

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



北京汽车
BAIC MOTOR

北京汽車股份有限公司

BAIC MOTOR CORPORATION LIMITED*

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

(Stock Code: 1958)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2022

The board (the “**Board**”) of directors (the “**Directors**”) of BAIC Motor Corporation Limited (the “**Company**” or “**BAIC Motor**” or “**we**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended June 30, 2022 (the “**Reporting Period**” or the “**first half of 2022**”) together with the comparative figures for the corresponding period in 2021. The results have been prepared in accordance with the International Accounting Standard 34, “Interim Financial Reporting” issued by the International Accounting Standards Board and the disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The audit committee under the Board (the “**Audit Committee**”) and PricewaterhouseCoopers, the external auditor of the Group, have reviewed the unaudited condensed consolidated interim financial information (the “**Condensed Financial Information**”).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2022

		For the six months ended June 30,	
	<i>Note</i>	2022	2021
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
Revenue	3	83,678,641	90,375,224
Cost of sales		<u>(65,118,724)</u>	<u>(69,050,186)</u>
Gross profit		18,559,917	21,325,038
Selling and distribution expenses		(4,805,472)	(5,429,373)
General and administrative expenses		(2,265,474)	(3,150,520)
Net impairment losses on financial assets		(86,234)	(125,038)
Other gains, net		<u>60,932</u>	<u>1,357,510</u>
Operating profit	6	11,463,669	13,977,617
Finance income		375,848	503,542
Finance costs		<u>(350,580)</u>	<u>(408,198)</u>
Finance income, net		25,268	95,344
Share of loss of investments accounted for using equity method		<u>(43,414)</u>	<u>(494,011)</u>
Profit before income tax		11,445,523	13,578,950
Income tax expense	7	<u>(3,802,473)</u>	<u>(4,396,154)</u>
Profit for the period		<u>7,643,050</u>	<u>9,182,796</u>
Profit attributable to:			
Equity holders of the Company		2,158,298	2,758,065
Non-controlling interests		<u>5,484,752</u>	<u>6,424,731</u>
		<u>7,643,050</u>	<u>9,182,796</u>
Earnings per share for profit attributable to ordinary shareholders of the Company for the period (expressed in RMB)			
Basic and diluted	8	<u>0.27</u>	<u>0.34</u>

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

FOR THE SIX MONTHS ENDED JUNE 30, 2022

	For the six months ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit for the period	<u>7,643,050</u>	<u>9,182,796</u>
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Gain/(loss) on cash flow hedges, net of tax	103,414	(119,039)
Share of other comprehensive income/(loss) of investments accounted for using the equity method	5,211	(6,088)
Currency translation differences	(57,776)	22,906
<i>Items that will not be reclassified to profit or loss</i>		
Changes in fair value of financial assets at fair value through other comprehensive income	<u>(201,041)</u>	<u>1,375,683</u>
Other comprehensive (loss)/income for the period	<u>(150,192)</u>	<u>1,273,462</u>
Total comprehensive income for the period	<u><u>7,492,858</u></u>	<u><u>10,456,258</u></u>
Attributable to:		
Equity holders of the Company	1,950,777	4,085,833
Non-controlling interests	<u>5,542,081</u>	<u>6,370,425</u>
	<u><u>7,492,858</u></u>	<u><u>10,456,258</u></u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2022

	<i>Note</i>	June 30, 2022 (Unaudited) <i>RMB'000</i>	December 31, 2021 (Audited) <i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		49,698,211	50,573,099
Land use rights		6,886,680	6,977,295
Investment properties		248,770	170,409
Intangible assets		10,907,340	11,016,548
Investments accounted for using equity method		13,439,113	12,529,144
Financial assets at fair value through other comprehensive income		2,487,865	2,688,906
Deferred income tax assets		7,820,587	7,719,320
Other receivables and prepayments		888,348	2,533,828
		<u>92,376,914</u>	<u>94,208,549</u>
Current assets			
Inventories		23,469,822	21,141,081
Accounts receivable	4	17,874,246	17,988,720
Advances to suppliers		138,539	149,549
Other receivables and prepayments		2,085,147	4,753,766
Restricted cash and term deposits with initial term of over three months		3,657,480	1,634,090
Cash and cash equivalents		37,871,673	40,968,622
		<u>85,096,907</u>	<u>86,635,828</u>
Total assets		<u><u>177,473,821</u></u>	<u><u>180,844,377</u></u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		8,015,338	8,015,338
Other reserves		22,504,025	22,711,546
Retained earnings		22,731,719	21,855,875
		<u>53,251,082</u>	<u>52,582,759</u>
Non-controlling interests		<u>23,222,100</u>	<u>22,304,316</u>
Total equity		<u><u>76,473,182</u></u>	<u><u>74,887,075</u></u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT JUNE 30, 2022

	<i>Note</i>	June 30, 2022 (Unaudited) RMB'000	December 31, 2021 (Audited) RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings		7,217,594	7,632,677
Lease liabilities		189,571	55,062
Deferred income tax liabilities		18,692	21,273
Provisions		3,138,692	2,977,044
Deferred income		2,873,053	3,228,685
Other payables		43,369	64,464
		<u>13,480,971</u>	<u>13,979,205</u>
Current liabilities			
Accounts payable	5	37,223,338	39,615,698
Contract liabilities		1,308,900	1,366,602
Other payables and accruals		32,614,303	32,702,347
Current income tax liabilities		1,247,254	1,329,572
Borrowings		12,767,201	14,750,968
Lease liabilities		97,040	26,852
Provisions		2,261,632	2,186,058
		<u>87,519,668</u>	<u>91,978,097</u>
Total liabilities		<u>101,000,639</u>	<u>105,957,302</u>
Total equity and liabilities		<u><u>177,473,821</u></u>	<u><u>180,844,377</u></u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION:

1 GENERAL INFORMATION

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

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

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

This interim condensed consolidated 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 29, 2022.

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, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(a) As at June 30, 2022, the current liabilities of the Group exceeded its current assets by approximately RMB2,423 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 RMB22,713 million and RMB3,150 million respectively as at June 30, 2022.

Based on the above considerations, the directors of the Company 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.

2.2 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2021, 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:

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before intended use
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to IFRS 3 Reference to the Conceptual Framework
- Annual Improvements 2018–2020 cycle

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

3. SEGMENT INFORMATION

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

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

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

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

	Passenger vehicles – Beijing Brand (Unaudited) RMB'000	Passenger vehicles – Beijing Benz (Unaudited) RMB'000	Eliminations (Unaudited) RMB'000	Total (Unaudited) RMB'000
For the six months ended June 30, 2022				
Total revenue	2,263,458	81,474,011	(58,828)	83,678,641
Inter-segment revenue	(58,828)	–	58,828	–
Revenue from external customers	<u>2,204,630</u>	<u>81,474,011</u>	<u>–</u>	<u>83,678,641</u>
Timing of revenue recognition				
– At a point in time	2,145,752	80,660,220	–	82,805,972
– Over time	58,878	813,791	–	872,669
	<u>2,204,630</u>	<u>81,474,011</u>	<u>–</u>	<u>83,678,641</u>
Segment gross (loss)/profit	<u>(2,653,190)</u>	<u>21,213,107</u>	<u>–</u>	<u>18,559,917</u>
Other profit & loss disclosures:				
Selling and distribution expenses				(4,805,472)
General and administrative expenses				(2,265,474)
Net impairment losses on financial assets				(86,234)
Other gains, net				60,932
Finance income, net				25,268
Share of loss of investments accounted for using equity method				(43,414)
Profit before income tax				11,445,523
Income tax expense				(3,802,473)
Profit for the period				<u>7,643,050</u>
Other information:				
Significant non-cash expenses				
Depreciation and amortization	(1,947,902)	(2,549,395)	–	(4,497,297)
(Provisions)/reversal of provisions for impairments on assets	<u>(222,002)</u>	<u>13,047</u>	<u>–</u>	<u>(208,955)</u>
As at June 30, 2022				
Total assets	78,635,501	113,988,108	(15,149,788)	177,473,821
Including:				
Investments accounted for using equity method	13,439,113	–	–	13,439,113
Total liabilities	<u>(34,933,790)</u>	<u>(66,081,630)</u>	<u>14,781</u>	<u>(101,000,639)</u>

	Passenger vehicles – Beijing Brand (Unaudited) RMB'000	Passenger vehicles – Beijing Benz (Unaudited) RMB'000	Eliminations (Unaudited) RMB'000	Total (Unaudited) RMB'000
For the six months ended June 30, 2021				
Total revenue	2,393,038	88,058,872	(76,686)	90,375,224
Inter-segment revenue	<u>(76,686)</u>	<u>–</u>	<u>76,686</u>	<u>–</u>
Revenue from external customers	<u><u>2,316,352</u></u>	<u><u>88,058,872</u></u>	<u><u>–</u></u>	<u><u>90,375,224</u></u>
Timing of revenue recognition				
– At a point in time	2,233,643	87,187,417	–	89,421,060
– Over time	<u>82,709</u>	<u>871,455</u>	<u>–</u>	<u>954,164</u>
	<u><u>2,316,352</u></u>	<u><u>88,058,872</u></u>	<u><u>–</u></u>	<u><u>90,375,224</u></u>
Segment gross (loss)/profit	<u><u>(2,496,302)</u></u>	<u><u>23,821,340</u></u>	<u><u>–</u></u>	<u><u>21,325,038</u></u>
Other profit & loss disclosures:				
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				<u>(494,011)</u>
Profit before income tax				13,578,950
Income tax expense				<u>(4,396,154)</u>
Profit for the period				<u><u>9,182,796</u></u>
Other information:				
Significant non-cash expenses				
Depreciation and amortization	(1,983,620)	(2,235,284)	–	(4,218,904)
Provisions for impairments on assets	<u>(620,047)</u>	<u>(81,014)</u>	<u>–</u>	<u>(701,061)</u>
As at December 31, 2021 (audited)				
Total assets	82,090,547	113,916,580	(15,162,750)	180,844,377
Including:				
Investments accounted for using equity method	12,529,144	–	–	12,529,144
Total liabilities	<u>(37,946,651)</u>	<u>(68,030,203)</u>	<u>19,552</u>	<u>(105,957,302)</u>

There is no customer accounting for 10 percent or more of the Group's revenue for each of the six months ended June 30, 2022 and 2021.

The Group is domiciled in the PRC. The percentage of its revenue from external customers residing in the PRC is approximately 99.3% for the six months ended June 30, 2022 (six months ended June 30, 2021: 99.7%).

As at June 30, 2022, 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 98.0% (December 31, 2021: 98.6%).

4 ACCOUNTS RECEIVABLE

	June 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Trade receivables, gross (note (a))	17,725,304	16,586,469
Less: provision for impairment	(645,035)	(616,828)
	17,080,269	15,969,641
Notes receivable (note (b)) measured at		
– FVOCI	741,477	1,961,939
– amortized cost	52,500	57,140
	17,874,246	17,988,720

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, 2022	December 31, 2021
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Current to 1 year	10,526,231	7,608,224
1 to 2 years	570,293	567,776
2 to 3 years	1,315,719	4,203,040
Over 3 years	5,313,061	4,207,429
	17,725,304	16,586,469

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

	June 30, 2022 (Unaudited) RMB'000	December 31, 2021 (Audited) RMB'000
Trade receivables(i)	200,000	200,000
Notes receivable(ii)	<u>652,762</u>	<u>543,684</u>
	<u>852,762</u>	<u>743,684</u>

(i) collateral for borrowings

(ii) collateral for notes payable issued by banks

5 ACCOUNTS PAYABLE

	June 30, 2022 (Unaudited) RMB'000	December 31, 2021 (Audited) RMB'000
Trade payables	35,154,184	37,276,917
Notes payable	<u>2,069,154</u>	<u>2,338,781</u>
	<u>37,223,338</u>	<u>39,615,698</u>

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

	June 30, 2022 (Unaudited) RMB'000	December 31, 2021 (Audited) RMB'000
Current to 1 year	31,985,693	33,473,222
1 to 2 years	967,276	1,372,626
2 to 3 years	1,729,062	1,992,237
Over 3 years	<u>472,153</u>	<u>438,832</u>
	<u>35,154,184</u>	<u>37,276,917</u>

8 EARNINGS PER SHARE

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

	For the six months ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Profit attributable to ordinary shareholders of the Company (RMB'000)	2,158,298	2,758,065
Weighted average number of ordinary shares in issue (thousands)	8,015,338	8,015,338
Earnings per share for profit attributable to ordinary shareholders of the Company for the period (RMB)	0.27	0.34

Note: During the six months ended June 30, 2022 and 2021, there were no potential dilutive ordinary shares and diluted earnings per share was equal to basic earnings per share.

9 DIVIDENDS

The Board of Directors of the Company does not recommend the payment of any interim dividend for the six months ended June 30, 2022 (six months ended June 30, 2021: Nil).

The final dividend of approximately RMB1,282,454,000 (RMB0.16 per share) relating to the year ended December 31, 2021 was approved by the shareholders at the annual general meeting held in June 2022.

10 EVENT AFTER THE REPORTING PERIOD

On July 15, 2022, the Company and BAIC BluePark New Energy Technology Co., Ltd. (“**BAIC BluePark**”), an A-share listed subsidiary of Beijing Automotive Group Co., Ltd., entered into a conditional share subscription agreement for non-public issuance (the “**Share Subscription Agreement**”) pursuant to which, BAIC BluePark conditionally agreed to issue to the Company, and the Company conditionally agreed to subscribe for, not less than 35.99% of the total number of new A shares to be issued under the proposed non-public issuance by BAIC BluePark (the “**A Share Issuance**”). The subscription price per new A share shall be determined in accordance with the pricing principle in respect of the A Share Issuance and the total subscription amount payable by the Company shall not exceed RMB2.879 billion.

Upon the completion of the subscription, the Company and BAIC Guangzhou Automotive Co., Ltd. (“**BAIC Guangzhou**”), a wholly-owned subsidiary of the Company, shall in aggregate hold not less than 6.25%, and not more than 24.36% of the enlarged total issued A shares of BAIC BluePark.

BUSINESS OVERVIEW

I. MAJOR BUSINESS OPERATIONS

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

Passenger Vehicles

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 pursue a good, quality and intelligent 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, MOFANG new compact SUV, X7 mid-sized SUV, U5/U5 PLUS compact sedan, U7 middle class sedan, EU5/EU5 PLUS 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” and it will build three platforms, namely SUPER power, HEV hybrid and EV electric vehicle, with “cabin scenarios + vehicle networking + automatic self-driving” as the core goal of reform, to provide travelling experiences in all scenarios for users.

2. *Beijing Benz*

Beijing Benz Automotive Co., Ltd. (“**Beijing Benz**”) is a subsidiary of the Company. The Company holds 51.0% equity interest of Beijing Benz, while Mercedes-Benz Group AG (“**Benz Group**”) and its wholly-owned subsidiary, Daimler Greater China Ltd. (“**Daimler Greater China**”), together hold a 49.0% equity interest in Beijing Benz. Beijing Benz commenced the manufacturing and sales of passenger vehicles of Mercedes-Benz brand in 2006.

At present, Beijing Benz has become a joint venture enterprise, which has three major vehicle model platforms, namely front wheel drive vehicle, rear wheel drive vehicle and electric vehicle, and an engine plant and a power battery factory, and has realized the export of core parts and components of the engine and the whole machine, which makes Beijing Benz an important part of the global production network of Mercedes-Benz. Beijing Benz manufactures and sells various main vehicle models of Mercedes-Benz: E-Class long-wheelbase sedan, C-Class long-wheelbase sedan, A-Class long-wheelbase sedan, long-wheelbase GLC SUV, GLB SUV, GLA SUV, the new EQE, EQC pure electric SUV, EQB pure electric SUV, EQA pure electric SUV and AMG A 35 L.

Beijing Benz integrates the world's advanced manufacturing technology and modern management, applying the features of "digitalization, adaptability, efficiency and sustainability" in each stage of production for quality development, gaining recognition for the capital's automobile industry to transform and upgrade towards the direction of high precision and high technology. It has won various honorary titles including "Global Excellent Operating Factory", "Green Model Factory", "Intelligent Manufacturing Benchmarking Enterprise" and "Pilot Model Project for Sino-German Intelligent Manufacturing Cooperation".

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.

Currently, Beijing Hyundai has formed a nation-wide production and marketing system. Beijing Hyundai manufactures and sells a total of over ten types of products, covering a full range of major sedan models including middle class, compact, mini class, SUV as well as MPV models, with vehicle models for sale including the seventh generation ELANTRA, the new CELESTA, the tenth-generation Sonata, the fifth-generation TUCSON L, the new ix35, the fourth-generation SANTAFE and Custo to fully meet the needs from 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. Mercedes-Benz Vans Hong Kong Limited holds the remaining 50.0% equity interest of Fujian Benz. Fujian Benz commenced the manufacturing and sales of multi-purpose passenger vehicles and light passenger vehicles of Mercedes-Benz brand in 2010.

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

Core Parts and Components for Passenger Vehicles

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

In respect of Beijing Brand, we manufacture engines, transmissions, new energy reducer and other core automobile parts and components through entities including BAIC Motor Powertrain Co., Ltd. mainly for use in our whole vehicles as well as for sale to other automobile manufacturers. By digesting and assimilating Saab technology and through the combination of cooperative and independent development, we have broken through many technological difficulties, successively completed the development of many types of engines and transmission products, and realized mass production of such products. Such products have been widely used for Beijing Brand passenger vehicles. The “Magic Core*” (魔核) 1.5T engine was awarded the “China Heart” Top 10 engine prize in the year of 2021.

Beijing Benz commenced to manufacture engines in 2013 and currently owns two engine plants and the first power battery factory outside Germany. The products are mainly for use in Benz-branded passenger vehicles manufactured by Beijing Benz and Fujian Benz.

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 steady development of car financing businesses by methods including capital investment and business cooperation.

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 technology¹ cooperation, vehicle distribution, etc. International business focuses on exporting passenger vehicle products of Beijing Brand.

Other Related Businesses

In the first half of 2022, 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.

II. BUSINESS DEVELOPMENT IN THE FIRST HALF OF 2022

Industry Development in the First Half of 2022

According to the National Bureau of Statistics, in the first half of 2022, China's GDP increased by 2.5%² on a year-on-year basis. Downward pressures on economies intensified due to the pandemic and the complicated international situation, but with a basket of policies and measures to support economic growth starting to yield results, the economy in general trended toward stability and started to rise.

In the first half of 2022, the passenger vehicle market as a whole showed a “U-turn” in performance. The production and sales tumbled down in April due to factors such as the widespread outbreak of the pandemic, the persistent shortage of chips and rising raw material prices. However, the passenger vehicle market has recovered rapidly as the policy of 50% reduction on purchase tax stimulated market viability. According to data from the China Association of Automobile Manufacturers (the “CAAM”), the overall wholesale sales of passenger cars in China in the first half of 2022 reached 10.355 million units, representing a year-on-year increase of 3.4%, with sales of all passenger car segments, including sedans and SUV, recording slight increases compared with last year.

In terms of new energy passenger vehicles, according to data from the CAAM, in the first half of 2022, the sales volume of new energy passenger vehicles accounted for 24.0% of the aggregate sales volume of passenger vehicle, a new record high, further consolidating the achievements of industry transformation and upgrading. As a result of the increases in fuel prices and significant rises in raw material prices of power battery, plug-in hybrid electric vehicles performed better due to its convenient features which have been well-accepted by consumers.

¹ means Knocked-down

² The GDP growth rate for the first half of 2022 was 2.5% as published by the National Bureau of Statistics

According to data from the CAAM, the wholesale sales volume of high-end joint venture passenger vehicles in the first half of 2022 was 1.708 million units, representing a year-on-year decrease of 1.2%, which was driven by a slower pace of value-added trade-ins due to the pandemic and an inactive end market in Shanghai and surrounding areas.

In terms of industry policies, in the first half of 2022, the State issued Announcement on Reduction of Purchase Tax on Certain Passenger Vehicles, Notice on Publication of Policy Measure Package to Stabilise the Economy, polices such as Launching the 2022 New Energy Vehicle Campaign in Rural Areas and Shanghai Municipal Action Plan for Accelerating Economic Recovery and Rejuvenation to stabilise the economy, promote consumption at the national level and support the development of the automobile industry.

Operational Performance of the Group in the First Half of 2022

Operational Performance by Brands

1. Beijing Brand

In the first half of 2022, both the supply and demand of the automotive industry chain faced severe challenges due to a combination of factors such as the resurgence of COVID-19 and the disruption of the supply chain. Therefore, the Company actively launched the supply protection program, secured resources, and strived to deliver vehicles on schedule. At the same time, it increased the proportion of new energy vehicles and expanded the international market. During the Reporting Period, Beijing Brand achieved sales of 22,000 units of vehicles, with better performance in the export market and pure electric vehicles compared with the corresponding period last year. MOFANG, the first model of the 3.0 era of “Smart vehicles equipped with Harmony OS intelligent operation vehicle system providing all-scenario driving”, was launched in July.

2. Beijing Benz

In the first half of 2022, despite multiple challenges such as the widespread outbreak of the pandemic, persistent shortage of chips and rising raw material prices, Beijing Benz completed the production of its fourth million engine and commenced the manufacturing of its fourth million vehicle, achieved sales of 267,000 units of vehicles, with its sales volume remaining at the forefront of domestic luxury brands. The respective average monthly sales volume of three major vehicle models, namely long-wheelbase E-Class sedan, long-wheelbase C-Class sedan and long-wheelbase GLC SUV, exceeded ten thousand units.

Meanwhile, its key projects proceeded as planned, with the new EQE, the fourth pure electric vehicle from Beijing Benz, put into production in June as scheduled and a new power battery as well as a new engine model were also put into production in the first half of the year as scheduled.

3. Beijing Hyundai

In the first half of 2022, against the backdrop of the resurgence of the pandemic and intensified market competition, Beijing Hyundai achieved a wholesale sales volume of 94,000 units and retail sales volume of 109,000 units. In terms of product structure, in the first half of 2022, Beijing Hyundai strengthened its operational strategy, which optimizes the product structure comprehensively, boosting the proportion of wholesale and retail sales of major models such as ELANTRA and ix35.

4. Fujian Benz

In the first half of 2022, due to the impact of the pandemic and the supply chain disruption, Fujian Benz achieved sales volume of 16,000 units. In the second half of 2022, Fujian Benz will continue to strengthen the risk management of the supply chain to ensure its overall stability, improve production efficiency and production quality, further explore the market potential and spare no efforts to meet its annual operation target.

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 2022, 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 pay 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 2022, it continuously made efforts to promote the construction of research and development systems and capacity, for all of its brand businesses.

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

In the first half of 2022, Beijing Hyundai advanced the introduction and development of eight new models simultaneously with promising progress in general. The seventh-generation ELANTRA, the tenth-generation Sonata and the TUCSON L N Line 20th anniversary editions have been put into mass production, enriched with configuration and anniversary logos. Moreover, the Company plans to launch several face-lifted models in the second half of 2022 to strengthen the competitiveness of each model during its life cycle.

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 Mercedes-Benz’s global standards to ensure that every unit of Mercedes-Benz vehicles is up to its globally unified standards and quality management system.

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.

Industry chain extension and cooperation

On March 18, 2022, BAIC Investment, a subsidiary of the Company, and Hyundai Motor entered into an amendment agreement of the Joint Venture Contract and the Articles of Association pursuant to which, BAIC Investment and Hyundai Motor have agreed to jointly inject capital of approximately US\$942 million in Beijing Hyundai in proportion to their respective current interest in the registered capital of Beijing Hyundai, with each party injecting approximately US\$471 million. Upon the completion of the capital increase, the shareholding of BAIC Investment in Beijing Hyundai remained unchanged at 50%. Through this transaction and ongoing support from the shareholders of Beijing Hyundai, it is expected that Beijing Hyundai can improve its working capital level and prevent liquidity risk, and will further increase strategic resource investment in collaboration with shareholders, thus improving its operation and market position. Meanwhile, this transaction is also expected to provide capital protection for the introduction of new products and expansion of the layout of new-energy vehicles sector and export business.

On July 15, 2022, the Company and BAIC BluePark entered into the Share Subscription Agreement pursuant to which, BAIC BluePark conditionally agreed to issue to the Company, and the Company conditionally agreed to subscribe for, not less than 35.99% of the total number of new A shares to be issued under the A Share Issuance. The subscription price per new A Share shall be determined in accordance with the pricing principle in respect of the A Share Issuance and the total subscription amount payable by the Company shall not exceed approximately RMB2.879 billion. Upon the completion of the subscription, the Company and BAIC Guangzhou shall in aggregate hold not less than 6.25%, and not more than 24.36% of the enlarged total issued A shares of BAIC BluePark. Through participation in the A Share Issuance, the Company can prevent the dilution of its shareholding in BAIC BluePark, while further deepening the cooperation relationship between the Company and BAIC BluePark through increasing its shareholding, broadening cooperation fields, saving investment costs of the Company in new energy fields and sharing development dividends in new energy fields. The subscription was approved by the shareholders of the Company at the general meeting held on August 26, 2022 and the completion of which is subject to the fulfilment of the conditions set out in the Share Subscription Agreement.

Please refer to the relevant announcements of the Company dated March 18, 2022 and July 15, 2022 for details of the above cooperations.

III. OUTLOOK FOR THE SECOND HALF OF 2022

In the first half of 2022, the automotive industry was suffering from multiple factors including shortage of supply, disrupted logistics and rising raw material prices, which have impeded the industry as a whole. With the pandemic easing in the second half of the year and the successive and continuous implementation of various stimulus policies, both the supply and demand of the automobile industry are expected to recover and the development of the industry is expected to resume as normal.

In the second half of 2022, the Beijing Brand will focus on its targets, specify the product planning and the technical route of “comprehensive new energy”, and meet the challenges with new products, new direction, and future plans. We will continue to step up its efforts to ensure sufficient supply, stabilize market delivery and increase terminal sales by focusing on the three core areas, namely new products, new energy and export.

Beijing Benz will insist on the comprehensive management mechanism of taking prevention and control of the epidemic on a normalized pattern, strive to build a highly resilient supply chain under the new normal, adhere to the concept of operational excellence and consolidate its leading position in the high-end and premium car market.

Beijing Hyundai will take the launch of the seventh-generation ELANTRA, the exclusive 20th anniversary edition of the tenth-generation Sonata and various new and face-lifted models as an opportunity to integrate marketing resources and enhance the brand’s prestigious reputation. The Group will further boost the sales of its popular vehicle models and key vehicles by attracting its customers and reshaping the brand awareness through online and offline product and brand marketing activities.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue and Net Profit Attributable to Equity Holders of the Company

The Group's main business operations are the research and development, manufacturing, sales and after-sales services of passenger vehicles. The above business has brought sustained and stable revenue to the Group. The Group's revenue decreased from RMB90,375.2 million for the six months ended June 30, 2021 (the "First Half of 2021") to RMB83,678.6 million for the first half of 2022, representing a year-on-year decrease of 7.4%.

The revenue associated with Beijing Benz decreased from RMB88,058.9 million in the First Half of 2021 to RMB81,474.0 million in the first half of 2022, representing a year-on-year decrease of 7.5%, mainly due to (i) the year-on-year decrease in the sales volume of Beijing Benz; and (ii) the increase in the sales proportion of models with relatively high prices offsets certain impacts of the decrease in the sale volume.

The revenue associated with Beijing Brand decreased from RMB2,316.4 million in the First Half of 2021 to RMB2,204.6 million in the first half of 2022, representing a year-on-year decrease of 4.8%, mainly due to (i) a year-on-year decrease in the sales volume of Beijing Brand; and (ii) resulted from product structure adjustments, the increase in the sales proportion of models with relatively high prices offsets certain impacts of the decrease in the sale volume.

The Group's net profit attributable to equity holders of the Company decreased from RMB2,758.1 million in the First Half of 2021 to RMB2,158.3 million in the first half of 2022, representing a year-on-year decrease of 21.7%; the basic earnings per share decreased from RMB0.34 in the First Half of 2021 to RMB0.27 in the first half of 2022.

Gross Profit

The Group's gross profit decreased to RMB18,559.9 million in the first half of 2022 from RMB21,325.0 million in the First Half of 2021, representing a year-on-year decrease of 13.0%.

The gross profit of Beijing Benz decreased from RMB23,821.3 million in the First Half of 2021 to RMB21,213.1 million in the first half of 2022, representing a year-on-year decrease of 10.9%; the gross profit margin decreased from 27.1% in the First Half of 2021 to 26.0% in the first half of 2022, mainly due to the decrease in the sales volume.

The gross profit of Beijing Brand decreased from RMB-2,496.3 million in the First Half of 2021 to RMB-2,653.2 million in the first half of 2022, 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 increased from RMB4,259.5 million in the First Half of 2021 to RMB9,058.5 million in the first half of 2022, representing a year-on-year increase of 112.7%, mainly due to an increase in the net cash inflow generated from operating activities of Beijing Benz and Beijing Brand.

As at June 30, 2022, the Group had cash and cash equivalents of RMB37,871.7 million, notes receivable of RMB794.0 million, notes payable of RMB2,069.2 million, outstanding borrowings of RMB19,984.8 million, unused bank credit lines of RMB25,863.2 million and commitments for capital expenditure of RMB38,594.2 million.

Capital Structure

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

The Group's asset-liability ratio (total liabilities/total assets) decreased from 58.6% as at December 31, 2021 (the "end of 2021") to 56.9% as at June 30, 2022, representing a year-on-year decrease of 1.7 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 total borrowings less cash and cash equivalents)) increased from -33.0% at the end of 2021 to -30.5% as at June 30, 2022, representing a year-on-year increase of 2.5 percentage points, mainly attributable to an increase in total equity and a decrease in the total borrowings, cash and cash equivalents.

On April 14, 2022, the Company issued ultra short-term debentures in an amount of RMB1,500 million with the term of 180 days and the annual coupon rate of 2.16%, and all proceeds were used for repaying interest-bearing debts and replenishing the working capital.

On June 22, 2022, the Company issued green medium-term notes (Technology Innovation Instrument) in an amount of RMB1,000 million with the term of 3 years and the annual coupon rate of 2.88%, and all proceeds were used for the procurement of three major electrical and mechanical equipments for the production of new energy electric vehicles for technical reform and capacity expansion projects of Zhuzhou base of the Company.

As at June 30, 2022, the total outstanding borrowings were RMB19,984.8 million, including short-term borrowings of RMB12,767.2 million in aggregate and long-term borrowings of RMB7,217.6 million in aggregate. The Group will repay the aforesaid borrowings in a timely manner at maturity.

As at June 30, 2022, 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 2022.

Total capital expenditures of the Group decreased to RMB2,689.2 million in the first half of 2022 from RMB3,457.6 million in the First Half of 2021. Among which, capital expenditures of Beijing Benz decreased to RMB2,242.6 million in the first half of 2022 from RMB2,919.7 million in the First Half of 2021, and capital expenditures of Beijing Brand decreased to RMB446.6 million in the first half of 2022 from RMB537.9 million in the First Half of 2021.

Total research and development expenses of the Group increased to RMB1,326.0 million in the first half of 2022 from RMB1,229.6 million in the First Half of 2021, 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 met with capitalization conditions had been capitalized accordingly.

MATERIAL ACQUISITIONS AND DISPOSALS

On March 18, 2022, BAIC Investment and Hyundai Motor entered into the Amendment Agreement in relation to the capital increase. Upon completion of the capital increase, the registered capital of Beijing Hyundai was increased to US\$2,978,539,464 and shareholding of BAIC Investment in Beijing Hyundai remained unchanged at 50%.

Please refer to the relevant announcement of the Company dated March 18, 2022 for details of the above collaboration.

FOREIGN EXCHANGE GAINS OR LOSSES³

The Group's foreign exchange gains or losses (mainly from the businesses of Beijing Benz) changed from foreign exchange gains of RMB66.9 million in the First Half of 2021 to foreign exchange losses of RMB63.1 million in the first half of 2022, mainly due to (i) the increase in exchange losses from Euro-denominated payments as a result of the change in the exchange rate of RMB against Euro; and (ii) the effective control on the foreign exchange rate risks due to the judgment in foreign exchange forward contracts offsets certain foreign exchange losses.

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.

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

EMPLOYEE AND REMUNERATION POLICIES

The number of the Group's staff decreased from 18,694 at the end of 2021 to 18,549 as at June 30, 2022. The staff costs incurred by the Group decreased from RMB2,930.1 million in the First Half of 2021 to RMB2,564.5 million in the first half of 2022, mainly due to the decrease of staff cost attributable to the overall decrease of production and sales volume.

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 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 June 30, 2022, the Group had pledged trade receivables and pledged notes receivable of RMB200.0 million and RMB652.8 million, respectively.

CONTINGENT LIABILITIES

As at June 30, 2022, the Group had no material contingent liabilities.

MATERIAL LITIGATION AND ARBITRATION

As at June 30, 2022, 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 the Reporting Period.

INTERIM DIVIDEND

The Board has not made any recommendation on the payment of an interim dividend for the first half of 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to building and maintaining a high level of corporate governance so as to protect the rights and interests of shareholders and enhance the Company's corporate value and sense of responsibility. With reference to the code provisions under Part 2 of the Corporate Governance Code as set forth in Appendix 14 to the Listing Rules (the "**Corporate Governance Code**"), the Company has set up purpose, values and strategy which are aligned with the Company's culture and 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 Company had complied with all applicable code provisions under the Corporate Governance Code throughout the Reporting Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

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

THE BOARD, THE BOARD OF SUPERVISORS AND THE COMMITTEES

The Board and the Committees

On May 16, 2022, due to job arrangement adjustment, Mr. Jiang Deyi resigned from his concurrent position as the Chairman of the Board, non-executive Director, and the Chairman of the strategy committee (the "**Strategy Committee**") and the Chairman of the nomination committee (the "**Nomination Committee**") of the Board, with effect from the date on which the new Chairman is to be appointed. On May 18, 2022, the Board resolved to propose the appointment of Mr. Chen Wei as a non-executive Director for a term commencing from the date of approval by shareholders at the general meeting of the Company until the expiration of the term of the fourth session of the Board; and further proposed the appointment of Mr. Chen Wei as the Chairman of the Board, the Chairman of the Strategy Committee and the Chairman of the Nomination Committee for a term commencing from the date of

approval of his appointment as a non-executive Director until the expiration of the term of the fourth session of the Board. On May 16, 2022, Mr. Liao Zhenbo resigned as a non-executive Director and member of the Strategy Committee due to change of job. On May 18, 2022, the Board also resolved to propose the appointment of Mr. Zhang Guofu as an executive Director for a term commencing from the date of approval by shareholders at the general meeting of the Company until the expiration of the term of the fourth session of the Board; and further proposed the appointment of Mr. Zhang Guofu as a member of the Strategy Committee for a term commencing from the date of approval of his appointment as an executive Director until the expiration of the term of the fourth session of the Board. On June 28, 2022, the Company held its 2021 annual general meeting, at which the afore-mentioned appointments were approved by the shareholders. Please refer to the relevant announcement of the Company dated May 18, 2022, the relevant circular dated May 27, 2022 and the relevant announcement dated June 28, 2022. Save as disclosed above, there was no change in the composition of the Board, the Strategy Committee, the Audit Committee, the Nomination Committee or the remuneration committee of the Board from January 1, 2022 and up to the date of this announcement.

The board of Supervisors

On May 16, 2022, Ms. Li Chengjun ceased to be the Chairman of the board of Supervisors and an employee representative supervisor of the Company. Please refer to the relevant announcement of the Company dated May 18, 2022 for details.

Mr. Zhang Ran was elected as the employee representative supervisor of the Company at the meeting of the employee representatives of the Company for a term commencing from June 27, 2022 until the expiration of the term of the fourth session of the board of Supervisors. At the fourth session of the board of Supervisors held on June 28, 2022, Mr. Zhang Ran was elected as the Chairman of the fourth session of the board of Supervisors for a term commencing from June 28, 2022 until the expiration of the term of the fourth session of the board of Supervisors. Please refer to the relevant announcement of the Company dated June 28, 2022 for details.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference. As at the date of this announcement, the Audit Committee comprises Mr. Edmund Sit (Chairman), Mr. Hu Hanjun and Mr. Tang Jun, among which two are independent non-executive Directors. The Audit Committee has reviewed with the management the accounting standards and practices adopted by the Group and reviewed the unaudited interim financial statements for the first half of 2022, the 2022 interim results and the 2022 interim report of the Group.

PUBLICATION OF UNAUDITED INTERIM RESULTS AND 2022 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (www.hkexnews.hk) and the Company’s website (www.baicmotor.com), respectively. The Company will dispatch to the shareholders the 2022 interim report of the Company containing all the information required by the Listing Rules, which will also be published on the websites of the Company and the Stock Exchange in due course.

By order of the Board of Directors
BAIC Motor Corporation Limited
CHEN Wei
Chairman

Beijing, the PRC, August 29, 2022

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

* *For identification purpose only*