



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

2022

INTERIM REPORT 中期報告

SO 機敏·秀智能

BAIC MOTOR +

SO 驚豔·秀美感



*僅供識別 For identification purpose only

SO 駕趣·秀性能

北京汽车 +



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

行有道·達天下

Your Wish · Our Ways



Official website



WeChat Official accounts

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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, 2022 (the “first half of 2022” 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 2022 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 2022, China’s automotive industry was under pressure in the face of grave challenges such as supply shocks, shrinking demand and weakening demand. However, with the collaboration of many parties and a series of positive initiatives to promote consumption and stabilise growth, automotive production and sales have recovered to normal level. According to the statistics of China Association of Automobile Manufacturers (the “CAAM”), the sales volume of passenger vehicles in the first half of 2022 was 10.355 million units, representing a year-on-year increase of 3.4%. Faced with the pressure of multiple factors such as shortage of supply and intensified competition in the industry, the Group proactively responded to the challenges and took measures to ensure supply, grasp production opportunities and promote sales, and actively pushed ahead with our work. During the Reporting Period, Beijing Brand, Beijing Benz, Beijing Hyundai and Fujian Benz of the Group sold a total of 0.399 million units of vehicles; achieved consolidated revenue of RMB83.68 billion and profit attributable to equity holders of the Company of RMB2.16 billion, with earnings per share of RMB0.27.

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

Part One Corporate Information

- **LEGAL NAME OF THE COMPANY**

北京汽車股份有限公司

- **ENGLISH NAME OF THE COMPANY**

BAIC Motor Corporation Limited¹

- **REGISTERED OFFICE**

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

- **HEADQUARTERS**

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- **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

- **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

E-mail: ir@baicmotor.com

¹ 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 2022 is as follows:

Unit: RMB million

Item	Six months ended June 30,	
	2022 (Unaudited)	2021 (Unaudited)
Revenue	83,679	90,375
Cost of sales	(65,119)	(69,050)
Gross profit	18,560	21,325
Selling and distribution expenses	(4,806)	(5,429)
General and administrative expenses	(2,265)	(3,151)
Net impairment losses on financial assets	(86)	(125)
Other gains, net	61	1,358
Finance income, net	25	95
Share of loss of investments accounted for using equity method	(43)	(494)
Profit before income tax	11,446	13,579
Income tax expense	(3,803)	(4,396)
Profit for the period	7,643	9,183
Profit attributable to Equity holders of the Company	2,158	2,758
Non-controlling interests	5,485	6,425
Total assets, total liabilities and interests attributable to equity holders of the Company	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Total assets	177,474	180,844
Total liabilities	101,001	105,957
Interests attributable to equity holders of the Company	53,251	52,583

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 2022 is as follows:

Unit: thousand unit

Business Segment	First Half of 2022 Cumulative Sales Volume	First Half of 2021 Cumulative Sales Volume
Beijing Brand	22	28
Oil-powered vehicle	14	21
New energy	8	7
Beijing Benz	267	316
Beijing Hyundai	94	194
Fujian Benz	16	19

Part Three

Company Profile and Business Overview

I. OVERVIEW

We are a leading enterprise of passenger vehicles in China, and 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 multipurpose 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 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.

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Company Profile and Business Overview

2. Beijing Benz

Beijing Benz Automotive Co., Ltd. (“Beijing Benz”) is a subsidiary of the Company. The Company holds 51.0% equity interest of Beijing Benz, while Mercedes-Benz Group AG (“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 nationwide 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.

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Company Profile and Business Overview

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 ventures, 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.

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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 technology² 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.

III. 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%³ on a year-on-year basis. Downward pressures on economies significantly 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 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 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.

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.

² means Knocked-down

³ The GDP growth rate for the first half of 2022 was 2.5% as published by the National Bureau of Statistics

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Company Profile and Business Overview

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 and policies such as Launching the 2022 New Energy Vehicle Campaign in Rural Areas to stabilise the economy, promote consumption at the national level and support the development of the automobile industry.

IV. 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, the 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

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Company Profile and Business Overview

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, emissions, engine, vibration and noise and electric vehicle 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 models and new energy models.

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Company Profile and Business Overview

In the first half of 2022, Beijing Hyundai advanced the introduction and development of eight new models simultaneously with promising progress in general. The 20th anniversary editions of the seventh-generation ELANTRA, the tenth-generation Sonata and the TUCSON L N Line have been put into mass production. 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 (the "Amendment Agreement") 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 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.

Part Three

Company Profile and Business Overview

On July 15, 2022, the Company and BAIC BluePark New Energy Technology Co., Ltd. (“BAIC BluePark”), an A-share listed subsidiary of BAIC Group entered into a conditional share subscription agreement for the 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 approximately RMB2.879 billion. Upon 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. 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.

Part Three

Company Profile and Business Overview

V. 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.

Part Four

Governance Practice

I. CORPORATE GOVERNANCE

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 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 of the Company (the “Board of Supervisor”) 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.

Changes in Composition of 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 the same day, Mr. Liao Zhenbo resigned from his position as a non-executive Director and member of the Strategy Committee due to change of job. On June 28, 2022, the Company held its 2021 annual general meeting, at which Mr. Chen Wei was appointed as a non-executive Director and Mr. Zhang Guofu was appointed as an executive Director for a term commencing from June 28, 2022 until the expiration of the term of the fourth session of the Board. Meanwhile, Mr. Chen Wei was appointed as the Chairman of the Board, the Chairman of the Strategy Committee and the Chairman of the Nomination Committee, and Mr. Zhang Guofu was appointed as a member of the Strategy Committee, for a term commencing from June 28, 2022 until the expiration of the term of the fourth session of the Board.

Part Four

Governance Practice

Please refer to the relevant announcements of the Company dated May 18, 2022 and June 28, 2022 and the relevant circular dated May 27, 2022. Save as disclosed above, there was no change in the composition of the Board, the Strategy Committee, the audit committee (the “Audit Committee”) of the Board, the Nomination Committee or the remuneration committee of the Board from January 1, 2022 and up to the Latest Practicable Date.

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

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.

Senior management and company secretary

As the Stock Exchange confirmed that Mr. Wang Jianhui was qualified to act as the company secretary of the Company under Rule 3.28 of the Listing Rule on January 12, 2022, Mr. Lee Kwok Fai resigned as the company secretary assistant of the Company with effect from January 29, 2022.

On May 18, 2022, Mr. Chen Wei and Mr. Du Junbao ceased to be the vice presidents of the Company. On the same day, the Board appointed Mr. Zhang Guofu as the executive vice president and Mr. Peng Gang as the vice president of the Company for a term commencing from May 18, 2022 until the expiration of the term of the fourth session of the Board.

Save as disclosed above, from January 1, 2022 and up to the Latest Practicable Date, there was no change in Directors, Supervisors and senior management of the Company. Meanwhile, the Directors, Supervisors, senior management and company secretary 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 2022.

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 2022, the 2022 interim results and the 2022 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 June 30, 2022, 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 Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or to be entered in the register as referred to therein pursuant to section 352 of the SFO, or to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at June 30, 2022, 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 ^(Note 1)	Percentages of Relevant Class of Shares (%) ^(Note 2)	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
Mercedes-Benz Group AG	H Shares	765,818,182(L)	30.38	9.55

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

Note 2: The percentage is calculated based on the number of shares held by relevant shareholders/the number of relevant classes of shares of the Company in issue as at June 30, 2022.

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.

Part Four

Governance Practice

II. DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

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

Directors

Name	Positions
Mr. Chen Wei	Chairman of the Board and non-executive Director
Mr. Chen Hongliang	Non-executive Director
Mr. Hu Hanjun	Non-executive Director
Mr. Huang Wenbing	Executive Director
Mr. Zhang Guofu	Executive Director
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
Mr. Zhang Ran	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. Zhang Guofu	Executive Vice President
Mr. Li Deren	Vice President
Mr. Peng Gang	Vice President
Mr. Yang Xueguang	Vice President
Mr. Wang Jianhui	Vice President, Secretary to the Board and Company Secretary
Mr. Gao Jianjun	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-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 offset by the decrease in the sales 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 offset by the decrease in the sales 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 product mix of vehicle models.

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.

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 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.

Part Five Management Discussion and Analysis

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 LOSSES⁴

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.

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.

⁴ Foreign exchange 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, 2022



羅兵咸永道

Report on Review of Interim Financial Information

To the Board of Directors of BAIC Motor Corporation Limited

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

INTRODUCTION

We have reviewed the interim financial information set out on pages 23 to 45, 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, 2022 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 notes, comprising significant accounting policies and other explanatory information. 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 29, 2022

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
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Part Seven

Interim Condensed Consolidated Balance Sheet

As at June 30, 2022

	Note	June 30, 2022 (Unaudited) RMB'000	December 31, 2021 (Audited) RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	49,698,211	50,573,099
Land use rights	6	6,886,680	6,977,295
Investment properties		248,770	170,409
Intangible assets	6	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
		92,376,914	94,208,549
Current assets			
Inventories		23,469,822	21,141,081
Accounts receivable	7	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
		85,096,907	86,635,828
Total assets		177,473,821	180,844,377

Part Seven

Interim Condensed Consolidated Balance Sheet

As at June 30, 2022

	Note	June 30, 2022 (Unaudited) RMB'000	December 31, 2021 (Audited) RMB'000
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	8	8,015,338	8,015,338
Other reserves		22,504,025	22,711,546
Retained earnings		22,731,719	21,855,875
		53,251,082	52,582,759
Non-controlling interests		23,222,100	22,304,316
Total equity		76,473,182	74,887,075
LIABILITIES			
Non-current liabilities			
Borrowings	9	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
		13,480,971	13,979,205
Current liabilities			
Accounts payable	10	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	9	12,767,201	14,750,968
Lease liabilities		97,040	26,852
Provisions		2,261,632	2,186,058
		87,519,668	91,978,097
Total liabilities		101,000,639	105,957,302
Total equity and liabilities		177,473,821	180,844,377

Part Eight

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2022

	Note	For the six months ended June 30,	
		2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Revenue	5	83,678,641	90,375,224
Cost of sales		(65,118,724)	(69,050,186)
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		60,932	1,357,510
Operating profit	11	11,463,669	13,977,617
Finance income		375,848	503,542
Finance costs		(350,580)	(408,198)
Finance income, net		25,268	95,344
Share of loss of investments accounted for using equity method		(43,414)	(494,011)
Profit before income tax		11,445,523	13,578,950
Income tax expense	12	(3,802,473)	(4,396,154)
Profit for the period		7,643,050	9,182,796
Profit attributable to:			
Equity holders of the Company		2,158,298	2,758,065
Non-controlling interests		5,484,752	6,424,731
		7,643,050	9,182,796
Earnings per share for profit attributable to ordinary shareholders of the Company for the period (expressed in RMB)			
Basic and diluted	13	0.27	0.34

Part Eight

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2022

	For the six months ended June 30,	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Profit for the period	7,643,050	9,182,796
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	(201,041)	1,375,683
Other comprehensive (loss)/income for the period	(150,192)	1,273,462
Total comprehensive income for the period	7,492,858	10,456,258
Attributable to:		
Equity holders of the Company	1,950,777	4,085,833
Non-controlling interests	5,542,081	6,370,425
	7,492,858	10,456,258

Part Nine

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2022

	(Unaudited)					
	Attributable to equity holders of the Company					
	Share capital RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
For the six months ended June 30, 2022						
Balance at January 1, 2022	8,015,338	22,711,546	21,855,875	52,582,759	22,304,316	74,887,075
Profit for the period	-	-	2,158,298	2,158,298	5,484,752	7,643,050
Other comprehensive (loss)/income	-	(207,521)	-	(207,521)	57,329	(150,192)
Total comprehensive income for the period	-	(207,521)	2,158,298	1,950,777	5,542,081	7,492,858
Transactions with owners						
2021 final dividends	-	-	(1,282,454)	(1,282,454)	-	(1,282,454)
Dividends to non-controlling interest holders of a subsidiary	-	-	-	-	(4,655,000)	(4,655,000)
Contribution from non-controlling interest holder of a subsidiary	-	-	-	-	30,703	30,703
	-	-	(1,282,454)	(1,282,454)	(4,624,297)	(5,906,751)
Balance at June 30, 2022	8,015,338	22,504,025	22,731,719	53,251,082	23,222,100	76,473,182

Part Nine

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2022

	(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	
For the six months ended June 30, 2021							
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
Total comprehensive income for the period	-	-	1,327,768	2,758,065	4,085,833	6,370,425	10,456,258
Transactions with owners							
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)
Balance at June 30, 2021	8,015,338	-	23,446,724	21,070,044	52,532,106	28,876,868	81,408,974

Part Ten

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2022

	For the six months ended June 30,	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Cash flows from operating activities		
Cash generated from operations	12,659,473	8,204,448
Interest paid	(227,146)	(391,733)
Interest received	375,848	503,854
Income tax paid	(3,749,723)	(4,057,065)
Net cash generated from operating activities	9,058,452	4,259,504
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,012,822)	(3,455,564)
Addition of intangible assets	(901,251)	(860,957)
Addition of investments accounted for using equity method	(1,497,079)	–
Purchase of financial assets	–	(343,875)
Receipt of government grants for capital expenditures	2,478	205,019
Proceeds from disposals of property, plant and equipment and intangible assets	3,364	15,209
Proceeds from disposal of subsidiaries in prior period	–	12,300
Dividends received from investments accounted for using equity method	548,907	440,908
Net cash used in investing activities	(4,856,403)	(3,986,960)
Cash flows from financing activities		
Proceeds from borrowings	7,947,230	13,944,157
Repayments of borrowings	(10,495,974)	(10,305,824)
Contribution from non-controlling interest holder of a subsidiary	30,703	–
Principal elements of lease payments	(53,338)	(56,751)
Interests paid to perpetual bondholders	–	(112,000)
Repayment of perpetual bond	–	(2,000,000)
Dividends paid to non-controlling interest holders of a subsidiary	(4,655,000)	–
Net cash (used in)/generated from financing activities	(7,226,379)	1,469,582
Net (decrease)/increase in cash and cash equivalents	(3,024,330)	1,742,126
Cash and cash equivalents at January 1	40,968,622	48,146,250
Exchange differences on cash and cash equivalents	(72,619)	(66,944)
Cash and cash equivalents at June 30	37,871,673	49,821,432

Part Eleven

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

1 GENERAL INFORMATION

BAIC Motor Corporation Limited (the “Company”), together with its subsidiaries (collectively referred to as the “Group”), are principally engaged in the manufacturing and sales of passenger vehicles, engines and auto parts in the People’s Republic of China (the “PRC”).

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

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

This interim condensed consolidated financial information (“Condensed Financial Information”) is presented in thousands of Renminbi Yuan (“RMB’000”), unless otherwise stated, and is approved for issue by the Board of Directors on August 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”).

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.

Part Eleven

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

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, 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 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, 2021.

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

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, 2021.

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)
At June 30, 2022 (unaudited)				
Borrowings	13,079,802	4,054,443	3,378,792	-
Lease liabilities	103,539	90,701	47,815	12,915,986
Accounts payable	37,223,338	-	-	-
Other payables	29,913,270	44,136	-	-
At December 31, 2021 (audited)				
Borrowings	15,004,014	2,753,207	5,153,076	-
Lease liabilities	27,728	776	2,719	12,513,374
Accounts payable	39,615,698	-	-	-
Other payables	28,256,414	45,172	21,851	-

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.

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

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
Assets				
Financial assets at fair value through other comprehensive income ("FVOCI")				
At June 30, 2022 (unaudited)	2,484,865	–	744,477	3,229,342
At December 31, 2021 (audited)	2,685,906	–	1,964,939	4,650,845
Liabilities				
Derivative financial instruments				
At June 30, 2022 (unaudited)	–	665,919	–	665,919
At December 31, 2021 (audited)	–	745,820	–	745,820

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 Automotive Co., Ltd. ("Beijing Benz"): manufacturing and sales of passenger vehicles of Beijing Benz brand, and providing other related services.

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

5 SEGMENT INFORMATION (CONTINUED)

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

	Passenger vehicles – 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	2,204,630	81,474,011	–	83,678,641
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
	2,204,630	81,474,011	–	83,678,641
Segment gross (loss)/profit	(2,653,190)	21,213,107	–	18,559,917
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				7,643,050
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	(222,002)	13,047	–	(208,955)
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	(34,933,790)	(66,081,630)	14,781	(101,000,639)

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

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
For the six months ended June 30, 2021				
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
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				(494,011)
Profit before income tax				13,578,950
Income tax expense				(4,396,154)
Profit for the period				9,182,796
Other information:				
Significant non-cash expenses				
Depreciation and amortization	(1,983,620)	(2,235,284)	–	(4,218,904)
Provisions for impairments on assets	(620,047)	(81,014)	–	(701,061)
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	(37,946,651)	(68,030,203)	19,552	(105,957,302)

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

5 SEGMENT INFORMATION (CONTINUED)

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

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
Six months ended June 30, 2022			
Net book amount at January 1, 2022 (audited)	50,573,099	6,977,295	11,016,548
Additions	2,650,700	-	1,004,189
Transfers upon completion to investment properties	(85,160)	-	-
Disposals	(5,943)	-	-
Depreciation/amortization	(3,432,680)	(90,615)	(1,113,397)
Impairment	(1,805)	-	-
Net book amount at June 30, 2022 (unaudited)	49,698,211	6,886,680	10,907,340
Six months ended June 30, 2021			
Net book amount at January 1, 2021 (audited)	50,428,891	7,158,525	12,459,098
Additions	3,421,654	-	750,004
Disposals	(70,303)	-	(902)
Depreciation/amortization	(2,859,404)	(90,615)	(1,320,365)
Net book amount at June 30, 2021 (unaudited)	50,920,838	7,067,910	11,887,835

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

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, 2022 (December 31, 2021: Nil).
- (b) The Group has capitalized borrowing costs amounting to RMB63,785,000 on qualifying assets of property, plant and equipment and intangible assets for the six months ended June 30, 2022 (six months ended June 30, 2021: RMB105,573,000). Borrowing costs were capitalized at the weighted average of its borrowing rate of 3.28% during the six months ended June 30, 2022 (six months ended June 30, 2021: 3.34%).
- (c) The right-of-use assets included in property, plant and equipment as at June 30, 2022 amounted to RMB319,867,000 (December 31, 2021: RMB118,019,000).

7 ACCOUNTS RECEIVABLE

	June 30, 2022 (Unaudited) RMB'000	December 31, 2021 (Audited) 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 (Unaudited) RMB'000	December 31, 2021 (Audited) 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

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

7 ACCOUNTS RECEIVABLE (CONTINUED)

Notes: (Continued)

(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)	652,762	543,684
	852,762	743,684

(i) collateral for borrowings

(ii) collateral for notes payable issued by banks

8 SHARE CAPITAL

	Number of ordinary shares of RMB1 each (thousands)	RMB'000
At January 1, 2022 (audited) and June 30, 2022 (unaudited)	8,015,338	8,015,338
At January 1, 2021 (audited) and June 30, 2021 (unaudited)	8,015,338	8,015,338

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

9 BORROWINGS

	June 30, 2022 (Unaudited) RMB'000	December 31, 2021 (Audited) RMB'000
Non-current		
Borrowings from financial institutions	2,879,999	3,811,976
Corporate bonds	4,337,595	3,820,701
	7,217,594	7,632,677
Current		
Borrowings from financial institutions	5,969,520	9,493,780
Add: current portion of non-current borrowings from financial institutions	2,237,423	534,710
Corporate bonds	4,560,258	4,722,478
	12,767,201	14,750,968
Total borrowings	19,984,795	22,383,645

Notes:

(a) Movements in borrowings are analyzed as follows:

	For the six months ended June 30,	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
At the beginning of the period	22,383,645	20,457,366
Proceeds of new borrowings	7,947,230	13,944,157
Repayments of borrowings	(10,495,974)	(10,305,824)
Amortization of bond issuance costs	3,263	4,233
Exchange differences	119,237	(13,832)
Others	27,394	-
At the end of the period	19,984,795	24,086,100

(b) Undrawn facilities at floating rates:

	June 30, 2022 (Unaudited) RMB'000	December 31, 2021 (Audited) RMB'000
Within 1 year	22,713,224	14,405,555
Over 1 year	3,150,000	4,700,000
	25,863,224	19,105,555

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

10 ACCOUNTS PAYABLE

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

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	472,153	438,832
	35,154,184	37,276,917

11 SIGNIFICANT PROFIT AND LOSS ITEMS

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

	For the six months ended June 30,	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Depreciation and amortization	4,497,297	4,218,904
Employee benefit costs	2,564,549	2,575,148
Warranty expenses	642,556	510,961
Provision for impairment on non-financial assets	122,721	576,023
Foreign exchange gains	(283,255)	(286,431)
Loss on forward foreign exchange contracts with fair value through profit or loss	346,379	219,535
Loss on disposals of property, plant and equipment and intangible assets	4,353	52,546
Government grants	(204,098)	(1,252,143)

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

12 INCOME TAX EXPENSE

	For the six months ended June 30,	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Current income tax	3,940,793	3,253,171
Deferred income tax	(138,320)	1,142,983
	3,802,473	4,396,154

13 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 (Unaudited)	2021 (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.

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

14 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.

15 CAPITAL COMMITMENTS

The Group has the following capital commitments for property, plant and equipment as at June 30, 2022 and December 31, 2021 respectively.

	June 30, 2022 (Unaudited) RMB'000	December 31, 2021 (Audited) RMB'000
Contracted but not provided for	15,313,459	17,315,401
Authorized but not contracted for	23,280,745	17,529,667

16 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, 2022 and 2021.

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

16 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant transactions with related parties

	For the six months ended June 30,	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Sale of goods and materials and property, plant and equipment to		
– fellow subsidiaries	7,151,433	8,248,750
– joint ventures	424,900	538,771
– other related companies	819,333	773,026
Services provided to		
– fellow subsidiaries	1,916	8,354
– other related companies	356,585	229,126
Purchases of goods and materials from		
– fellow subsidiaries	3,439,080	5,892,397
– joint ventures	18,749	7,328
– other related companies	28,153,524	29,640,042
Services received from		
– immediate parent company	344,105	374,904
– fellow subsidiaries	1,552,123	1,170,425
– joint ventures	569,700	701,099
– other related companies	2,837,241	3,459,646
Lease income from		
– fellow subsidiaries	328	121
– an other related company	26,527	–
Lease expenses to		
– fellow subsidiaries	53,152	48,586
Interest income from		
– an associate	138,885	164,427
– an other related company	325	1,023
Interest expenses to		
– immediate parent company	19,596	19,503
– fellow subsidiaries	4,114	3,920
– an associate	42,345	33,133
Key management compensations		
– salaries, allowances and other benefits	3,215	4,074
– employer's contributions to pension schemes	343	315
– discretionary bonuses	1,814	312

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

16 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant balances with related parties

	June 30, 2022 (Unaudited) RMB'000	December 31, 2021 (Audited) RMB'000
Assets		
Financial assets at FVOCI		
– a fellow subsidiary	2,484,865	2,685,906
Trade receivables		
– fellow subsidiaries	1,846,885	1,457,190
– joint ventures	162,321	179,047
– other related companies	757,473	851,053
Notes receivables		
– fellow subsidiaries	15,849	64,470
Advances to suppliers		
– fellow subsidiaries	80,204	77,683
Other receivables		
– fellow subsidiaries	456,303	372,352
– joint ventures	719,603	719,603
– other related companies	548,379	138,654
Cash and cash equivalents		
– an associate	15,407,431	15,913,195
– an other related company	45,656	65,009

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Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2022

16 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant balances with related parties (Continued)

	June 30, 2022 (Unaudited) RMB'000	December 31, 2021 (Audited) RMB'000
Liabilities		
Trade payables		
– fellow subsidiaries	6,564,661	8,286,736
– joint ventures	12,744	16,507
– other related companies	16,229,757	15,860,219
Notes payable		
– fellow subsidiaries	120,237	20,717
– other related companies	64,672	63,994
Contract liabilities		
– fellow subsidiaries	10,133	7,454
Other payables and accruals		
– immediate parent company	1,879,319	1,467,593
– fellow subsidiaries	1,079,439	732,138
– joint ventures	207,926	210,547
– associates	–	12,983
– other related companies	4,374,895	4,320,828
Borrowings from		
– an associate	2,405,338	2,399,310
Lease liabilities		
– a fellow subsidiary	212,160	–

17 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 BAIC Group, entered into a conditional share subscription agreement for non-public issuance (the “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.

Part Twelve

Definitions

“Audit Committee”	audit committee of the Board
“BAIC BluePark”	BAIC BluePark New Energy Technology Co., Ltd.
“BAIC Guangzhou”	BAIC Guangzhou Automotive Co., Ltd.
“BAIC Investment”	BAIC Investment Co., Ltd.
“Beijing Benz”	Beijing Benz Automotive Co., Ltd. (previously known as Beijing Jeep Motor Co., Ltd. and Beijing Benz-Daimler Chrysler Automotive Co., Ltd.)
“Beijing Brand”	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).
“Beijing Hyundai”	Beijing Hyundai Motor Co., Ltd.
“Benz Group”	Mercedes-Benz Group AG (formerly known as Daimler AG)
“Board” or “Board of Directors”	the board of directors of the Company

Part Twelve Definitions

“Board of Supervisors”	the board of supervisors of the Company
“CAAM”	China Association of Automobile Manufacturers
“Company” or “BAIC Motor”	BAIC MOTOR CORPORATION LIMITED
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set forth in Appendix 14 to the Listing Rules
“Daimler Greater China”	Daimler Greater China Ltd.
“Date of Issue of the Report”	August 29, 2022, i.e. the date on which the report is approved by the Board of Directors
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	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
“end of 2021”	December 31, 2021

Part Twelve

Definitions

“first half of 2021”	six months ended June 30, 2021
“first half of 2022” or “Reporting Period”	six months ended June 30, 2022
“FJMOTOR”	Fujian Motor Industry Group Co.
“Fujian Benz”	Fujian Benz Automotive Co., Ltd.
“Group” or “we” or “our”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.0 each, to be subscribed for and traded in HK dollars and listed and traded on the Stock Exchange
“HK dollar(s)”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hyundai Motor”	Hyundai Motor Company
“IFRS”	International Financial Reporting Standards issued by the International Accounting Standards Board

Part Twelve

Definitions

“Latest Practicable Date”	September 9, 2022, 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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock market operated by the Stock Exchange (excluding options market), independent of the GEM of the Stock Exchange and under parallel operation with the GEM
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set forth in Appendix 10 to the Listing Rules
“Nomination Committee”	nomination committee of the Board
“Remuneration Committee”	remuneration committee of the Board
“RMB” or “Renminbi”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time

Part Twelve

Definitions

“Share(s)”	Domestic Share(s) and H Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed thereto in section 15 of the Companies Ordinance
“Supervisor(s)”	supervisor(s) of the Company
“the year 2021”	the year ended December 31, 2021



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