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**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)**

**ANNOUNCEMENT**  
**THE OPERATING RESULTS OF THE COMPANY**  
**FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2017**

This announcement is made pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BAIC Motor Corporation Limited (the “**Company**”, and its subsidiaries, collectively the “**Group**”) issued the bonds in the domestic open market of The People’s Republic of China (the “**PRC**”), and the bonds are within the period of existence. Pursuant to the relevant laws and regulations of the PRC, the Company must prepare quarterly operating results in accordance with the Accounting Standards for Business Enterprises of the PRC and disclose them at the website of Shanghai Clearing House (<http://www.shclearing.com>).

The operating results attached hereto are the unaudited operating results of the Company for the nine months ended September 30, 2017 prepared in accordance with the Accounting Standards for Business Enterprises of the PRC, as disclosed at the website of Shanghai Clearing House (<http://www.shclearing.com>).

The announcement and the attached operating results were originally prepared in Chinese and published in both Chinese and English. In the case of any discrepancy, the Chinese text shall prevail over the English text.

## CONSOLIDATED BALANCE SHEET

Unit: RMB Yuan

Assets	Balance at the end of the period September 30, 2017	Balance at the beginning of the year January 1, 2017
Current assets:		
Monetary assets	38,285,931,026.72	37,651,166,881.79
Notes receivables	6,843,687,448.95	14,640,461,564.54
Trade receivables	12,308,492,244.85	12,548,465,655.96
Prepayments	912,511,149.41	1,163,248,567.73
Interest receivables	-	-
Dividend receivables	7,842,115.43	-
Other receivables	1,475,991,779.86	2,600,939,489.64
Inventories	15,769,980,027.79	14,166,927,497.09
Non-current assets due within one year	1,265,768.55	-
Other current assets	3,529,143,105.01	2,201,798,731.90
<b>Total current assets</b>	<b>79,134,844,666.57</b>	<b>84,973,008,388.65</b>
Non-current assets:		
Available-for-sale financial assets	2,291,480,000.00	536,480,000.00
Held-to-maturity investments	-	-
Long-term receivables	-	-
Long-term equity investments	14,531,502,859.73	17,913,650,249.75
Investment properties	-	-
Net fixed assets	33,465,672,685.58	34,186,809,630.10
Construction in progress	6,702,591,653.72	5,884,532,354.85
Construction materials	-	-
Disposal of fixed assets	-	-
Productive biological assets	-	-
Oil and gas assets	-	-
Intangible assets	11,929,299,752.49	11,525,489,571.41
Development expenditures	6,215,088,212.00	6,501,237,301.73
Goodwill	901,945,451.41	901,945,451.41
Long-term deferred expenses	464,688,023.55	379,278,969.57
Deferred income tax assets	5,504,574,527.43	5,504,385,744.49
Other non-current assets	847,094,760.81	593,568,224.21
<b>Total non-current assets</b>	<b>82,853,937,926.72</b>	<b>83,927,377,497.52</b>
<b>Total assets</b>	<b>161,988,782,593.29</b>	<b>168,900,385,886.17</b>

Unit: RMB Yuan

<b>Liabilities</b>	<b>Balance at the end of the period September 30, 2017</b>	<b>Balance at the beginning of the year January 1, 2017</b>
Current liabilities:		
Short-term borrowings	18,425,161,653.21	18,708,976,640.93
Notes payables	11,749,926,571.82	9,916,906,389.41
Trade payables	25,313,860,747.83	31,975,337,191.82
Advance receipts	696,825,513.42	463,128,406.80
Payroll payables	713,295,796.35	939,156,042.42
Tax payables	1,639,609,892.50	3,699,699,408.28
Interest payables	246,064,556.98	296,937,247.85
Dividend payables	2,706,338,125.00	902,670,000.00
Other payables	19,155,941,039.92	20,901,433,362.37
Non-current liabilities due within one year	2,847,052,227.43	5,358,755,758.90
Other current liabilities	1,998,789,999.99	4,997,563,194.47
<b>Total current liabilities</b>	<b>85,492,866,124.45</b>	<b>98,160,563,643.25</b>
Non-current liabilities:		
Long-term borrowings	3,393,112,350.42	818,218,711.21
Bonds payables	10,091,527,406.39	6,990,872,022.12
Long-term payables	-	-
Specific payables	-	-
Accrued liabilities	2,584,666,941.34	2,067,043,548.69
Deferred income	2,330,721,767.51	2,021,756,849.55
Deferred income tax liabilities	790,934,981.40	808,608,484.01
<b>Total non-current liabilities</b>	<b>19,190,963,447.06</b>	<b>12,706,499,615.58</b>
<b>Total liabilities</b>	<b>104,683,829,571.51</b>	<b>110,867,063,258.83</b>
Owners' equity (or shareholders' equity):		
Paid-in capital (share capital)	7,595,338,182.00	7,595,338,182.00
Capital reserves	16,653,423,727.87	16,653,632,804.02
Other comprehensive income	635,355,871.92	(77,620,950.99)
Surplus reserves	1,971,505,327.01	1,971,505,327.01
Unallocated profits	13,783,266,610.15	14,017,253,492.64
Total equity attributable to owners of the parent	40,638,889,718.95	40,160,108,854.68
Minority interests	16,666,063,302.83	17,873,213,772.66
<b>Total owners' equity</b>	<b>57,304,953,021.78</b>	<b>58,033,322,627.34</b>
<b>Total liabilities and owners' equity</b>	<b>161,988,782,593.29</b>	<b>168,900,385,886.17</b>

## CONSOLIDATED INCOME STATEMENT

Unit: RMB Yuan

Items	Accumulated amounts for January to September in 2017	Accumulated amounts for January to September in 2016
<b>I. Total operating income</b>	<b>104,066,197,351.44</b>	<b>84,176,677,270.70</b>
<b>II. Total operating costs</b>	<b>90,444,129,777.68</b>	<b>77,426,036,840.26</b>
Including: Operating costs	72,215,164,167.27	62,331,571,533.18
Tax and surcharges	6,153,552,161.81	4,398,712,897.70
Selling expenses	9,129,297,785.12	7,639,116,859.69
Administrative expenses	1,819,030,187.95	2,068,041,993.23
Financial expenses	876,923,624.41	933,368,050.67
Impairment losses of assets	250,161,851.12	55,225,505.79
Add: Gain/(loss) on changes in fair value	(684,477,998.86)	193,189,990.09
Investment gain/(loss)	(115,690,762.97)	2,641,243,228.15
Including: gain/(loss) from investment in associated companies and joint ventures	(115,690,762.97)	2,641,243,228.15
Other gains	3,781,910.66	–
<b>III. Operating profit</b>	<b>12,825,680,722.59</b>	<b>9,585,073,648.68</b>
Add: Non-operating income	163,233,604.02	253,327,751.19
Less: Non-operating expenses	68,291,095.86	39,443,297.53
<b>IV. Total profit</b>	<b>12,920,623,230.75</b>	<b>9,798,958,102.34</b>
Less: Income tax expenses	4,439,745,138.67	2,360,262,994.37
<b>V. Net profit</b>	<b>8,480,878,092.08</b>	<b>7,438,695,107.97</b>
Net profit attributable to owners of the parent	1,968,661,190.29	3,923,933,773.51
Minority interests	6,512,216,901.79	3,514,761,334.46
<b>VI. Net amount of other comprehensive income/(loss) after tax</b>	<b>850,871,686.77</b>	<b>(2,727,676.32)</b>
Net amount of other comprehensive income/(loss) after tax attributable to shareholders of the parent	712,976,822.91	(1,402,874.31)
Other comprehensive income/(loss) to be reclassified into profit or loss subsequently	712,976,822.91	(1,402,874.31)
Effective portion of profit or loss from cash flows hedges	143,676,620.35	(1,378,875.57)
Gains or losses from changes in fair value of available-for-sale financial assets	569,920,000.00	–
Foreign currency translation differences	(619,797.44)	(23,998.74)
Net amount of other comprehensive income/(loss) after tax attributable to minority shareholders	137,894,863.86	(1,324,802.01)
<b>VII. Total comprehensive income</b>	<b>9,331,749,778.85</b>	<b>7,435,967,431.65</b>
Total comprehensive income attributable to shareholders of the parent	2,681,638,013.20	3,922,530,899.20
Total comprehensive income attributable to minority shareholders	6,650,111,765.65	3,513,436,532.45

## CONSOLIDATED CASH FLOWS STATEMENT

Unit: RMB Yuan

Items	Accumulated amounts for January to September in 2017	Accumulated amounts for January to September in 2016
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and provision of labor services	117,650,117,072.19	93,268,208,250.44
Tax refunds received	582,580.05	16,860.26
Cash received relating to other operating activities	780,155,498.73	765,888,031.10
<b>Sub-total of cash inflows from operating activities</b>	<b>118,430,855,150.97</b>	<b>94,034,113,141.80</b>
Cash paid for purchase of goods and engagement of labor services	70,154,723,224.49	58,910,214,209.92
Cash paid to and on behalf of employees	3,678,999,561.76	3,392,782,316.66
Payments of all types of taxes	23,914,474,840.62	15,258,401,186.54
Cash paid relating to other operating activities	8,558,038,827.69	9,003,263,657.57
<b>Sub-total of cash outflows from operating activities</b>	<b>106,306,236,454.56</b>	<b>86,564,661,370.69</b>
<b>Net cash flows from operating activities</b>	<b>12,124,618,696.41</b>	<b>7,469,451,771.11</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from return of investment	-	-
Cash received from investment gains	3,591,976,810.26	4,268,482,819.66
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	6,269,356.89	3,562,836.17
Net cash received from disposal of subsidiaries and other operating units	7,724,353.81	-
Cash received relating to other investing activities	17,053,070.00	155,167.55
<b>Sub-total of cash inflows from investing activities</b>	<b>3,623,023,590.96</b>	<b>4,272,200,823.38</b>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	4,740,394,965.19	5,730,864,009.64
Cash paid for investment	1,271,717,035.48	2,594,123,065.50
Net cash paid for acquisition of subsidiaries and other operating units	-	-
Cash paid relating to other investing activities	89,396,752.15	531,370,131.22
<b>Sub-total of cash outflows from investing activities</b>	<b>6,101,508,752.82</b>	<b>8,856,357,206.36</b>
<b>Net cash flows used in investing activities</b>	<b>(2,478,485,161.86)</b>	<b>(4,584,156,382.98)</b>
<b>III. Cash flows from financing activities:</b>		
Cash received from investors	-	742,634,163.70
Cash received from borrowings	20,174,719,717.90	19,348,641,334.92
Cash received relating to other financing activities	359,342,289.80	240,426,212.62
<b>Sub-total of cash inflows from financing activities</b>	<b>20,534,062,007.70</b>	<b>20,331,701,711.24</b>
Cash paid for repayment of debts	20,628,414,287.02	16,930,267,114.22
Cash paid for distribution of dividends, profits or payment of interests	8,864,380,789.25	2,968,332,400.84
Cash paid relating to other financing activities	2,378,612.32	6,011,259.71
<b>Sub-total of cash outflows from financing activities</b>	<b>29,495,173,688.59</b>	<b>19,904,610,774.77</b>
<b>Net cash flows from/(used in) financing activities</b>	<b>(8,961,111,680.89)</b>	<b>427,090,936.47</b>
<b>IV. Effect of changes in exchange rate on cash and cash equivalents</b>	<b>(35,404,250.52)</b>	<b>39,117,452.89</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>649,617,603.14</b>	<b>3,351,503,777.49</b>
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>36,713,526,128.34</b>	<b>27,297,999,847.95</b>

## BALANCE SHEET

Unit: RMB Yuan

	Balance at the end of the period September 30, 2017	Balance at the beginning of the year January 1, 2017
<b>Assets</b>		
Current assets:		
Monetary assets	2,669,020,382.17	1,560,531,288.84
Financial assets at fair value through profit or loss	—	—
Notes receivables	1,054,324,396.85	686,596,688.97
Trade receivables	11,609,520,435.90	13,193,615,149.12
Prepayments	407,967,260.74	449,594,620.15
Interest receivables	—	—
Dividend receivables	2,932,500,000.00	1,020,000,000.00
Other receivables	14,493,620,809.69	15,605,299,424.00
Inventories	1,300,698,696.33	717,169,230.12
Non-current assets due within one year	—	—
Other current assets	2,290,142,993.21	1,367,719,181.32
<b>Total current assets</b>	<b>36,757,794,974.89</b>	<b>34,600,525,582.52</b>
Non-current assets:		
Available-for-sale financial assets	2,291,480,000.00	536,480,000.00
Held-to-maturity investments	—	—
Long-term receivables	—	—
Long-term equity investments	23,453,154,994.58	22,183,239,283.49
Investment properties	—	—
Net fixed assets	6,553,064,315.44	6,969,649,740.42
Construction in progress	3,186,605,659.91	1,759,489,175.49
Construction materials	—	—
Disposal of fixed assets	—	—
Productive biological assets	—	—
Oil and gas assets	—	—
Intangible assets	5,772,334,285.71	5,323,282,039.94
Development expenditures	5,057,382,934.58	5,367,046,688.39
Goodwill	—	—
Long-term deferred expenses	9,479,282.87	14,799,875.93
Deferred income tax assets	—	—
Other non-current assets	1,641,700.00	113,741,413.91
<b>Total non-current assets</b>	<b>46,325,143,173.09</b>	<b>42,267,728,217.57</b>
<b>Total assets</b>	<b>83,082,938,147.98</b>	<b>76,868,253,800.09</b>

Unit: RMB Yuan

<b>Liabilities</b>	<b>Balance at the end of the period September 30, 2017</b>	<b>Balance at the beginning of the year January 1, 2017</b>
Current liabilities:		
Short-term borrowings	18,080,000,000.00	16,180,000,000.00
Financial liabilities at fair value through profit or loss	—	—
Notes payable	7,038,893,632.23	860,344,362.38
Trade payables	3,908,771,539.23	12,349,462,023.99
Advances receipts	1,429,962.75	1,374,812.02
Payroll payables	29,088,504.14	95,790,330.80
Tax payables	18,103,173.56	55,287,705.94
Interest payables	123,185,476.35	180,918,166.88
Dividend payables	—	—
Other payables	5,611,788,340.17	2,607,298,854.32
Non-current liabilities due within one year	593,500,915.06	1,817,043,761.11
Other current liabilities	1,998,789,999.99	4,997,563,194.47
<b>Total current liabilities</b>	<b>37,403,551,543.48</b>	<b>39,145,083,211.91</b>
Non-current liabilities:		
Long-term borrowings	1,530,000,000.00	764,000,000.00
Bonds payable	6,296,135,310.45	3,995,836,835.50
Long-term payables	—	—
Specific payables	—	—
Accrued liabilities	41,897,385.99	53,314,919.47
Deferred income tax liabilities	—	—
Deferred income	312,898,447.93	314,472,038.24
<b>Total non-current liabilities</b>	<b>8,180,931,144.37</b>	<b>5,127,623,793.21</b>
<b>Total liabilities</b>	<b>45,584,482,687.85</b>	<b>44,272,707,005.12</b>
Owners' equity (or shareholders' equity):		
Paid-in capital (share capital)	7,595,338,182.00	7,595,338,182.00
Capital reserves	19,413,232,852.48	19,413,441,928.63
Other comprehensive income	569,920,000.00	—
Surplus reserves	1,287,924,357.07	1,287,924,357.07
Unallocated profits	8,632,040,068.58	4,298,842,327.27
Total equity attributable to owners of the parent	37,498,455,460.13	32,595,546,794.97
Minority interests	—	—
<b>Total owners' equity</b>	<b>37,498,455,460.13</b>	<b>32,595,546,794.97</b>
<b>Total liabilities and owners' equity</b>	<b>83,082,938,147.98</b>	<b>76,868,253,800.09</b>





## CASH FLOWS STATEMENT

Unit: RMB Yuan

Items	Accumulated amounts for January to September in 2017	Accumulated amounts for January to September in 2016
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and provision of labor services	4,122,328,568.21	4,871,931,372.72
Tax refunds received	582,580.05	-
Cash received relating to other operating activities	313,499,500.58	4,753,699,418.22
<b>Sub-total of cash inflows from operating activities</b>	<b>4,436,410,648.84</b>	<b>9,625,630,790.94</b>
Cash paid for purchase of goods and engagement of labor services	4,829,837,492.57	4,500,104,401.23
Cash paid to and on behalf of employees	1,423,400,981.80	1,340,527,775.98
Payments of all types of taxes	243,700,125.98	371,054,248.87
Cash paid relating to other operating activities	450,078,420.64	1,941,766,583.27
<b>Sub-total of cash outflows from operating activities</b>	<b>6,947,017,020.99</b>	<b>8,153,453,009.35</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>(2,510,606,372.15)</b>	<b>1,472,177,781.59</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from return of investment	-	-
Cash received from investment gain	6,267,497,345.15	510,000,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,606.89	3,429,372.85
Net cash received from disposal of subsidiaries and other operating units	-	-
Cash received relating to other investing activities	17,053,070.00	-
<b>Sub-total of cash inflows from investing activities</b>	<b>6,284,553,022.04</b>	<b>513,429,372.85</b>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,136,423,608.69	1,134,446,741.80
Cash paid for investment	1,226,718,964.15	1,330,425,763.43
Net cash paid for acquisition of subsidiaries and other operating units	-	-
Cash paid relating to other investing activities	308,611.50	531,369,386.22
<b>Sub-total of cash outflows from investing activities</b>	<b>2,363,451,184.34</b>	<b>2,996,241,891.45</b>
<b>Net cash flows from/(used in) investing activities</b>	<b>3,921,101,837.70</b>	<b>(2,482,812,518.60)</b>

Items	Accumulated amounts for January to September in 2017	Accumulated amounts for January to September in 2016
<b>III. Cash flows from financing activities:</b>		
Cash received from investors	–	–
Cash received from borrowings	18,207,341,000.00	16,275,562,500.00
Cash received relating to other financing activities	2,009,076,166.00	–
<b>Sub-total of cash inflows from financing activities</b>	<b>20,216,417,166.00</b>	<b>16,275,562,500.00</b>
Cash paid for repayment of debts	17,521,250,000.00	14,444,041,800.00
Cash paid for distribution of dividends or profits or payment of interests	2,995,312,501.16	1,865,514,831.74
Cash paid relating to other financing activities	2,133,145.41	5,981,259.71
<b>Sub-total of cash outflows from financing activities</b>	<b>20,518,695,646.57</b>	<b>16,315,537,891.45</b>
<b>Net cash flows used in financing activities</b>	<b>(302,278,480.57)</b>	<b>(39,975,391.45)</b>
<b>IV. Effect of changes in exchange rate on cash and cash equivalents</b>	<b>(10,291.65)</b>	<b>45,342.43</b>
<b>V. Net increase/(decrease) in cash and cash equivalents</b>	<b>1,108,206,693.33</b>	<b>(1,050,564,786.03)</b>
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>1,660,189,037.45</b>	<b>551,737,873.65</b>

*Note: The financial information in this operating results update is prepared in accordance with the Accounting Standards for Business Enterprises of the PRC and has not been audited.*

By order of the board of directors  
**BAIC Motor Corporation Limited**  
**Xu Heyi**  
*Chairman*

Beijing, the PRC, October 27, 2017

*As at the date of this announcement, the board of directors comprises Mr. Xu Heyi, as chairman of the board of directors and non-executive director; Mr. Zhang Xiyong and Mr. Zhang Jianyong, as non-executive directors; Mr. Chen Hongliang, as executive director; Mr. Qiu Yinfu, Mr. Hubertus Troska, Mr. Bodo Uebber, Mr. Guo Xianpeng, Ms. Wang Jing and Mr. Zhu Baocheng, as non-executive directors; and Mr. Ge Songlin, Mr. Wong Lung Tak Patrick, Mr. Bao Robert Xiaochen, Mr. Zhao Fuquan and Mr. Liu Kaixiang, as independent non-executive directors.*

\* For identification purpose only