISTRA and its pure electric models and the fifth-generation TUCSON L of Beijing Hyundai were launched successfully in the first half of 2021, thus further enriching its product lines and continuously improving the product strength and market competitiveness. With a focus on new models, Beijing Hyundai fully optimized its product structure, and achieved steady growth in sales volume by specifying its marketing schedule with the policy support for key models.

#### 4. Fujian Benz

In the first half of 2021, Fujian Benz achieved sales volume of 19 thousand units, representing a year-on-year increase of 39.0%, reflecting a positive trend of development. In the second half of 2021, Fujian Benz will continue to optimize and upgrade its main products, further explore the market potential and consolidate its development momentum to lay the foundation for achieving annual results and sustainable development.

#### Sales Network

The Group always attaches great importance to the interests of customers, strives to optimize its product-service system, and is devoted to enabling product distributors and customers to receive timely, efficient, accurate and high quality service guarantee. There are independent marketing channels for all our brands. In the first half of 2021, the Group followed the “customer first” principle, continued to optimize and upgrade the dealer network, comprehensively improved customer experience, and enhanced overall competitiveness. Some of the image stores of Beijing Brand were upgraded, with shop environment improved, laying the ground for enhancing brand image. Beijing Benz and Beijing Hyundai always paid attention to network efficiency and quality, and committed to improving the profitability of dealers and OEMs and realizing mutual trust and win-win results.

#### Research and Development

The Group believes that the research and development capability is crucial to future development. In the first half of 2021, it continuously made efforts to promote the construction of research and development systems and capacity, for all of its brand businesses.

## Part Three

### Company Profile and Business Overview

Beijing Brand has been promoting the reform and innovation of research and development systems, consolidating research in the basic areas of vehicle, focusing on “intelligent networking” and “electrification”, and adopting a combination of independent innovation and strategic cooperation to achieve breakthroughs in core technologies and core capabilities.

Beijing Benz has the largest research and development center among all joint venture enterprises of Daimler AG, and introduces the Mercedes-Benz development system, continuously shortening the development cycle and strengthening the digital verification capability. The establishment of Daimler AG’s fully functional overseas prototype plant supports localised prototype trials and shortens the validation cycle for new product introduction, providing strong technical support for the research and development and production of Mercedes-Benz’s domestic traditional and new energy models.

In the first half of 2021, Beijing Hyundai advanced an overall good progress in the development of three local models and five imported models simultaneously. The new generation of MISTRA EV has class-leading cruising endurance and space performance; the fifth-generation of TUCSON L has excellent overall competitiveness and high market interest; and the CELESTA CNG National 6b model went into mass production in May. The research and development of the first MPV Custo model and the sports N-line model is in good progress, which will further enrich its product line.

#### Production Facilities

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

Beijing Benz continuously builds Mercedes-Benz’s most comprehensive production base in the world. Based on the principle of “digitalization, flexibility, effectiveness and sustainability”, it will also construct a high-end production base. In order to protect the interests of users, Beijing Benz has established a quality centre based on Daimler AG’s global standards to ensure that every unit of Mercedes-Benz vehicles is up to its globally unified standards and quality management system.

## Part Three

### Company Profile and Business Overview

All factories of Beijing Hyundai are equipped with state-of-the-art production equipment, with the equipment automation rate exceeding 90%, so as to ensure the precision and production of products with high quality. Meanwhile, Beijing Hyundai is capable of effectively and flexibly arranging factory production plans and mixed-model production to further reduce the manufacturing cost reasonably.

#### V. OUTLOOK FOR THE SECOND HALF OF 2021

According to the forecast by CAAM, the economy will maintain a stable recovery in the second half of 2021, which will play a stable supporting role in automobile consumption. However, there are still instability and uncertainties in the global economic recovery and epidemic prevention and control, while development progress of different domestic industries varies, the foundation for sustained economic recovery still needs to be strengthened, and the rise in raw material prices further increases the pressure on enterprise costs. Therefore, we would take a prudent and optimistic view at the development of the industry.

In the second half of 2021, the Group will continue to actively respond to industry changes and determine the business policy for steady development.

In terms of Beijing Brand, under the guidance of the overall business principle of “focusing on development, value-oriented, deepening reform and collaborative innovation”, efforts will be made for the continuous improvement of Beijing Brand strength and product upgrades. It will also focus on key models such as U5 PLUS, EU5 PLUS and X7 to boost their sales volume. Beijing Benz focuses on strengthening supply guarantee and refined production to ensure the launch of new energy models and consolidate its leading position in the high-end and premium car market. Beijing Hyundai will launch its first MPV Custo model and continue to cultivate the market segment. At the same time, it will focus on the four key models, the seventh-generation Elantra, the fifth-generation TUCSON L, the new ix35 and the new CELESTA, in order to raise market awareness and end sales.

## Part Four

### Governance Practice

#### I. CORPORATE GOVERNANCE

##### Compliance with the Corporate Governance Code

The Company has been building and maintaining a high level of corporate governance so as to protect the rights and interests of shareholders and enhance the Company's corporate value and sense of responsibility. With reference to the Code on Corporate Governance as set forth in Appendix 14 to the Listing Rules (the "Corporate Governance Code"), the Company has established a modern and balanced corporate governance structure which comprises a number of independently operated bodies including the shareholders' general meeting, the Board, the Board of Supervisors and senior management.

The re-election of the Board and the Board of Supervisors was completed on March 24, 2021. Please refer to the description below for further details. Save as the aforementioned, the Company had complied with the Corporate Governance Code throughout the Reporting Period.

##### Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code in Appendix 10 to the Listing Rules as the code of conduct for dealing in securities of the Company by all our Directors and supervisors ("Supervisors") of the Company. In response to the Company's enquiries, all Directors and Supervisors have confirmed that they strictly complied with the Model Code for securities transactions during the Reporting Period.

##### Changes in Composition of the Board and the Committees

The three-year term of the third session of the Board of the Company expired on April 20, 2020. Due to the impact of the COVID-19, the re-election and appointment of the Board has been postponed.

On March 24, 2021, at the 2021 first extraordinary general meeting of the Company, Mr. Jiang Deyi, Mr. Liao Zhenbo, Mr. Chen Hongliang and Mr. Hu Hanjun

were appointed as non-executive Directors of the Company, Mr. Huang Wenbing was appointed as an executive Director of the Company, Mr. Ye Qian, Mr. Hubertus Troska, Mr. Harald Emil Wilhelm, Mr. Jin Wei and Mr. Sun Li were appointed as non-executive Directors of the Company, and Mr. Ge Songlin, Ms. Yin Yuanping, Mr. Xu Xiangyang, Mr. Tang Jun and Mr. Edmund Sit were appointed as independent non-executive Directors of the Company. The terms of office of such Directors took effect from March 24, 2021 and shall end upon the expiry of the term of the fourth session of the Board. On the same day, Mr. Jiang Deyi was elected as the Chairman of the Company in the first meeting of the fourth session of the Board, while the chairman and members of the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee"), the nomination committee (the "Nomination Committee") and the strategy committee (the "Strategy Committee") under the Board were also elected. The term of office of the above-mentioned personnel took effect from March 24, 2021 and shall end upon the expiry of the term of the fourth session of the Board. With the establishment of the fourth session of the Board, Ms. Shang Yuanxian, Mr. Xie Wei, Mr. Qiu Yinfu, Mr. Lei Hai, Mr. Wong Lung Tak Patrick, Mr. Bao Robert Xiaochen, Mr. Zhao Fuquan and Mr. Liu Kaixiang, the Directors of the third session of the Board of the Company, ceased to be the Directors of the Company. Please refer to the announcement of the Company dated March 24, 2021 for further details.

On April 28, 2021, the Board resolved to propose the appointment of Mr. Gu Tiemin as a non-executive director and a member of the Remuneration Committee. On June 18, 2021, the Company convened the 2020 annual general meeting and approved the appointment, for a term commencing from June 18, 2021 until the expiry of the term of the fourth session of the Board. Due to work re-designation, from the effective date of the above appointment of Mr. Gu Tiemin as the Director, Mr. Jin Wei was no longer a non-executive Director and a member of the Remuneration Committee. Please refer to announcements of the Company dated April 28, 2021 and June 18, 2021 for further details.



## Part Four Governance Practice

Save as disclosed above, there was no change in the composition of the Board, the Strategy Committee, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Board of Supervisors from January 1, 2021 and up to the Latest Practicable Date.

### Changes in Information of Directors, Supervisors, Senior Management and Company Secretary

#### Directors

After June 18, 2021, the Board was informed by Mr. Gu Tiemin that he was appointed as a non-executive director of BBMG Corporation (stock code: 2009.HK) on May 12, 2021.

#### Supervisors

On March 24, 2021, Ms. Li Chengjun and Mr. Zhang Yanjun were elected as the fourth session of employee representative Supervisors at the employee representatives' meeting of the Company according to the Articles of Association. On the same day, Mr. Sun Zhihua, Mr. Zhou Xuehui and Ms. Qiao Yufei were appointed as the fourth session of non-employee representative Supervisors at the 2021 first extraordinary general meeting of the Company. The above five Supervisors formed the fourth session of the Board of Supervisors, with terms of office commencing from March 24, 2021 and shall end upon the expiry of the term of the fourth session of the Board of Supervisors. On the same day, Ms. Li Chengjun was elected as the chairman of the fourth session of the Board of Supervisors at the first meeting of the fourth session of the Board of Supervisors, with a term of office commencing from March 24, 2021 and shall end upon the expiry of the term of the fourth session of the Board of Supervisors. With the establishment of the fourth session of the Board of Supervisors, Mr. Gu Zhangfei, Mr. Wang Min, Mr. Qi Chunyu, Mr. Meng Meng, Ms. Wang Bin, Mr. Li Shuangshuang, Mr. Pang Mingjing and Mr. Zhan Zhaohui, who were the Supervisors of the third session of the Board of Supervisors of the Company, ceased to be the Supervisors of the Company. Please refer to the announcement of the Company dated March 24, 2021 for further details.

#### Senior management and company secretary

On February 4, 2021, the Board appointed Mr. Wang Jianhui as the vice president of the Company and the Secretary of the Board of Directors of the Company. The term of office took effect from February 4, 2021 and shall end upon the expiry of the term of the third session of the Board of Directors.

On March 24, 2021, the fourth session of the Board of Directors of the Company appointed Mr. Huang Wenbing as the president, Mr. Chen Wei, Mr. Du Junbao, Mr. Li Deren, Mr. Yang Xueguang, Mr. Wu Zhoutao, Mr. Wang Jianhui, Mr. Gao Jianjun and Mr. Li Xingxing as the vice presidents of the Company, and Mr. Wang Jianhui as the secretary of the Board of Directors and company secretary. The term of office of the above personnel took effect from March 24, 2021 and shall end upon the expiry of the term of the fourth session of the Board of Directors.

Save as disclosed above, from January 1, 2021 and up to the Latest Practicable Date, there was no change in Directors, Supervisors and senior management of the Company. Meanwhile, the Directors, Supervisors and senior management of the Company confirmed that there was no information 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 2021.

#### 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 2021, the 2021 interim results and the 2021 interim report of the Group.

## Part Four

### Governance Practice

#### Purchase, Sale or Redemption of Listed Securities

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

#### Interests and Short Positions of Directors, Supervisors and Chief Executive in Shares, Underlying Shares and Debentures

As at the end of June 2021, none of the Directors, Supervisors or chief executive 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 Hong Kong 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 Hong Kong Stock Exchange pursuant to the Model Code.

#### Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares

As at end of June 2021, to the best knowledge of the Directors, the following entities/persons (except for the Directors, Supervisors and Chief Executive) 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 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 <sup>(Note 1)</sup>	Percentages of Relevant Class of Shares (%) <sup>(Note 2)</sup>	Percentage of the Total Share Capital (%)
Beijing Automotive Group Co., Ltd.	Domestic Shares	3,416,659,704(L)	62.18	42.63
Shougang Group Co., Ltd.	Domestic Shares	1,028,748,707(L)	18.72	12.83
Shenzhen Benyuan Jinghong Equity Investment Fund (Limited Partner)	Domestic Shares	342,138,918(L)	6.23	4.27
Daimler AG	H Share	765,818,182(L)	30.38	9.55

Notes:

- (L) – Long position.
- The percentage is calculated based on the number of shares held by relevant persons/the number of relevant classes of shares of the Company in issue as at the end of June 2021.

#### Material Litigation and Arbitration

As at the end of June 2021, 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 significant adverse effect on the Company.

#### Matters After the Reporting Period

There was no matter with material impact on the Group after the end of 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 were set out as follows:

#### Directors

Name	Positions
Mr. Jiang Deyi	Chairman of the Board and non-executive Director
Mr. Liao Zhenbo	Non-executive Director
Mr. Chen Hongliang	Non-executive Director
Mr. Hu Hanjun	Non-executive Director
Mr. Huang Wenbing	Executive Director and President
Mr. Ye Qian	Non-executive Director
Mr. Hubertus Troska	Non-executive Director
Mr. Harald Emil Wilhelm	Non-executive Director
Mr. Gu Tiemin	Non-executive Director
Mr. Sun Li	Non-executive Director
Mr. Ge Songlin	Independent 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

#### Supervisors

Name	Positions
Ms. Li Chengjun	Chairman of the Board of Supervisors and Employee Representative Supervisor
Mr. Sun Zhihua	Non-employee Representative Supervisor
Mr. Zhou Xuehui	Non-employee Representative Supervisor
Mr. Zhang Yanjun	Employee Representative Supervisor
Ms. Qiao Yufei	Non-employee Representative Supervisor

#### Senior Management and Company Secretary

Name	Positions
Mr. Huang Wenbing	President
Mr. Chen Wei	Vice President
Mr. Du Junbao	Vice President
Mr. Li Deren	Vice President
Mr. Yang Xueguang	Vice President
Mr. Wu Zhoutao	Vice President
Mr. Wang Jianhui	Vice President, Secretary to the Board and Company Secretary
Mr. Gao Jianjun	Vice President
Mr. Li Xingxing	Vice President

## Part Five

### Management Discussion and Analysis

#### REVENUE AND NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The Group's main business operations are the research and development, manufacturing, sales and after-sale services of passenger vehicles. The above business has brought sustained and stable revenue to the Group. The Group's revenue increased from RMB77,854.4 million for the six months ended June 30, 2020 ("the first half of 2020") to RMB90,375.2 million for the first half of 2021, representing a year-on-year increase of 16.1%, mainly due to the increase in the revenue of Beijing Benz.

The revenue associated with Beijing Benz increased from RMB74,920.4 million in the first half of 2020 to RMB88,058.9 million in the first half of 2021, representing a year-on-year increase of 17.5%, mainly due to the year-on-year increase of 17.0% in the sales volume of Beijing Benz.

The revenue associated with Beijing Brand decreased from RMB2,934.0 million in the first half of 2020 to RMB2,316.4 million in the first half of 2021, representing a year-on-year decrease of 21.0%, mainly due to a year-on-year decrease in the sales volume of Beijing Brand.

The Group's net profit attributable to equity holders of the Company increased from RMB1,046.9 million in the first half of 2020 to RMB2,758.1 million in the first half of 2021, representing a year-on-year increase of 163.5%; the basic earnings per share increased from RMB0.12 in the first half of 2020 to RMB0.34 in the first half of 2021, representing a year-on-year increase of 183.3%, mainly due to the increase in sales volume and profits of Beijing Benz.

#### GROSS PROFIT

The Group's gross profit increased to RMB21,325.0 million in the first half of 2021 from RMB18,030.3 million in the first half of 2020, representing a year-on-year increase of 18.3%, mainly due to the increase in the gross profit of Beijing Benz.

The gross profit of Beijing Benz increased from RMB19,865.0 million in the first half of 2020 to RMB23,821.3 million in the first half of 2021, representing a year-on-year increase of 19.9%; the gross profit margin increased from 26.5% in the first half of 2020 to 27.1% in the first half of 2021, mainly due to the increase in the sales volume and change in structure of vehicle models.

The gross profit of Beijing Brand decreased from RMB-1,834.6 million in the first half of 2020 to RMB-2,496.3 million in the first half of 2021, mainly due to the decrease in sales volume and the change of vehicle model structure.

#### WORKING CAPITAL AND FINANCIAL RESOURCES

The Group usually satisfied its daily working capital requirements through self-owned cash and borrowings. The Group's net cash generated from operating activities decreased from RMB5,265.5 million in the first half of 2020 to RMB4,259.5 million in the first half of 2021, representing a year-on-year decrease of 19.1%, mainly due to a decrease in the net cash inflow generated from operating activities of Beijing Benz.

As at the end of June 2021, the Group had cash and cash equivalents of RMB49,821.4 million, notes receivable of RMB1,236.6 million, notes payable of RMB2,323.3 million, outstanding borrowings of RMB24,086.1 million, unused bank credit lines of RMB22,610.6 million and commitments for capital expenditure of RMB30,892.1 million.

## Part Five

### Management Discussion and Analysis

#### CAPITAL STRUCTURE

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

The Group's asset-liability ratio (total liabilities/total assets) decreased from 62.0% on December 31, 2020 (the "end of 2020") to 57.3% at the end of June 2021, representing a year-on-year decrease of 4.7 percentage points, mainly attributable to a greater decrease in liabilities than in assets.

The Group's net gearing ratio (total borrowings less cash and cash equivalents/(total equity plus the total borrowings less cash and cash equivalents)) increased from -60.3% at the end of 2020 to -46.2% at the end of June 2021, representing a year-on-year increase of 14.1 percentage points, mainly attributable to (i) an increase in the total borrowings, cash and cash equivalents; and (ii) the increase in total equity was greater than the increase in the total borrowings, cash and cash equivalents.

On March 17, 2021, the Group issued overseas corporate bonds in an amount of US\$350 million with the term of three years and the annual coupon rate of 2%, and all proceeds were used for repaying interest-bearing debts and replenishing the working capital.

On March 17, 2021, the Company issued ultra short-term debentures in an amount of RMB2,000 million with the term of 180 days and the annual coupon rate of 3%, and all proceeds were used for repaying interest-bearing debts and replenishing the working capital.

On April 15, 2021, the Company issued ultra short-term debentures in an amount of RMB2,000 million with the term of 180 days and the annual coupon rate of 2.9%, and all proceeds were used for repaying interest-bearing debts and replenishing the working capital.

As at the end of June 2021, the total outstanding borrowings was RMB24,086.1 million, including short-term borrowings of RMB15,927.4 million in aggregate and long-term borrowings of RMB8,158.7 million in aggregate. The Group will repay the aforesaid borrowings in a timely manner at maturity.

As of the end of June 2021, 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

The Group had no significant investments in equity interests in the first half of 2021.

Total capital expenditures of the Group increased slightly to RMB3,457.6 million in the first half of 2021 from RMB3,347.7 million in the first half of 2020. Among which, capital expenditures of Beijing Benz decreased to RMB2,919.7 million in the first half of 2021 from RMB3,028.2 million in the first half of 2020, and capital expenditures of Beijing Brand increased to RMB537.9 million in the first half of 2021 from RMB319.5 million in the first half of 2020.

Total research and development expenses of the Group increased slightly to RMB1,229.6 million in the first half of 2021 from RMB1,131.6 million in the first half of 2020, the majority of which were incurred by the Group for its product research and development activities. Based on the accounting standards and the Group's accounting policy, the amounts of the aforesaid total research and development expenses which complied with capitalization conditions had been capitalized accordingly.

## Part Five

### Management Discussion and Analysis

#### MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the 2020 annual report, the Group did not carry out material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Period.

#### FOREIGN EXCHANGE GAINS OR LOSSES<sup>4</sup>

The Group's foreign exchange gains or losses (mainly from the businesses of Beijing Benz) changed from foreign exchange losses of RMB147.7 million in the first half of 2020 to foreign exchange gains of RMB66.9 million in the first half of 2021, 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 gains from Euro-denominated payments as a result of the rise in the exchange rate of RMB against Euro.

The Group used foreign currencies (primarily Euro) to pay for part of its imported parts and components, and the Group also 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 our hedging tool.

#### EMPLOYEE AND REMUNERATION POLICIES

The number of Group's staff decreased from 21,038 at the end of 2020 to 19,759 at the end of June 2021. The staff costs incurred by the Group increased from RMB2,859.7 million in the first half of 2020 to RMB2,930.1 million in the first half of 2021, mainly due to (1) the increase of staff cost attributable to the overall growth of production and sales volume; (2) partial offset of increase in costs by the decrease in number of staff.

Through integrating human resources strategy on the basis of job classification, the Group has established a performance and competence based remuneration system, and will link the annual business objectives with the performance appraisal of staff through a performance evaluation system, providing effective assurance in the recruiting, retaining and motivating talents, as well as the pursuit of the Group's 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 the end of June 2021, the Group had pledged notes receivable of RMB547.8 million.

#### CONTINGENT LIABILITIES

As at the end of June 2021, the Group had no material contingent liabilities.

<sup>4</sup> Foreign exchange gains or losses include foreign exchange forward contracts at fair value through profit or loss

## Part Six

### Report on Review of Unaudited Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021



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 22 to 44, 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, 2021 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 a summary of significant accounting policies and other 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 30, 2021

## Part Seven

### Interim Condensed Consolidated Balance Sheet

As at June 30, 2021

	Note	June 30, 2021 (Unaudited) RMB'000	December 31, 2020 (Audited) RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	<b>50,920,838</b>	50,428,891
Land use rights	6	<b>7,067,910</b>	7,158,525
Intangible assets	6	<b>11,887,835</b>	12,459,098
Investments accounted for using equity method		<b>13,355,371</b>	14,296,379
Financial assets at fair value through other comprehensive income		<b>3,616,375</b>	1,896,816
Deferred income tax assets		<b>8,658,108</b>	9,763,971
Other receivables and prepayments		<b>3,102,597</b>	2,700,167
		<b>98,609,034</b>	98,703,847
<b>Current assets</b>			
Inventories		<b>20,450,636</b>	20,341,991
Accounts receivable	7	<b>15,382,586</b>	20,553,050
Advances to suppliers		<b>245,424</b>	340,313
Other receivables and prepayments		<b>4,511,764</b>	4,412,051
Restricted cash and term deposits with initial term of over three months		<b>1,445,825</b>	1,205,578
Cash and cash equivalents		<b>49,821,432</b>	48,146,250
		<b>91,857,667</b>	94,999,233
<b>Total assets</b>		<b>190,466,701</b>	193,703,080



## Part Seven

## Interim Condensed Consolidated Balance Sheet

As at June 30, 2021

	Note	June 30, 2021 (Unaudited) RMB'000	December 31, 2020 (Audited) RMB'000
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	8	8,015,338	8,015,338
Perpetual bond	9	–	1,998,160
Other reserves		23,446,724	22,120,796
Retained earnings		21,070,044	18,953,206
		52,532,106	51,087,500
<b>Non-controlling interests</b>		<b>28,876,868</b>	22,506,443
<b>Total equity</b>		<b>81,408,974</b>	73,593,943
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	10	8,158,709	8,721,150
Lease liabilities		73,729	59,220
Deferred income tax liabilities		23,863	26,423
Provisions		2,458,441	2,352,624
Deferred income		3,537,589	3,570,884
Other payables		87,139	105,865
		14,339,470	14,836,166
<b>Current liabilities</b>			
Accounts payable	11	40,905,415	48,017,125
Contract liabilities		1,690,847	1,291,797
Other payables and accruals		33,396,072	40,360,838
Current income tax liabilities		521,006	1,324,900
Borrowings	10	15,927,391	11,736,216
Lease liabilities		72,963	93,990
Provisions		2,204,563	2,448,105
		94,718,257	105,272,971
<b>Total liabilities</b>		<b>109,057,727</b>	120,109,137
<b>Total equity and liabilities</b>		<b>190,466,701</b>	193,703,080

## Part Eight

### Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2021

	Note	For the six months ended June 30,	
		2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
<b>Revenue</b>	5	<b>90,375,224</b>	77,854,370
Cost of sales		<b>(69,050,186)</b>	(59,824,034)
<b>Gross profit</b>		<b>21,325,038</b>	18,030,336
Selling and distribution expenses		<b>(5,429,373)</b>	(5,089,547)
General and administrative expenses		<b>(3,150,520)</b>	(2,655,873)
Net impairment losses on financial assets		<b>(125,038)</b>	(121,932)
Other gains, net		<b>1,357,510</b>	69,800
<b>Operating profit</b>	12	<b>13,977,617</b>	10,232,784
Finance income		<b>503,542</b>	485,374
Finance costs		<b>(408,198)</b>	(465,405)
Finance income, net		<b>95,344</b>	19,969
Share of loss of investments accounted for using equity method		<b>(494,011)</b>	(1,164,871)
<b>Profit before income tax</b>		<b>13,578,950</b>	9,087,882
Income tax expense	13	<b>(4,396,154)</b>	(3,276,537)
<b>Profit for the period</b>		<b>9,182,796</b>	5,811,345
<b>Profit attributable to:</b>			
Equity holders of the Company		<b>2,758,065</b>	1,046,945
Non-controlling interests		<b>6,424,731</b>	4,764,400
		<b>9,182,796</b>	5,811,345
<b>Earnings per share for profit attributable to ordinary shareholders of the Company for the period (expressed in RMB)</b>			
Basic and diluted	14	<b>0.34</b>	0.12

## Part Eight

### Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2021

	For the six months ended June 30,	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
<b>Profit for the period</b>	<b>9,182,796</b>	5,811,345
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss</i>		
(Loss)/gain on cash flow hedges, net of tax	(119,039)	41,098
Share of other comprehensive (loss)/income of investments accounted for using the equity method	(6,088)	4,918
Currency translation differences	22,906	(198,180)
<i>Items that will not be reclassified to profit or loss</i>		
Changes in fair value of financial assets at fair value through other comprehensive income	1,375,683	128,876
<b>Other comprehensive income/(loss) for the period</b>	<b>1,273,462</b>	(23,288)
<b>Total comprehensive income for the period</b>	<b>10,456,258</b>	5,788,057
<b>Attributable to:</b>		
Equity holders of the Company	4,085,833	1,049,724
Non-controlling interests	6,370,425	4,738,333
	<b>10,456,258</b>	5,788,057

## Part Nine

### Interim Condensed Consolidated Statement of Changes In Equity

For the six months ended June 30, 2021

	(Unaudited)						
	Attributable to equity holders of the Company						
	Share capital RMB'000	Perpetual bond RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
<b>For the six months ended June 30, 2021</b>							
Balance at January 1, 2021	8,015,338	1,998,160	22,120,796	18,953,206	51,087,500	22,506,443	73,593,943
Profit for the period	-	-	-	2,758,065	2,758,065	6,424,731	9,182,796
Other comprehensive income/(loss)	-	-	1,327,768	-	1,327,768	(54,306)	1,273,462
<b>Total comprehensive income for the period</b>	-	-	1,327,768	2,758,065	4,085,833	6,370,425	10,456,258
<b>Transactions with owners</b>							
2020 final dividends	-	-	-	(641,227)	(641,227)	-	(641,227)
Repayment of perpetual bond	-	(1,998,160)	(1,840)	-	(2,000,000)	-	(2,000,000)
	-	(1,998,160)	(1,840)	(641,227)	(2,641,227)	-	(2,641,227)
<b>Balance at June 30, 2021</b>	8,015,338	-	23,446,724	21,070,044	52,532,106	28,876,868	81,408,974

## Part Nine

## Interim Condensed Consolidated Statement of Changes In Equity

For the six months ended June 30, 2021

	(Unaudited)						
	Attributable to equity holders of the Company					Non-	Total
	Share capital RMB'000	Perpetual bond RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Sub-total RMB'000	controlling interests RMB'000	
<b>For the six months ended June 30, 2020</b>							
<b>Balance at January 1, 2020</b>	8,015,338	1,998,160	20,667,653	19,325,921	50,007,072	22,367,709	72,374,781
Profit for the period	-	112,000	-	934,945	1,046,945	4,764,400	5,811,345
Other comprehensive income/(loss)	-	-	2,779	-	2,779	(26,067)	(23,288)
<b>Total comprehensive income for the period</b>	-	112,000	2,779	934,945	1,049,724	4,738,333	5,788,057
<b>Transactions with owners</b>							
Consideration for business combinations under common control	-	-	(80,594)	-	(80,594)	-	(80,594)
Interest of perpetual bond	-	(112,000)	-	-	(112,000)	-	(112,000)
2019 final dividends	-	-	-	(1,362,607)	(1,362,607)	-	(1,362,607)
Dividends to non-controlling interests of a subsidiary	-	-	-	-	-	(9,310,000)	(9,310,000)
Acquisition of non-controlling interests of a subsidiary	-	-	-	-	-	(6,658)	(6,658)
Disposal of a subsidiary	-	-	-	-	-	(18,953)	(18,953)
	-	(112,000)	(80,594)	(1,362,607)	(1,555,201)	(9,335,611)	(10,890,812)
<b>Balance at June 30, 2020</b>	8,015,338	1,998,160	20,589,838	18,898,259	49,501,595	17,770,431	67,272,026

## Part Ten

### Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2021

	For the six months ended June 30,	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	8,204,448	11,341,254
Interest paid	(391,733)	(446,282)
Interest received	503,854	485,374
Income tax paid	(4,057,065)	(6,114,805)
Net cash generated from operating activities	4,259,504	5,265,541
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,455,564)	(4,161,007)
Addition of intangible assets	(860,957)	(842,012)
Addition of investments accounted for using equity method	–	(625,000)
Purchase of financial assets	(343,875)	–
Receipt of government grants for capital expenditures	205,019	262,088
Proceeds from disposals of property, plant and equipment and intangible assets	15,209	15,033
Cash disposed on disposal of subsidiaries, net of proceeds received	–	(35,626)
Proceeds from disposal of subsidiaries in prior period	12,300	–
Dividends received from investments accounted for using equity method	440,908	319,993
Changes of restricted cash and term deposits with initial term of over three months	–	500,000
Net cash used in investing activities	(3,986,960)	(4,566,531)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	13,944,157	12,719,628
Repayments of borrowings	(10,305,824)	(11,749,139)
Principal elements of lease payments	(56,751)	(56,044)
Interests paid to perpetual bondholders	(112,000)	(112,000)
Repayment of perpetual bond	(2,000,000)	–
Acquisition of non-controlling interests of a subsidiary	–	(6,658)
Net cash generated from financing activities	1,469,582	795,787
<b>Net increase in cash and cash equivalents</b>	<b>1,742,126</b>	<b>1,494,797</b>
Cash and cash equivalents at January 1	48,146,250	50,231,353
Exchange losses on cash and cash equivalents	(66,944)	(4,798)
<b>Cash and cash equivalents at June 30</b>	<b>49,821,432</b>	<b>51,721,352</b>

## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

#### 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., 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 30, 2021.

This Condensed Financial Information has not been audited.

#### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

##### 2.1 Basis of preparation

This Condensed Financial Information has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The Condensed Financial Information should be read in conjunction with the annual financial statements for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

As at June 30, 2021, the current liabilities of the Group exceeded its current assets by approximately RMB2,861 million. Given the debt obligations and working capital requirements, management has thoroughly considered the Group’s available sources of the funds as follows:

- the Group’s continuous net cash generated from operating and financing activities; and
- undrawn short-term and long-term banking facilities of approximately RMB17,803 million and RMB4,808 million respectively as at June 30, 2021.

Based on the above considerations, the Directors are of the opinion that the Group has sufficient available financial resources to meet or refinance its working capital requirements as and when they fall due. As a result, this Condensed Financial Information has been prepared on a going concern basis.

## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

### 2.2 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2020, as described in those annual financial statements except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of certain amended standards as set out below.

#### Amended standards adopted by the Group

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

- Amendment to IFRS 16
  - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- |  |
|--|
| Covid-19-Related Rent Concessions        |
| Interest Rate Benchmark Reform – Phase 2 |

These amended standards did not have any significant impact on the Group's accounting policies and did not require retrospective adjustments.

## 3 ESTIMATES

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, 2020.



## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

#### 4 FINANCIAL RISK MANAGEMENT

##### 4.1 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, 2020.

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

##### 4.2 Liquidity risk

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	Over 5 years RMB'000 (Note)
<b>At June 30, 2021 (unaudited)</b>				
Borrowings	16,476,335	1,791,803	6,800,693	–
Lease liabilities	75,038	13,975	2,943	14,067,160
Accounts payable	40,905,415	–	–	–
Other payables	31,956,491	43,714	45,317	–
<b>At December 31, 2020 (audited)</b>				
Borrowings	12,075,285	1,675,535	7,802,702	–
Lease liabilities	95,701	1,542	2,815	13,992,694
Accounts payable	48,017,125	–	–	–
Other payables	35,527,885	55,114	78,424	–

Note:

This is mainly related to a long-term lease with significant discounting impact by which the present value of its lease payments is calculated and recognized in the consolidated balance sheet.

## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

#### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

##### 4.3 Fair value estimation

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).

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Assets</b>				
Financial assets at fair value through other comprehensive income ("FVOCI")				
At June 30, 2021 (unaudited)	3,613,375	1,178,495	–	4,791,870
At December 31, 2020 (audited)	1,893,816	3,107,009	–	5,000,825
<b>Liabilities</b>				
Derivative financial instruments				
At June 30, 2021 (unaudited)	–	364,652	–	364,652
At December 31, 2020 (audited)	–	64,097	–	64,097

#### 5 SEGMENT INFORMATION

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

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

- Passenger vehicles of Beijing Brand: manufacturing and sales of passenger vehicles of BAIC brands, and providing other businesses and related services;
- Passenger vehicles of Beijing Benz: manufacturing and sales of passenger vehicles of Beijing Benz brand, and providing other related services.

## Part Eleven

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

## 5 SEGMENT INFORMATION (CONTINUED)

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

	Passenger vehicles – Beijing Brand (Unaudited) RMB'000	Passenger vehicles – Beijing Benz (Unaudited) RMB'000	Eliminations (Unaudited) RMB'000	Total (Unaudited) RMB'000
<b>For the six months ended June 30, 2021</b>				
Total revenue	2,393,038	88,058,872	(76,686)	90,375,224
Inter-segment revenue	(76,686)	–	76,686	–
Revenue from external customers	2,316,352	88,058,872	–	90,375,224
Timing of revenue recognition				
– At a point in time	2,233,643	87,187,417	–	89,421,060
– Over time	82,709	871,455	–	954,164
	2,316,352	88,058,872	–	90,375,224
Segment gross (loss)/profit	(2,496,302)	23,821,340	–	21,325,038
<b>Other profit &amp; loss disclosures:</b>				
Selling and distribution expenses				(5,429,373)
General and administrative expenses				(3,150,520)
Net impairment losses on financial assets				(125,038)
Other gains, net				1,357,510
Finance income, net				95,344
Share of loss of investments accounted for using equity method				(494,011)
<b>Profit before income tax</b>				13,578,950
Income tax expense				(4,396,154)
<b>Profit for the period</b>				9,182,796
<b>Other information:</b>				
<b>Significant non-cash expenses</b>				
Depreciation and amortization	(1,983,620)	(2,235,284)	–	(4,218,904)
Provisions for impairments on assets	(620,047)	(81,014)	–	(701,061)
<b>As at June 30, 2021</b>				
<b>Total assets</b>	79,308,259	126,337,313	(15,178,871)	190,466,701
Including:				
Investments accounted for using equity method	13,355,371	–	–	13,355,371
<b>Total liabilities</b>	(41,958,503)	(67,126,705)	27,481	(109,057,727)

## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

#### 5 SEGMENT INFORMATION (CONTINUED)

	Passenger vehicles – Beijing Brand (Unaudited) RMB'000	Passenger vehicles – Beijing Benz (Unaudited) RMB'000	Eliminations (Unaudited) RMB'000	Total (Unaudited) RMB'000
<b>For the six months ended June 30, 2020</b>				
Total revenue	2,990,030	74,920,368	(56,028)	77,854,370
Inter-segment revenue	(56,028)	–	56,028	–
Revenue from external customers	2,934,002	74,920,368	–	77,854,370
Timing of revenue recognition				
– At a point in time	2,877,182	74,160,136	–	77,037,318
– Over time	56,820	760,232	–	817,052
	2,934,002	74,920,368	–	77,854,370
Segment gross (loss)/profit	(1,834,637)	19,864,973	–	18,030,336
<b>Other profit &amp; loss disclosures:</b>				
Selling and distribution expenses				(5,089,547)
General and administrative expenses				(2,655,873)
Net impairment losses on financial assets				(121,932)
Other gains, net				69,800
Finance income, net				19,969
Share of loss of investments accounted for using equity method				(1,164,871)
<b>Profit before income tax</b>				9,087,882
Income tax expense				(3,276,537)
<b>Profit for the period</b>				5,811,345
<b>Other information:</b>				
<b>Significant non-cash expenses</b>				
Depreciation and amortization	(1,638,692)	(2,195,484)	–	(3,834,176)
Provisions for impairments on assets	(22,765)	(135,195)	–	(157,960)
<b>As at December 31, 2020 (audited)</b>				
<b>Total assets</b>	83,981,040	124,908,717	(15,186,677)	193,703,080
Including:				
Investments accounted for using equity method	14,296,379	–	–	14,296,379
<b>Total liabilities</b>	(41,365,162)	(78,771,072)	27,097	(120,109,137)

## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

#### 5 SEGMENT INFORMATION (CONTINUED)

There is no customer accounting for 10% or more of the Group's revenue for each of the six months ended June 30, 2021 and 2020.

The Group is domiciled in the PRC. The percentage of its revenue from external customers residing in the PRC is approximately 99.7% for the six months ended June 30, 2021 (six months ended June 30, 2020: 99.6%).

As at June 30, 2021, 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 98.5% (December 31, 2020: 98.6%).

#### 6 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
<b>Six months ended June 30, 2021</b>			
<b>Net book amount at January 1, 2021 (audited)</b>	<b>50,428,891</b>	<b>7,158,525</b>	<b>12,459,098</b>
Additions	3,421,654	-	750,004
Disposals	(70,303)	-	(902)
Depreciation/amortization	(2,859,404)	(90,615)	(1,320,365)
<b>Net book amount at June 30, 2021 (unaudited)</b>	<b>50,920,838</b>	<b>7,067,910</b>	<b>11,887,835</b>
<b>Six months ended June 30, 2020</b>			
<b>Net book amount at January 1, 2020 (audited)</b>	<b>48,758,070</b>	<b>7,339,955</b>	<b>13,047,095</b>
Additions	3,259,484	-	951,039
Disposals	(25,023)	-	-
Disposal of a subsidiary	(1,824)	-	-
Depreciation/amortization	(2,716,795)	(90,714)	(1,073,538)
<b>Net book amount at June 30, 2020 (unaudited)</b>	<b>49,273,912</b>	<b>7,249,241</b>	<b>12,924,596</b>

## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

#### 6 PROPERTY, PLANT AND EQUIPMENT, LAND USE RIGHTS AND INTANGIBLE ASSETS (CONTINUED)

Notes:

- (a) There was no property, plant and equipment, land use rights or intangible assets being pledged as security for borrowings at June 30, 2021 (December 31, 2020: RMB623,201,000).
- (b) The Group has capitalized borrowing costs amounting to RMB105,573,000 on qualifying assets of property, plant and equipment and intangible assets for the six months ended June 30, 2021 (six months ended June 30, 2020: RMB119,928,000). Borrowing costs were capitalized at the weighted average of its borrowing rate of 3.34% during the six months ended June 30, 2021 (six months ended June 30, 2020: 4.01%).
- (c) The right-of-use assets included in property, plant and equipment as of June 30, 2021 amounted to RMB186,749,000 (December 31, 2020: RMB194,602,000).

#### 7 ACCOUNTS RECEIVABLE

	June 30, 2021 (Unaudited) RMB'000	December 31, 2020 (Audited) RMB'000
Trade receivables, gross (note (a))	14,587,014	17,849,531
Less: provision for impairment	(441,063)	(465,630)
	<b>14,145,951</b>	17,383,901
Notes receivable (note (b)) measured at		
– FVOCI	1,175,495	3,104,009
– amortized cost	61,140	65,140
	<b>15,382,586</b>	20,553,050

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, 2021 (Unaudited) RMB'000	December 31, 2020 (Audited) RMB'000
Current to 1 year	5,599,333	7,356,503
1 to 2 years	1,529,031	4,463,765
2 to 3 years	4,613,017	2,941,248
Over 3 years	2,845,633	3,088,015
	<b>14,587,014</b>	17,849,531

## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

#### 7 ACCOUNTS RECEIVABLE (CONTINUED)

Notes: (Continued)

- (b) The amounts of notes receivable pledged as collateral for notes payable issued by banks as at respective balance sheet dates are as follows:

	June 30, 2021 (Unaudited) RMB'000	December 31, 2020 (Audited) RMB'000
Pledged notes receivable	<b>547,827</b>	1,808,208

#### 8 SHARE CAPITAL

	Number of ordinary shares of RMB1 each (thousands)	RMB'000
At January 1, 2021 (audited)	<b>8,015,338</b>	<b>8,015,338</b>
At June 30, 2021 (unaudited)	<b>8,015,338</b>	<b>8,015,338</b>
At January 1, 2020 (audited)	8,015,338	8,015,338
At June 30, 2020 (unaudited)	8,015,338	8,015,338

#### 9 PERPETUAL BOND

On April 10, 2018, the Company issued perpetual bond with par value of RMB2 billion to qualified investors with direct issuance costs of RMB1,840,000 which are deducted from equity.

The perpetual bond holders are entitled to an interest of 5.6% per annum in the first three years after issuance, and the interest rate will be reset once every three years thereafter. The principal amount has a repayment term of once every three years. Upon each maturity the Company can elect to extend repayment of the bond for another three years indefinitely. The interest payments fall due annually. Unless the Company declares dividend to shareholders or reduces the registered capital within 12 months before the interest due date (“mandatory interest payment event”), the Company can elect to defer the payment of all current or deferred interests to the next anniversary.

In February 2021, the Company elected not to extend repayment of the bond and made full repayment on March 23, 2021.

## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

#### 10 BORROWINGS

	June 30, 2021 (Unaudited) RMB'000	December 31, 2020 (Audited) RMB'000
<b>Non-current</b>		
– Borrowings from financial institutions	3,009,789	2,523,924
– Corporate bonds	5,148,920	6,197,226
	<b>8,158,709</b>	8,721,150
<b>Current</b>		
– Borrowings from financial institutions	10,038,840	8,985,831
– Current portion of non-current borrowings from financial institutions	90,199	251,587
– Corporate bonds	5,798,352	2,498,798
	<b>15,927,391</b>	11,736,216
<b>Total borrowings</b>	<b>24,086,100</b>	20,457,366

Notes:

(a) Movements in borrowings are analyzed as follows:

	For the six months ended June 30,	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
At the beginning of the period	20,457,366	24,135,272
Proceeds of new borrowings	13,944,157	12,719,628
Repayments of borrowings	(10,305,824)	(11,749,139)
Amortization of bond issuance costs	4,233	2,984
Exchange differences	(13,832)	135,688
At the end of the period	<b>24,086,100</b>	25,244,433

(b) Undrawn facilities at floating rate:

	June 30, 2021 (Unaudited) RMB'000	December 31, 2020 (Audited) RMB'000
– Within 1 year	17,802,679	29,080,169
– Over 1 year	4,807,955	1,300,000
	<b>22,610,634</b>	30,380,169



## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

#### 11 ACCOUNTS PAYABLE

	June 30, 2021 (Unaudited) RMB'000	December 31, 2020 (Audited) RMB'000
Trade payables	38,582,076	45,096,832
Notes payable	2,323,339	2,920,293
	<b>40,905,415</b>	48,017,125

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

	June 30, 2021 (Unaudited) RMB'000	December 31, 2020 (Audited) RMB'000
Current to 1 year	34,245,696	41,313,474
1 to 2 years	3,591,698	3,251,420
2 to 3 years	713,422	520,981
Over 3 years	31,260	10,957
	<b>38,582,076</b>	45,096,832

#### 12 OPERATING PROFIT

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

	For the six months ended June 30,	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Depreciation and amortization	4,218,904	3,834,176
Employee benefit costs	2,575,148	2,455,198
Warranty expenses	510,961	79,817
Provision for impairment on non-financial assets	576,023	36,028
Foreign exchange gains	(286,431)	(46,767)
Loss on forward foreign exchange contracts with fair value through profit or loss	219,535	194,470
Gain from sales of scrap materials	(47,146)	(49,538)
Loss on disposals of property, plant and equipment and intangible assets	52,546	3,946
Government grants	(1,252,143)	(166,215)

## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

#### 13 INCOME TAX EXPENSE

	For the six months ended June 30,	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Current income tax	3,253,171	2,499,616
Deferred income tax	1,142,983	776,921
	<b>4,396,154</b>	3,276,537

#### 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,	
	2021 (Unaudited)	2020 (Unaudited)
Profit attributable to ordinary shareholders of the Company (RMB'000) (note (a))	2,758,065	934,945
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)	<b>0.34</b>	0.12

Notes:

- (a) For the six months ended June 30, 2021, the profit attributable to equity holders of the Company amounted to RMB2,758,065,000 (six months ended June 30, 2020: RMB1,046,945,000), including the profit attributable to ordinary shareholders and perpetual bond holders of approximately RMB2,758,065,000 and nil (six months ended June 30, 2020: RMB934,945,000 and RMB112,000,000), respectively.
- (b) During the six months ended June 30, 2021 and 2020, there were no potential dilutive ordinary shares and diluted earnings per share was equal to basic earnings per share.

## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

#### 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, 2021 (six months ended June 30, 2020: Nil).

The final dividend of approximately RMB641,227,000 (RMB0.08 per share) relating to the year ended December 31, 2020 was approved by the shareholders meeting held in June 2021.

#### 16 CAPITAL COMMITMENTS

The Group has the following capital commitments for property, plant and equipment as at June 30, 2021 and December 31, 2020 respectively.

	June 30, 2021 RMB'000 (Unaudited)	December 31, 2020 RMB'000 (Audited)
Contracted but not provided for	13,914,899	14,254,089
Authorized but not contracted for	16,977,248	18,418,707

#### 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, 2021 and 2020.

## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

#### 17 RELATED PARTY TRANSACTIONS (CONTINUED)

##### (a) Significant transactions with related parties

	For the six months ended June 30,	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Sale of goods and materials and property, plant and equipment to		
– fellow subsidiaries	8,248,750	7,739,623
– joint ventures	538,771	405,048
– other related companies	773,026	517,299
Services provided to		
– fellow subsidiaries	8,354	34,563
– other related companies	229,126	149,622
Purchases of goods and materials from		
– fellow subsidiaries	5,892,397	8,134,705
– joint ventures	7,328	38,350
– an associate	–	2,362
– other related companies	29,640,042	22,097,866
Services received from		
– immediate parent company	374,904	353,860
– fellow subsidiaries	1,170,425	1,211,442
– joint ventures	701,099	681,777
– other related companies	3,459,646	3,530,926
Lease income from		
– fellow subsidiaries	121	–
Lease expenses to		
– fellow subsidiaries	48,586	62,442
Interest income from		
– an associate	164,427	151,488
– an other related company	1,023	2,053
Interest expenses to		
– immediate parent company	19,503	12,694
– fellow subsidiaries	3,920	3,158
– an associate	33,133	37,322
Key management compensations		
– salaries, allowances and other benefits	4,074	4,646
– employer's contribution to pension schemes	315	140
– discretionary bonuses	312	3,369

## Part Eleven

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

## 17 RELATED PARTY TRANSACTIONS (CONTINUED)

## (b) Significant balances with related parties

	June 30, 2021 (Unaudited) RMB'000	December 31, 2020 (Audited) RMB'000
<b>Assets</b>		
Financial assets at FVOCI		
– a fellow subsidiary	3,613,375	1,893,816
Trade receivables		
– fellow subsidiaries	1,220,511	1,168,519
– joint ventures	179,525	129,336
– other related companies	627,581	1,460,804
Notes receivables		
– fellow subsidiaries	19,465	113,146
– a joint venture	–	23,000
Advances to suppliers		
– fellow subsidiaries	82,543	182,892
– other related companies	28	750
Other receivables		
– fellow subsidiaries	649,270	593,142
– joint ventures	14,267	336,637
– other related companies	166,625	262,491
Cash and cash equivalents		
– an associate	14,882,435	15,185,063
– an other related company	60,474	125,850

## Part Eleven

### Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2021

#### 17 RELATED PARTY TRANSACTIONS (CONTINUED)

##### (b) Significant balances with related parties (Continued)

	June 30, 2021 (Unaudited) RMB'000	December 31, 2020 (Audited) RMB'000
<b>Liabilities</b>		
Trade payables		
– fellow subsidiaries	10,329,001	11,368,264
– a joint venture	9,940	5,487
– other related companies	16,235,250	20,171,790
Notes payable		
– fellow subsidiaries	18,735	265,787
– a joint venture	4,483	376
– other related companies	56,728	117,400
Contract liabilities		
– fellow subsidiaries	11,655	15,304
Other payables and accruals (excluding dividends payable)		
– immediate parent company	1,520,996	1,538,288
– fellow subsidiaries	1,269,563	1,195,611
– joint ventures	313,675	295,785
– other related companies	4,078,033	4,183,609
Dividends payable to		
– other related companies	43,596	43,596
Borrowings from		
– an associate	2,041,236	2,459,010

## Part Twelve

### Definitions

<b>“BAIC Investment”</b>	BAIC Investment Co., Ltd.
<b>“Beijing Benz”</b>	Beijing Benz Automotive Co., Ltd. (previously known as Beijing Jeep Motor Co., Ltd. and Beijing Benz-Daimler Chrysler Automotive Co., Ltd.), a company incorporated in the PRC on July 1, 1983, a subsidiary of the Company with 51.00% equity interest owned by the Company, 38.67% owned by Daimler AG and 10.34% owned by Daimler Greater China
<b>“Beijing Brand”</b>	When referring to a brand, “Beijing Brand” means the passenger vehicle business of our proprietary brand. When referring to a business segment, it means the consolidated business of our Company and its subsidiaries (excluding Beijing Benz). Segment profits of Beijing Brand included the share of profits of Beijing Hyundai and other invested enterprises
<b>“Beijing Hyundai”</b>	Beijing Hyundai Motor Co., Ltd., a company incorporated in the PRC on October 16, 2002, a joint venture of the Company in which BAIC Investment owns 50.00% equity interest with the remaining 50.00% owned by Hyundai Motor Company
<b>“Board” or “Board of Directors”</b>	the Board of Directors of the Company
<b>“Board of Supervisors”</b>	the Board of Supervisors of the Company
<b>“Company” or “BAIC Motor”</b>	BAIC Motor Corporation Limited
<b>“controlling shareholder(s)”</b>	has the meaning ascribed thereto under the Listing Rules
<b>“Corporate Governance Code”</b>	the Code on Corporate Governance as set forth in Appendix 14 to the Listing Rules
<b>“CAAM”</b>	China Association of Automobile Manufacturers
<b>“COVID-19”</b>	the global outbreak of the Coronavirus Disease 2019

## Part Twelve

### Definitions

<b>“Daimler AG”</b>	Daimler AG, a company established in Germany in 1886 which is a Shareholder and a Connected Person of the Company
<b>“Daimler Greater China”</b>	Daimler Greater China Ltd., a wholly-owned subsidiary of Daimler AG in the PRC
<b>“Domestic Share(s)”</b>	ordinary shares in the Company’s share capital, with a nominal value of RMB1.0 each, which are subscribed for and paid up in Renminbi
<b>“first half of 2021” or “Reporting Period”</b>	six months ended June 30, 2021
<b>“first half of 2020”</b>	six months ended June 30, 2020
<b>“end of June 2021”</b>	June 30, 2021
<b>“end of 2020”</b>	December 31, 2020
<b>“Fujian Benz”</b>	Fujian Benz Automotive Co., Ltd.; the Company has held 35.00% equity interest in Fujian Benz since September 2016, and has reached an act-in-concert agreement with FJMOTOR, which holds 15.00% equity interest in Fujian Benz, with regard to the operation, management and other matters of Fujian Benz, as well as exercise of the authority by the directors appointed by FJMOTOR
<b>“FJMOTOR”</b>	Fujian Motor Industry Group Co.
<b>“BAIC Marketing Services”</b>	BAIC BluePark Marketing Services Co., Ltd.
<b>“BAIC BluePark”</b>	BAIC BluePark New Energy Technology Co., Ltd.
<b>“Group” or “we” or “our”</b>	the Company and its subsidiaries



## Part Twelve

### Definitions

<b>“H Share(s)”</b>	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
<b>“HK dollar(s)”</b>	the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Hyundai”</b>	a brand owned by Hyundai Motor Company and which the Company’s joint venture Beijing Hyundai is authorized to use
<b>“Hyundai Motor”</b>	Hyundai Motor Company, a company incorporated in the Republic of Korea and whose shares are listed on the Korea Stock Exchange, which owns a 50.00% equity interest in Beijing Hyundai
<b>“IFRS”</b>	International Financial Reporting Standards issued by the International Accounting Standards Board
<b>“Latest Practicable Date”</b>	September 10, 2021, being the latest practicable date prior to the printing of this interim report for the purpose of ascertaining the relevant information contained in this interim report
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
<b>“Main Board”</b>	the stock market operated by the Stock Exchange (excluding options market), independent of the growth enterprise market of the Stock Exchange and under parallel operation with the growth enterprise market
<b>“Mercedes-Benz”</b>	a brand owned by Daimler AG and which our subsidiary Beijing Benz is authorized to use

## Part Twelve

### Definitions

<b>“Model Code”</b>	the Model Code for Securities Transactions by Directors of Listed Issuers as set forth in Appendix 10 to the Listing Rules
<b>“RMB” or “Renminbi”</b>	the lawful currency of the PRC
<b>“SFO”</b>	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
<b>“share(s)”</b>	Domestic Shares and H Shares
<b>“Stock Exchange”</b>	the Stock Exchange of Hong Kong Limited
<b>“subsidiary(ies)”</b>	has the meaning ascribed thereto under the Listing Rules
<b>“Director(s)”</b>	director(s) of the Company
<b>“Supervisor(s)”</b>	supervisor(s) of the Company



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