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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the "**Board**") of directors (the "**Directors**") of BAIC Motor Corporation Limited (the "**Company**") is pleased to announce the audited results of the Company and its subsidiaries (collectively referred to as the "**Group**" or "**we**" or "**our**") for the year ended December 31, 2024 ("**2024**" or "**reporting period**") in conjunction with the comparative financial data of the previous year.

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2024

		As at December 31,	
	Note	**2024**	2023
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**45,583,570**	47,086,248
Land use rights		**6,380,199**	6,606,030
Investment properties		**222,138**	227,093
Intangible assets		**13,097,743**	10,938,512
Investments accounted for using equity method		**8,073,048**	9,304,861
Financial assets at fair value through other comprehensive income	*6*	**8,312,628**	5,400,973
Deferred income tax assets	*4*	**7,863,476**	7,763,960
Other receivables and prepayments	*7*	**825,231**	504,678
		90,358,033	87,832,355
Current assets			
Inventories		**27,912,590**	23,867,358
Accounts receivable	*5*	**16,800,277**	21,026,946
Advances to suppliers		**154,247**	97,269
Other receivables and prepayments	*7*	**2,177,563**	2,761,952
Restricted cash and term deposits with initial term of over three months		**1,043,203**	2,013,044
Cash and cash equivalents		**33,598,355**	31,124,229
		81,686,235	80,890,798
Total assets		**172,044,268**	168,723,153

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT DECEMBER 31, 2024

	Note	As at December 31, **2024** *RMB'000*	2023 *RMB'000*
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	*8*	**8,015,338**	8,015,338
Other reserves		**22,947,878**	22,556,124
Retained earnings		**26,351,602**	26,437,757
		57,314,818	57,009,219
Non-controlling interests		**21,166,655**	22,374,399
Total equity		**78,481,473**	79,383,618
LIABILITIES			
Non-current liabilities			
Borrowings	*9*	**2,271,010**	6,539,268
Lease liabilities		**262,337**	61,511
Deferred income tax liabilities	*4*	**329,156**	12,524
Provisions		**4,217,521**	3,787,350
Deferred income		**2,193,034**	2,485,420
		9,273,058	12,886,073

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT DECEMBER 31, 2024

	Note	As at December 31, **2024** *RMB'000*	2023 *RMB'000*
Current liabilities			
Accounts payable	*10*	**39,308,419**	35,847,709
Contract liabilities		**1,403,687**	889,385
Other payables and accruals	*11*	**32,858,935**	29,913,089
Current income tax liabilities		**1,469,893**	95,071
Borrowings	*9*	**6,318,369**	6,735,673
Lease liabilities		**94,953**	108,315
Provisions		**2,835,481**	2,864,220
		84,289,737	76,453,462
Total liabilities		**93,562,795**	89,339,535
Total equity and liabilities		**172,044,268**	168,723,153

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	**For the year ended December 31, 2024**	2023
		RMB'000	*RMB'000*
Revenue	*3*	**192,495,606**	197,949,177
Cost of sales	*2(b), 13*	**(161,608,557)**	(159,650,617)
Gross profit		**30,887,049**	38,298,560
Selling and distribution expenses	*2(b), 13*	**(8,568,867)**	(10,068,287)
General and administrative expenses	*13*	**(4,935,786)**	(5,112,859)
Net impairment losses on financial assets		**(96,833)**	(565,224)
Other (losses)/gains, net	*12*	**(104,580)**	16,923
Operating profit		**17,180,983**	22,569,113
Finance income	*14*	**372,608**	525,834
Finance costs	*14*	**(323,036)**	(495,079)
Finance income, net		**49,572**	30,755
Share of loss of investments accounted for using equity method		**(1,253,839)**	(1,599,907)
Profit before income tax		**15,976,716**	20,999,961
Income tax expense	*15*	**(6,143,857)**	(7,373,652)
Profit for the year		**9,832,859**	13,626,309
Profit attributable to:			
Equity holders of the Company		**955,839**	3,030,346
Non-controlling interests		**8,877,020**	10,595,963
		9,832,859	13,626,309
Profit attributable to equity holders of the Company arises from:			
Continuing operations		**955,839**	3,030,346

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	**For the year ended December 31, 2024** *RMB'000*	2023 *RMB'000*
Earnings per share for profit attributable to ordinary shareholders of the Company for the year (expressed in RMB)			
Basic and diluted	*16*	**0.12**	0.38
Profit for the year		**9,832,859**	13,626,309
Other comprehensive income			
Items that may be reclassified to profit or loss			
(Losses)/gains on cash flow hedges, net of tax		**(273,929)**	28,987
Share of other comprehensive losses of investments accounted for using the equity method		**(1,452)**	(6,889)
Currency translation differences		**(72,692)**	(118,889)
Items that will not be reclassified to profit or loss			
Changes in fair values of financial assets at fair value through other comprehensive income		**590,078**	924,166
Other comprehensive income for the year		**242,005**	827,375
Total comprehensive income for the year		**10,074,864**	14,453,684
Comprehensive income attributable to:			
Equity holders of the Company		**1,347,593**	3,875,060
Non-controlling interests		**8,727,271**	10,578,624
		10,074,864	14,453,684
Comprehensive income attributable to equity holders of the Company arises from:			
Continuing operations		**1,347,593**	3,875,060

Note:

1 GENERAL INFORMATION

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

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

The Company was incorporated in the PRC on September 20, 2010 as a joint stock company with limited liability under the 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 the People's Government of Beijing Municipality. The Company's ordinary shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since December 19, 2014.

These financial statements are presented in Renminbi thousand Yuan ("**RMB'000**"), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on March 28, 2025.

2 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) which are measured at fair value.

(a) Going concern

As at December 31, 2024, the current liabilities of the Group exceeded its current assets by approximately RMB2,604 million. The management of the Company has concluded that the Group will have sufficient financial resources to support its operations and to meet its financial obligations and commitments as and when they fall due in the coming twelve months from December 31, 2024 based on the following considerations:

- the Group's continuous net cash generated from operating and financing activities; and
- undrawn short-term and long-term banking facilities of approximately RMB13,527 million and RMB2,100 million respectively as at December 31, 2024.

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, these financial statements have been prepared on a going concern basis.

(b) New standards, amendments to standards and interpretations

The Group has applied the following for the first time for their annual reporting period commencing January 1, 2024:

• Amendments to IAS 1	Classification of Liabilities as Current or Non-current
• Amendments to IAS 1	Non-liabilities with covenants
• Amendments to IFRS 16	Lease liability in sale and leaseback
• Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The above did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

The Ministry of Finance issued the Interpretation No. 18 of Accounting Standards for Business Enterprises (Interpretation No. 18) in 2024. The Interpretation No. 18 has been adopted for preparing the financial statements for the year ended December 31, 2024.

The Group implemented the provisions of the Interpretation No. 18 regarding the warranty which is not determined as a separate performance obligation, and reclassified the warranty cost from selling and distribution expenses to cost of sales in comparative period. The affected amounts are as follows:

	For the year ended December 31, 2023	
	The Group	The Company
Cost of sales	1,771,902	139,703
Selling and distribution expenses	(1,771,902)	(139,703)

Certain new accounting standard and amendments to accounting standards have been published that are not mandatory for December 31, 2024 reporting period and have not been early adopted by the Group.

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

These new standards, amendments to standards and interpretations listed above are not expected to have a material impact on the Group's operations or financial statements in the current or future reporting periods except for the IFRS 18 presentation and disclosure in financial statements ("**IFRS 18**").

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:

  – Foreign exchange differences currently aggregated in the line item "other gains/(losses) – net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

  – IFRS 18 has specific requirements on the category in which derivative gains or losses are recognized – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognizes some gains or losses in operating profit and others in "finance income/(cost) net", there might be a change to where these gains or losses are recognized, and the group is currently evaluating the need for change.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the balance sheet, the group will disaggregate goodwill and other intangible assets and present them separately in the balance sheet.

- The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

  – management-defined performance measures;

  – a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and

  – for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of comprehensive income between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18.

3 SEGMENT INFORMATION

(a) Description of segments and principal activities

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

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

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

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

(b) Profit and loss disclosures, segment assets and segment liabilities

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

	Passenger vehicles – Oil-powered vehicles *RMB'000*	**Passenger vehicles – New energy vehicles** *RMB'000*	**Total** *RMB'000*
For the year ended December 31, 2024			
Total revenue	**184,969,173**	**7,526,433**	**192,495,606**
Timing of revenue recognition			
– At a point in time	**183,359,241**	**7,389,015**	**190,748,256**
– Over time	**1,609,932**	**137,418**	**1,747,350**
	184,969,173	**7,526,433**	**192,495,606**
Segment gross profit/(loss)	**35,328,574**	**(4,441,525)**	**30,887,049**

	Passenger vehicles – Oil-powered vehicles *RMB'000*	Passenger vehicles – New energy vehicles *RMB'000*	Total *RMB'000*
Other profit & loss disclosures:			
Selling and distribution expenses			**(8,568,867)**
General and administrative expenses			**(4,935,786)**
Net impairment losses on financial assets			**(96,833)**
Other losses, net			**(104,580)**
Finance income, net			**49,572**
Share of loss of investments accounted for using equity method			**(1,253,839)**
Profit before income tax			**15,976,716**
Income tax expense			**(6,143,857)**
Profit for the year			**9,832,859**
Other information:			
Significant non-cash expenses			
Depreciation and amortization	**(7,156,077)**	**(1,546,805)**	**(8,702,882)**
Provisions for impairments on assets	**(894,902)**	**(497,937)**	**(1,392,839)**
As at December 31, 2024			
Total assets	**147,353,357**	**24,690,911**	**172,044,268**
Total liabilities	**(91,550,144)**	**(2,012,651)**	**(93,562,795)**

	Passenger vehicles – Oil-powered vehicles *RMB'000*	Passenger vehicles – New energy vehicles *RMB'000*	Total *RMB'000*
For the year ended December 31, 2023			
Total revenue	182,697,179	15,251,998	197,949,177
Timing of revenue recognition			
– At a point in time	180,842,243	15,038,719	195,880,962
– Over time	1,854,936	213,279	2,068,215
	182,697,179	15,251,998	197,949,177
Segment gross profit/(loss) *(Note 2(b))*	42,048,767	(3,750,207)	38,298,560
Other profit & loss disclosures:			
Selling and distribution expenses *(Note 2(b))*			(10,068,287)
General and administrative expenses			(5,112,859)
Net impairment losses on financial assets			(565,224)
Other gains, net			16,923
Finance income, net			30,755
Share of loss of investments accounted for using equity method			(1,599,907)
Profit before income tax			20,999,961
Income tax expense			(7,373,652)
Profit for the year			13,626,309
Other information:			
Significant non-cash expenses			
Depreciation and amortization	(7,097,557)	(1,731,911)	(8,829,468)
Provisions for impairments on assets	(1,142,928)	(78,338)	(1,221,266)
As at December 31, 2023			
Total assets	136,853,428	31,869,725	168,723,153
Total liabilities	(81,359,842)	(7,979,693)	(89,339,535)

There is no customer accounting for 10 percent or more of the Group's revenue for the year ended December 31, 2024 and 2023.

The Group is domiciled in the PRC. The percentage of its revenue from external customers residing in the PRC is approximately 97.5% for the year ended December 31, 2024 (2023: 98.2%).

As at December 31, 2024, the percentage of the Group's non-current assets, other than financial instruments and deferred income tax assets, located in the mainland of the PRC is approximately 98.5% (December 31, 2023: 98.5%).

4 DEFERRED INCOME TAXES

Movements of deferred tax asset balances comprising temporary differences attributable to:

	Provisions for impairment losses	Accruals	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024	**297,225**	**7,853,487**	**986,332**	**9,137,044**
Credited/(charged) to statement of comprehensive income	**209,274**	**547,686**	**(185,533)**	**571,427**
As at December 31, 2024	**506,499**	**8,401,173**	**800,799**	**9,708,471**
At January 1, 2023	228,947	8,493,460	1,284,404	10,006,811
Credited/(charged) to statement of comprehensive income	68,278	(639,973)	(298,072)	(869,767)
As at December 31, 2023	297,225	7,853,487	986,332	9,137,044

Movements of deferred tax liability balances comprising temporary differences attributable to:

	Capitalized interests	Valuation surplus upon acquisition of a subsidiary	Depreciation of fixed assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024	**(12,524)**	**(606,137)**	**(645,818)**	**(121,129)**	**(1,385,608)**
Credited/(charged) to statement of comprehensive income	**4,945**	**18,942**	**(516,380)**	**(296,050)**	**(788,543)**
As at December 31, 2024	**(7,579)**	**(587,195)**	**(1,162,198)**	**(417,179)**	**(2,174,151)**
At January 1, 2023	(16,208)	(625,029)	(486,403)	(156,373)	(1,284,013)
Credited/(charged) to statement of comprehensive income	3,684	18,892	(159,415)	35,244	(101,595)
As at December 31, 2023	(12,524)	(606,137)	(645,818)	(121,129)	(1,385,608)

Note:

Deferred income tax assets and liabilities are presented net to the consolidated balance sheet through setting-off of RMB1,844,995,000 as at December 31, 2024 (December 31, 2023: RMB1,373,084,000).

Deferred income tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group did not recognize deferred income tax assets in respect of losses and deductible temporary differences amounting to approximately RMB60 billion (December 31, 2023: RMB53 billion) that can be carried forward against future taxable income as at December 31, 2024.

The unrecognized tax loss amounting to approximately RMB49 billion (December 31, 2023: RMB42 billion) can be carried forward for utilization in future included in which approximately RMB2 billion, RMB6 billion, RMB33 billion and RMB8 billion being expired in less than 1 year, 1-2 years, 2-5 years and 5-10 years respectively.

5 ACCOUNTS RECEIVABLE

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables, gross *(note (a))*	**12,518,966**	16,722,343
Less: provision for impairment	**(1,457,105)**	(1,286,135)
	11,061,861	15,436,208
Notes receivable measured at *(note (b))*		
– FVOCI	**5,743,081**	5,391,236
– amortized cost	**2,869**	209,881
Less: provision for impairment	**(7,534)**	(10,379)
	16,800,277	21,026,946

Notes:

(a) The majority of the Group's sales are on credit. A credit period may be granted in respect of sales to customers with good credit history and long-established relationship with the Group. The ageing analysis of trade receivables based on invoice date is as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Current to 1 year	**7,218,606**	9,737,170
1 to 2 years	**44,780**	611,225
2 to 3 years	**455,414**	299,601
Over 3 years	**4,800,166**	6,074,347
	12,518,966	16,722,343

Movements of the provision for impairment on trade receivables are as follows:

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
As at January 1	**1,286,135**	890,428
Provision for impairment recognized during the year	**170,970**	395,707
As at December 31	**1,457,105**	1,286,135

(b) All notes receivable are substantially with maturity period of within six months.

(c) Accounts receivable are primarily denominated in RMB and their carrying amounts are reasonable approximations of fair values.

(d) The amounts of accounts receivable pledged as collateral as at December 31, 2024 are as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Notes receivables (i)	**4,372,354**	3,701,644

(i) collateral for notes payable issued by banks

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
At January 1	**5,400,973**	1,597,924
Additional investments *(note (a))*	**2,000,000**	2,878,883
Changes in fair values	**911,655**	924,166
At December 31	**8,312,628**	5,400,973

Notes:

(a) On December 13, 2024, the Company entered into a "Capital Increase Agreement" with Beijing Electric Vehicle Co., Ltd. (hereinafter referred to as "**BAIC BJEV**"), made a capital investment of RMB2 billion to BAIC BJEV and obtained 839,806,844 shares of BAIC BJEV, representing a shareholding percentage of 5.58%. The Company has no significant influence over BAIC BJEV in any way, therefore it was designated as a financial asset at fair value through other comprehensive income.

(b) Balances at December 31, 2024 and 2023 mainly represent 10.99% equity interests in BAIC BluePark New Energy Technology Co., Ltd. ("**BAIC BluePark**") being held by the Company and 4.81% equity interests in BAIC BluePark being held by BAIC Guangzhou Automotive Co., Ltd. ("**BAIC Guangzhou**"), a wholly-owned subsidiary of the Company. BAIC BluePark is an A-share listed subsidiary of BAIC Group and listed on the Shanghai Stock Exchange.

The Board of Directors announced on March 15, 2024 that the Company and BAIC Group entered into an entrustment agreement ("**Entrustment Agreement**"), pursuant to which the Company was entrusted by BAIC Group to exercise the voting rights, right of proposal and submitting proposals, right to call and attend meetings, right of raising enquiries and suggestions and other rights, but excluding disposal rights and rights to income/loss attached to all ordinary shares of BAIC BluePark directly held by BAIC Group (representing 22.90% of the ordinary shares issued by BAIC BluePark). Such rights were entrusted to the Company by BAIC Group with no consideration and were on an irrevocable, exclusive, and sole basis from the date of approval by the Company's extraordinary general meeting for an indefinite period, without the need for the Company to seek the opinion of BAIC Group in advance or to obtain its consent ("**Entrustment**"). The Company announced on May 22, 2024 that the resolution to approve the Entrustment Agreement and the Entrustment contemplated thereunder was duly passed by way of poll at the 2024 second extraordinary general meeting.

Subsequent to the signing and approval of the Entrustment Agreement, BAIC Group and the Group contemplated strategic considerations in relation to increasing competitiveness of the market that BAIC BluePark is operating in and its profitability; the Group's business development plan and focus in order to enhance market competitiveness etc., and decided to terminate the Entrustment Agreement. The Group considers that termination of the Entrustment Agreement will help it to focus on its strategy, to optimise resource allocation and to cope with the keener competition in the industry. The Termination Agreement was executed between the Company and BAIC Group on March 28, 2025 with immediate effect.

Given the aforesaid circumstances, during the year ended December 31, 2024, and the fact that the Group did not nominate or appoint any directors or managerial personnel to BAIC BluePark; had no practical ability to participate in or influence the financial and operating policy-making process of BAIC BluePark; and had no material transaction with or provided any other support to BAIC BluePark, management is of the view that the Group did not have any significant influence over BAIC BluePark in relation to its direct equity holding of 15.8% in BAIC BluePark and the Entrustment Agreement arrangement during the year ended December 31, 2024. The Group's investments in BAIC BluePark were designated as financial assets at fair value through other comprehensive as at December 31, 2024 and for the year then ended.

7 OTHER RECEIVABLES AND PREPAYMENTS

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Value-added tax to be offset	**1,722,067**	1,192,950
Receivables from		
– disposals of property, plant and equipment and land use rights	**526,615**	527,351
– sales of raw materials	**480,801**	594,786
– sales of new energy vehicle credits	**328,340**	328,520
Contracts fulfillment costs	**384,158**	400,330
Service fees	**56,157**	146,602
Interest receivable on call deposits	**22,515**	111,855
Deposits	**13,624**	13,241
Derivative financial instruments *(note (a))*	**–**	293,276
Payments on behalf of a related party	**–**	241,098
Prepayments for property, plant and equipment	**3,979**	12,450
Others	**141,414**	180,223
	3,679,670	4,042,682
Less: non-current portion	**(825,231)**	(504,678)
Less: provision for impairment	**(676,876)**	(776,052)
	2,177,563	2,761,952

Note:

(a) Derivative financial instruments represented forward foreign exchange contracts entered by the Group to hedge against the relative currency movements for settlement of Euro denominated trade payables (the hedged forecast transactions).

The fair values of derivative financial instruments designated in hedge relationships are disclosed in Note 12. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Movements of the provision for impairment on other receivables are as follows:

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
As at January 1	**776,052**	619,047
Provision for impairment recognized during the year	**(99,176)**	157,005
As at December 31	**676,876**	776,052

8 SHARE CAPITAL

	Number of ordinary shares of RMB1 each *(thousands)*	*RMB'000*
At January 1, 2024 and December 31, 2024	**8,015,338**	**8,015,338**
At January 1, 2023 and December 31, 2023	8,015,338	8,015,338

9 BORROWINGS

	As at December 31, **2024** ***RMB'000***	2023 *RMB'000*
Non-current		
Borrowings from financial institutions *(note (a))*	**2,271,010**	4,043,110
Corporate bonds *(note (b))*	**–**	2,496,158
	2,271,010	6,539,268
Current		
Borrowings from financial institutions *(note (a))*	**2,993,612**	1,565,237
Add: current portion of non-current borrowings from financial institutions	**800,862**	1,648,333
Corporate bonds *(note (b))*	**2,523,895**	3,522,103
	6,318,369	6,735,673
Total borrowings	**8,589,379**	13,274,941

Maturity of borrowings

	As at December 31, **2024** ***RMB'000***	2023 *RMB'000*
Current to 1 year	**6,318,369**	6,735,673
1 to 2 years	**1,846,010**	6,139,268
2 to 5 years	**425,000**	400,000
	8,589,379	13,274,941

Contractual repricing dates upon interest rate changes

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**5,225,960**	5,339,103
6 to 12 months	**200,256**	211,646
	5,426,216	5,550,749

Weighted average annual interest rates

	As at December 31,	
	2024	2023
Borrowings from financial institutions	**3.65%**	2.76%
Corporate bonds	**2.92%**	2.63%

Currency denomination

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
RMB	**5,950,623**	10,775,142
United States Dollar ("**USD**")	**2,638,756**	2,492,454
South African Rand	**–**	7,345
	8,589,379	13,274,941

Undrawn facilities at floating rates

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**13,526,932**	24,365,650
Over 1 year	**2,100,000**	7,964,000
	15,626,932	32,329,650

Notes:

(a) Balances at December 31, 2024 include borrowings of RMB952 million (December 31, 2023: RMB1,291 million) obtained from BAIC Group Finance Co., Ltd., an associate of the Group. The remaining balances were obtained from banks.

(b) Corporate bonds are analyzed as follows:

Issuer	**Issue date**	**Interest rate per annum**	**Carrying value**	**Maturity**
			RMB'000	
As at December 31, 2024				
The Company	June 22, 2022	2.88%	1,014,547	3 years
The Company	September 26, 2022	2.65%	1,509,348	3 years
			2,523,895	
As at December 31, 2023				
The Company	November 5, 2021	3.45%	1,004,420	3 years
BAIC Finance Investment Co., Ltd*	March 16, 2021	2.00%	2,492,454	3 years
The Company	June 22, 2022	2.88%	1,013,634	3 years
The Company	September 26, 2022	2.65%	1,507,753	3 years
			6,018,261	

* An investment subsidiary of the Group registered at Hong Kong.

(c) As at December 31, 2024, the carrying amounts of the borrowings approximated their fair values.

10 ACCOUNTS PAYABLE

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade payables	**32,033,789**	29,652,250
Notes payable	**7,274,630**	6,195,459
	39,308,419	35,847,709

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

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Current to 1 year	**31,954,999**	29,456,589
1 to 2 years	**41,582**	27,163
2 to 3 years	**17,721**	97,782
Over 3 years	**19,487**	70,716
	32,033,789	29,652,250

11 OTHER PAYABLES AND ACCRUALS

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Sales discounts and rebates	**15,783,980**	12,884,473
Payables for		
– services	**3,007,285**	3,800,119
– property, plant and equipment and intangible assets	**3,502,098**	3,826,352
– general operations	**2,409,527**	2,586,068
Wages, salaries and other employee benefits	**1,798,310**	1,752,452
Other taxes payable	**1,759,780**	1,106,014
Payables for transportation and warehouse expenses	**1,457,126**	1,124,615
Advertising and promotion	**1,209,385**	1,970,609
Investment payable to a joint venture	**961,963**	–
Derivative financial instruments *(Note 7(a))*	**181,813**	–
Deposits	**64,981**	58,819
Others	**722,687**	803,568
	32,858,935	29,913,089

12 OTHER (LOSSES)/GAINS, NET

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Government grants *(note (a))*	**437,759**	356,183
Loss on disposals of property, plant and equipment and land use rights	**(168,816)**	(56,879)
Income/(loss) on forward foreign exchange contracts with fair value through profit or loss	**30,494**	(10,483)
Foreign exchange loss	**(429,701)**	(267,853)
Others	**25,684**	(4,045)
	(104,580)	16,923

Note:

(a) Government grants are mainly supports related to purchase and construction of the property, plant and equipment of vehicles and engines recognized in deferred income.

13 EXPENSES BY NATURE

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

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Raw materials and consumables used	**136,142,629**	124,787,108
Changes in inventories of finished goods and work in progress	**(5,918,214)**	4,808,590
Depreciation and amortization	**8,702,882**	8,829,468
Service fees and charges	**7,688,448**	8,534,282
Employee benefit costs	**5,678,683**	5,968,785
Daily operating expenses	**2,328,414**	2,712,441
Transportation and warehouse expenses	**2,445,583**	2,438,516
Advertising and promotion	**1,360,560**	1,911,537
Warranty expenses *(note (a))*	**2,360,808**	1,837,994
Provision for impairment on non-financial assets	**1,296,006**	656,042
Auditor's remuneration – audit services	**7,061**	6,773
Others	**13,020,350**	12,340,227
Total cost of sales, selling and distribution expenses, and general and administrative expenses	**175,113,210**	174,831,763

Note:

(a) This is presented net of recharges to other related companies of approximately RMB408,398,000 (2023: RMB1,503,442,000).

14 FINANCE INCOME, NET

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Finance income		
Interest income on deposits in financial institutions	**372,608**	525,834
Finance costs		
Interest expense on borrowings from financial institutions	**254,109**	259,868
Interest expense on corporate bonds	**112,388**	166,298
Interest expense on loans from immediate parent company and a fellow subsidiary	**9,026**	9,753
Interest expense on lease liabilities	**7,448**	10,627
Unwinding of discount on non-current provisions	**116,238**	165,885
	499,209	612,431
Less: Capitalized interests in qualifying assets	**(176,173)**	(117,352)
	323,036	495,079
Finance income, net	**49,572**	30,755

15 INCOME TAX EXPENSE

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Current income tax	**6,157,009**	6,411,953
Deferred income tax	**(13,152)**	961,699
	6,143,857	7,373,652

According to the New and High-Technology Enterprise Certificate issued by relevant government regulatory bodies, certain entities of the Group in the PRC were qualified as new and high-technology enterprises with preferential corporate income tax rate of 15%.

Except for the aforementioned companies with preferential income tax rate and certain overseas subsidiaries which are subject to statutory income tax rates in respective tax jurisdictions, provision for corporate income tax is calculated at the statutory income tax rate of 25% based on the taxable income of respective Group entities in accordance with the relevant PRC enterprise corporate income tax laws and regulations.

The reconciliation between the Group's actual tax charge and the amount which is calculated based on the statutory income tax rate of 25% in the PRC is as follows:

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Profit from continuing operations before income tax	**15,976,716**	20,999,961
Tax calculated at the statutory tax rate of 25%	**3,994,179**	5,249,990
Effects of preferential tax rates and different tax rates in other jurisdictions	**25,186**	96,606
Impact on share of results of investments accounted for using equity method	**313,460**	399,977
Income not subject to tax	**(10,619)**	(6,635)
Expenses not deductible for tax purposes	**54,073**	27,740
Additional deduction on research and development expenses	**(313,171)**	(245,775)
Unrecognized tax losses/deductible temporary differences utilized	**(27,251)**	(197,589)
Tax losses/deductible temporary differences for which no deferred tax was recognized	**2,108,000**	2,049,338
Income tax expense	**6,143,857**	7,373,652

16 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 year.

	For the year ended December 31,	
	2024	2023
Profit attributable to ordinary shareholders of the Company *(RMB'000)*	**955,839**	3,030,346
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 year *(RMB)*	**0.12**	0.38

Note:

During the years ended December 31, 2024 and 2023, there were no potential dilutive ordinary shares and diluted earnings per share was equal to basic earnings per share.

17 DIVIDENDS

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Proposed not to distribute final dividend (2023: RMB0.13 per share) *(note (a))*	**–**	1,041,994

Note:

(a) The Board of Directors did not propose a final dividend relating to the year ended December 31, 2024.

The final dividend of approximately RMB1,041,994,000 (RMB0.13 per share (tax inclusive)) relating to the year ended December 31, 2023 was approved by the shareholders at the Company's annual general meeting held in June 2024. The Company has paid up the dividends in September 2024.

18 EVENT AFTER THE REPORTING PERIOD

The Board of Directors announces on March 28, 2025 that, due to the reasons set forth under Note 6(b), the Company and BAIC Group entered into an agreement to terminate the Entrustment.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP

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

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

MAJOR BUSINESS OPERATIONS

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

Passenger Vehicles

The Group is accelerating its transformation and upgrade towards new energy and intelligence. Its passenger vehicle product lineup covers internal combustion engine and new energy models. The business of the Group is carried out through four business divisions, namely, Beijing Brand, Beijing Benz, Beijing Hyundai and Fujian Benz.

1. *Beijing Brand*

Beijing Brand, our proprietary brand, covers sedans, SUVs and off-road vehicles in both internal combustion engine and new energy models, providing users with a full range of travel experiences.

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

2. *Beijing Benz*

Beijing Benz Automotive Co., Ltd. ("**Beijing Benz**") is a subsidiary of the Company. The Company holds 51.0% equity interest of Beijing Benz, while Mercedes-Benz Group AG ("**Mercedes-Benz Group**") and its wholly-owned subsidiary, Mercedes-Benz (China) Investment Co., Ltd. (梅賽德斯－奔馳(中國)投資有限公司), together hold another 49.0% equity interest in Beijing Benz. Beijing Benz commenced the manufacturing and sales of passenger vehicles of Mercedes-Benz brand in 2006.

At present, Beijing Benz has become a joint venture enterprise of Mercedes-Benz Group, which has three major vehicle model platforms in the world, namely front wheel drive vehicle, rear wheel drive vehicle and electric vehicle, and an engine plant and a power battery factory, and has realized the export of core parts and components of the engine and the whole machine, which makes Beijing Benz an important part of the global production network of Mercedes-Benz. Models on sale include the all-new EQA SUV, the EQB SUV, the EQE SUV, the EQE, and a number of other pure electric models, the all-new long-wheelbase E-Class-E350 e L plug-in hybrid, the GLC 350 e L plug-in hybrid and other hybrid models, as well as the Mercedes – AMG A 35 L 4MATIC, the long-wheelbase A-Class sedan, the long-wheelbase C-Class sedan, the long-wheelbase E-Class sedan, the all-new longwheelbase GLC SUV, the GLB SUV and the GLA SUV.

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 has been manufacturing and selling Hyundai passenger vehicles since 2002.

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

4. Fujian Benz

Fujian Benz Automotive Co., Ltd. ("**Fujian Benz**") is a joint venture of the Company. The Company holds 35.0% equity interest of Fujian Benz, and establishes an acting-in-concert agreement with Fujian Motor Industry Group Co., which holds another 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 Fujian Motor Industry Group Co.. 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 of Mercedes-Benz brand in 2010. At present, Fujian Benz stays on the leading edge in the field of joint venture premium business purpose vehicles, with production and sales of Mercedes-Benz V-Class vehicles and New Vito products.

Core Parts and Components for Passenger Vehicles

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

We manufacture engines, range extenders, transmissions, new energy reducer and other core automobile parts and components through entities including BAIC Motor Powertrain Co., Ltd., mainly for use in our self-produced vehicles as well as for sale to other automobile manufacturers. Through the combination of cooperative and independent development, we have broken through many technological difficulties, successively completed the development of multiple internal combustion and hybrid engines, range extenders and transmission products, and put them into mass production. Such products have been widely used for Beijing Brand passenger vehicles. In addition, we are gradually expanding product sales to external customers.

Beijing Benz currently has two engine factories and the first power battery factory outside of Germany, producing a variety of engines such as M282, M274, M260A, M254 and other EB42X power with ternary lithium batteries of higher energy density.

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

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 Company Limited and BH Leasing Co., Ltd. and continuously promote the rapid development of car financing businesses by methods including capital investment and business cooperation.

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

International Business

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

BUSINESS OPERATIONS IN 2024

In 2024, adhering to the operational philosophy of "survival, reform and development" and focusing on the "domestic and international" dual strategic markets, the Group continued to consolidate its development base, keep abreast of market changes and develop multi-tech products covering a wide range such as oil vehicles, electric vehicles, hybrid vehicles, extended range vehicles and off-road vehicles. During the reporting period, Beijing Brand, Beijing Benz, Beijing Hyundai and Fujian Benz collectively achieved vehicle wholesale of 0.946 million units and retail sales of 0.983 million units.

1. Ongoing expansion in the new energy segment

In 2024, the Group's ongoing expansion in the new energy segment continuously improved its product matrix. The Group released the Magic Core Electric Drive Super Drive Solution, and launched Beijing Brand's first hybrid product of BJ30, the BJ60 Magic Core Electric Drive Edition, the all-new BJ40 Magic Core Electric Drive Edition and other series of products, as well as Beijing Benz's new EQA and EQB pure electric SUV, the all-new long-wheelbase E-Class-E350 e L plug-in hybrid and GLC 350 e L plug-in hybrid version. To explore in-depth new energy transformation, the Group advanced the establishment of a new energy platform, Mercedes-Benz new energy commercial vehicle platform as well as the launching of Beijing Hyundai's all-new pure electric vehicle models. Our strategic subscription for the shares of Beijing Electric Vehicle Co., Ltd. ("**BJEV**") gave full play to the strategic resource synergy advantages of new energy passenger vehicles.

2. Expanding high-quality overseas markets

In 2024, the Group, which focused on the "domestic and international" dual markets, continuously improved its market control and supporting capabilities and accelerated globalization. The Group leveraged sales increase to drive breakthroughs in quality. It exported 120,000 vehicles during the reporting period, far exceeding its industry peers in terms of growth rate and achieving a leapfrog growth.

During the reporting period, brands under the Group accurately examined the existing market and accelerated the improvement of system capacity. Beijing Brand broke through the limitation of relying on a single market, and the market sales share such as Europe, Mexico and the Middle East has increased significantly. Products such as BJ40 and Magic Cube entered emerging markets such as Indonesia and Malaysia, achieving export sales of 65,000 vehicles throughout the year, and the global layout has entered a new chapter; Beijing Benz has built a resilient supply chain network, and expanded new export channels for parts and engines of E-Class, with the Spanish market showing an excellent performance; Beijing Hyundai has promoted the implementation of the "In China, For the World" strategy, and continuously expanded its market share through popular products such as Sonata, Elantra, MUFASA, Tucson and Santa Fe, achieving export sales of 55,000 vehicles throughout the year, an increase of more than 200% year-on-year.

3. Significant development of proprietary businesses

In 2024, with focus on building "high-quality domestic products and off-road family", Beijing Brand proritized off-road matrix and extensively explored off-road and crossover off-road sectors, achieving sales of 173,000 vehicles over the year. The proportion of off-road vehicle sales continued to increase as a result of partial breakthroughs in niche markets. By sticking to the main developing path of "electric off-road" throughout the year, it released the Magic Core Electric Drive Super Drive Solution and a variety of Magic Core Electric Drive series products, creating a new pattern of "oil-electric dual engine", and officially entering the era of "electric off-road". At the same time, it launched the all-round development strategy plan of "Western Region Off-road Vehicles" in a forward-looking vision and built the "Western Off-road Experience Matrix" to stimulate the vitality of the western market and contribute to the significant development of Beijing Brand.

4. Win-win cooperation for the future

The Group has always adhered to the cooperation concept of "achieving win-win outcomes with partners" and is committed to promoting sustainable development between both parties through in-depth cooperation and resource sharing for the future.

We continued to deepen our cooperation with Mercedes-Benz Group. During the reporting period, Beijing Benz launched four new energy vehicle models, namely EQA, EQB, E350 e L and GLC plug-in hybrid version, and Fujian Benz launched a new generation of V-Class MPV and a new generation of Vito MPV. In the future, the Group will continue to work together with Mercedes-Benz Group to accelerate the implementation of its new platform and models in China, expand cooperation in the fields of intelligence and new energy, and share long-term development opportunities.

Furthermore, we have worked in collaboration with Hyundai Motor to deepen cooperation in economic and mid-to-high-end technology platforms between China and South Korea, accelerate the development of highly competitive new energy products, and jointly increase capital investment in Beijing Hyundai in an effort to support its intelligent and new energy transformation. In the future, Beijing Hyundai will continue to adhere to long-termism, rely on a brand new platform to launch the first pure electric model, gradually develop a number of new energy vehicle models covering pure electric, extended-range and other power types, and leverage shareholders of both parties to promote the implementation of the "In China, For the World" strategy.

5. **Technological innovation empowering development**

The Group has always firmly believed that research, development and innovation are the key driving forces for future development, and has continued to promote the construction of the research and development system and the enhancement of its innovation capability. The Group insisted on controlling its core technology to empower its high-quality development.

In 2024, the Group actively promoted independent research and development of core technologies, facilitated the substitution of key automotive-grade domestic chips, and enhanced the capability of independent control. We deepened the layout of intelligent cockpit, intelligent driving and off-road technology, and independently developed the high-speed (4.0 ratio) transfer case technology, all-wheel drive technology, all-terrain intelligent comprehensive control ATS3.0 system and SOA service software for intelligent cockpits to achieve full coverage on road conditions encountered by vehicles, further enhancing the off-road performance. Beijing Hyundai's new self-developed ccNC intelligent network architecture was successfully embedded in three main products, namely the 11th-generation Sonata, the fifth-generation Santa Fe and the all-new Tucson L. The OTA remote technology of the vehicle was further upgraded to support the quick iteration of product performance. Beijing Benz completed the localization of volute and 48V battery, creating a benchmark project for localization.

6. **Fulfilling promises and honouring commitments under low carbon and green action**

The Group adhered to the development philosophy of "innovation, coordination, green, openness and sharing", proactively responded to the national "dual carbon" guideline and continuously explored high-quality, sustainable approaches. In 2024, Beijing Benz's intelligent factory was upgraded again, and the concepts of green and low carbon were incorporated in the manufacturing process. It officially put into use the zero-carbon technology laboratory, accelerated the implementation of low-carbon innovation achievements, and was rated as a "leading" enterprise in industrial carbon peaking of China. On the basis of being recognized as a national green factory, Beijing Hyundai further deepened supply chain green management and was awarded as a national "Enterprise under Green Supply Chain Management". Meanwhile, Beijing Brand proactively fulfilled corporate social responsibility through releasing the "Western Region Off-road Vehicles" plan to provide exclusive and preferential policies for the western market, so as to contribute to the economic development of the western region.

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.

The Zhuzhou and Guangzhou plants of Beijing Brand have implemented an advanced digital and intelligent production quality management system, which focuses on enhancing the design and manufacturing processes of vehicle products, continuously improving the accuracy of implementing digital standards and enhancing product quality.

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

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

Sales Network

The Group always attaches great importance to the rights and interests of customers and strives to optimize its product-service system, aiming to enable product distributors and customers to receive timely, efficient, accurate and high-quality services. There are independent marketing channels for all brands.

Beijing Brand embarked on a new journey, leveraging innovative marketing and the operation of a new media matrix to support online sales at the end terminals, and continued to optimize channel layout. The service end closely focused on customer pain points and drove service ecosystem construction, while the customer end concentrated on clubs, APPs, and word-of-mouth communication, deepening systematized operations.

Beijing Benz continued to promote the network upgrade program, and constantly improved the image upgrade, function optimization, process design and service team of offline outlets, which helped improve the customer experience and the operational efficiency of dealers to a new level. At the same time, it focused on digital marketing based on data and new media, and strengthened dealer training and talent development to digitally empower retail and support business development. Beijing Benz kept a close eye on the profitability of dealers and pushed forward their efforts to improve quality and increase efficiency by focusing on key cost items.

Beijing Hyundai has actively promoted the optimization of its network layout and continued to enhance the healthy development of its channels. Through innovative marketing strategies focusing on trending topics and increased technical brand identity publicity, it boosted the popularity of its brand and models. Beijing Hyundai continued to promote fan marketing to achieve accurate marketing/service/lead management, facilitating the conversion of customer value.

Industry Chain Extension and Cooperation

In 2024, the Group continuously promoted the integration of industry and finance and industrial cooperation in various fields, further optimized the industry chain covering research, production, supply and marketing, focused on principal businesses and enhanced its competitiveness.

On 2 September 2024, the Company and BJEV, a non-wholly owned subsidiary of BAIC Group (being the sole controlling shareholder of the Company), entered into the Framework Agreement, pursuant to which the Company conditionally agreed to subscribe for the subscription shares to be issued by BJEV at a price per subscription share of approximately RMB2.3815, representing the appraised net asset value per share of BJEV based on the valuation report as filed with the competent organization. The total subscription price shall be RMB2 billion (the "**Subscription**"). At the 2024 third extraordinary general meeting convened on 17 October 2024, the Company approved the Subscription, and entered into a capital increase agreement in relation to the Subscription with BJEV and BAIC BluePark on 13 December 2024. Upon the completion of the Subscription, the Company will hold 839,806,844 shares in BJEV. The Subscription will help the Company to further invest in the new energy passenger vehicle sector, share the development returns, and leverage the synergies of strategic resources in relation to new energy passenger vehicles.

On 11 December 2024, BAIC Investment, a non-wholly owned subsidiary of the Company, and Hyundai Motor entered into an agreement, pursuant to which BAIC Investment and Hyundai Motor agreed to jointly inject US$1,095,466,000 into Beijing Hyundai, a joint venture owned as to 50% by each of BAIC Investment and Hyundai Motor, in proportion to their respective interests in the registered capital of Beijing Hyundai, with each party injecting US$547,733,000 (the "**Capital Injection**"). The Capital Injection will be conducted in installment. Upon completion of the Capital Injection, the registered capital of Beijing Hyundai will be increased to US$4,074,005,464 and Beijing Hyundai will remain owned as to 50% by each of BAIC Investment and Hyundai Motor and continue to be accounted as a joint venture of the Company. The Capital Injection into Beijing Hyundai aligns with the strategic collaboration between the Company's proprietary brands and joint venture brands. The Capital Injection by both parties will support Beijing Hyundai in maintaining capital stability in the short term and achieving transformation and development strategies through investment in new technologies and products in the long run. The Capital Injection by BAIC Investment and Hyundai Motor into Beijing Hyundai will further deepen the collaboration between the Company and Hyundai Motor, fostering the long-term development of both Beijing Hyundai and the Company.

Please refer to the relevant announcements of the Company for details of the above collaborations. In the future, the Group will focus on its overall business strategy, optimize effective cooperative relationships and support the Group's various business reform efforts to further enhance its competitive strength.

PERFORMANCE ANALYSIS AND DISCUSSION[1]

Revenue and Net Profit Attributable to Equity Holders of the Company

The Group is principally engaged in the research and development, manufacturing, sales and after-sales services of passenger vehicles. The above businesses have brought sustained and stable revenue to the Group. The revenue of the Group decreased from RMB197,949.2 million in 2023 to RMB192,495.6 million in 2024, representing a year-on-year decrease of 2.8%, mainly attributable to the decrease in sales volume of new energy vehicles, which was partially offset by the increase in sales volume of oil-powered vehicles.

Revenue relating to oil-powered vehicles increased from RMB182,697.2 million in 2023 to RMB184,969.2 million in 2024, representing a year-on-year increase of 1.2%, mainly attributable to the increase in sales volume and changes in the vehicle model mix.

Revenue relating to new energy vehicles decreased from RMB15,252.0 million in 2023 to RMB7,526.4 million in 2024, representing a year-on-year decrease of 50.7%, mainly attributable to the decrease in sales volume.

[1] Based on the adjusted 2023 financial data after corresponding changes to the Company's previous accounting policies in accordance with "ASBE Interpretation 18"

The Group's net profit attributable to equity holders of the Company decreased from RMB3,030.3 million in 2023 to RMB955.8 million in 2024, representing a year-on-year decrease of 68.5%. The basic earnings per share decreased from RMB0.38 in 2023 to RMB0.12 in 2024.

Gross Profit

The Group's gross profit decreased from RMB38,298.6 million in 2023 to RMB30,887.0 million in 2024, representing a year-on-year decrease of 19.4%, mainly due to the decrease in sales volume and the increase in promotional activities.

Gross profit from oil-powered vehicles decreased from RMB42,048.8 million in 2023 to RMB35,328.6 million in 2024, representing a year-on-year decrease of 16.0%.

Gross profit from new energy vehicles decreased from RMB-3,750.2 million in 2023 to RMB-4,441.6 million in 2024, representing a year-on-year increase in loss.

Working Capital and Financial Resources

The Group usually satisfies its daily working capital requirements through self-owned cash and borrowings. The Group's net cash generated from operating activities increased from RMB24,248.9 million in 2023 to RMB29,148.5 million in 2024, representing a year-on-year increase of 20.2%, mainly due to the increase in net cash inflow from operating activities.

As at the end of 2024, the Group had cash and cash equivalents of RMB33,598.4 million, notes receivable of RMB5,738.4 million, notes payable of RMB7,274.6 million, outstanding borrowings of RMB8,589.4 million, unused bank credit lines of RMB15,626.9 million, and commitments for capital expenditure of RMB6,705.7 million. Included in the aforesaid outstanding borrowings were US dollar borrowings amounting to RMB2,638.8 million as at the end of 2024.

Capital Structure

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

The Group's asset-liability ratio (total liabilities/total assets) increased from 53.0% as at the end of 2023 to 54.4% as at the end of 2024, representing a year-on-year increase of 1.4 percentage points, mainly attributable to the increase in the payables.

The Group's net gearing ratio ((total borrowings less cash and cash equivalents)/(total equity plus total borrowings less cash and cash equivalents)) changed from -29.0% as at the end of 2023 to -46.8% as at the end of 2024, mainly attributable to (i) a decrease in total borrowings; and (ii) an increase in cash and cash equivalents.

As at the end of 2024, the total outstanding borrowings were RMB8,589.4 million, including short-term borrowings of RMB6,318.4 million in aggregate and long-term borrowings of RMB2,271.0 million in aggregate. The Group will repay the aforesaid borrowings in a timely manner at maturity.

As of the end of 2024, none of the Group's loan agreements in effect includes any agreement on the obligations to be performed by the controlling shareholder of the Company. In the meantime, the Group also strictly followed all the terms and conditions in its debt covenants, and no default took place.

SIGNIFICANT INVESTMENTS

Total capital expenditures of the Group increased from RMB4,899.1 million in 2023 to RMB5,379.7 million in 2024, representing a year-on-year increase of 9.8%.

Total research and development expenses of the Group increased from RMB3,571.2 million in 2023 to RMB4,292.4 million in 2024, representing a year-on-year increase of 20.2%, mainly due to higher investment in the relevant research and development of new energy vehicles. Research and development expenditures were mainly incurred by the Group for its product research and development activities. Based on accounting standards and the Group's accounting policy, expenses of the aforesaid research and development complied with capitalization conditions had been capitalized accordingly.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not carry out material acquisitions and disposals of subsidiaries, associates and joint ventures during 2024.

FOREIGN EXCHANGE LOSSES[2]

The Group's foreign exchange losses increased from RMB278.3 million in 2023 to RMB399.2 million in 2024, mainly due to (i) the effective control on the foreign exchange rate risks due to the judgment in foreign exchange forward contracts; and (ii) the increase in exchange losses from Euro-denominated payments as a result of the changes in the exchange rate of RMB against Euro.

[2] Foreign exchange gains include foreign exchange forward contracts at fair value through profit or loss

The Group used foreign currencies (primarily Euro) to pay for part of its imported parts and components. It had borrowings denominated in foreign currencies. Foreign exchange fluctuations may affect the Group's operating results.

The Group has a well-developed foreign exchange management strategy that continuously and orderly controls foreign exchange rate risks of foreign exchange exposure. At present, the Group mainly uses foreign exchange forward contracts as its hedging tool.

REMUNERATION POLICIES

Staff costs incurred by the Group decreased from RMB5,968.8 million in 2023 to RMB5,678.7 million in 2024, representing a year-on-year decrease of 4.9%, which was mainly attributable to the impact of reduction in production and sales as well as control measures such as optimization of shift arrangement.

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

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

PLEDGE OF ASSETS

As at the end of 2024, the Group had pledged bills receivable amounting to RMB4,372.4 million.

CONTINGENT LIABILITIES

As at the end of 2024, the Group had no material contingent liabilities.

PRINCIPAL RISKS AND UNCERTAINTIES

1. Risks relating to macroeconomic volatility

Macroeconomic performance will have an impact on consumer demands for automobiles, and therefore will affect the Group's operating performance. If China's economic growth slows down, it may lead to a decrease in the purchasing power of residents, which in turn curbs the automobile consumption and reduces the customer demand for the Group's products, thus adversely affecting the Group's financial situation, operating results and prospects. The Group will continuously pay attention to China's macroeconomic situation, and take measures in due course to respond to fluctuations in the economic environment.

2. Risk of increased market competition

The Group operates in a highly competitive industry with fierce market competition. According to the statistics of China Association of Automobile Manufacturers ("**CAAM**"), in 2024, the sales volume of passenger vehicles was 27.563 million units, representing a year-on-year increase of 5.8%, demonstrating a steady development trend. The automobile industry, as one of the new driving forces to promote the quality of the economy, is expected to further restructure and upgrade under greater pressure. In addition, the industry will experience continuous technological reforms in the development of electrification, networking and intelligence. It is expected that the market size of new energy vehicles will further expand, bringing intensified market competition. If the Group fails to take appropriate measures to maintain and improve its market position, its future results of operations will be adversely affected. The Group will continuously pay attention to the market conditions and take measures in due course to maintain and improve its market position.

3. Risks relating to the price fluctuation and supply of raw material

The key raw materials used by the Group in the research and development, production and sales of automobiles include battery core materials (e.g. lithium, cobalt), steel, aluminum, rubber, plastics and paint, etc.. If the prices of the above bulk raw materials continue to fluctuate, it will exert an impact on the Group's production costs. The Group needs to accommodate the construction of supply chain resilience, technological innovation as well as flexible market strategy to cope with the dual challenges of raw material price fluctuation and supply.

OUTLOOK OF 2025

Prospect for the Development of Passenger Vehicle Industry in 2025

In 2025, adhering to the general principle of pursuing economic progress while maintaining stability, China will implement more proactive and effective macro policies, which will help further strengthen confidence in development and stimulate market vitality. It is expected that the passenger vehicle market will continue to demonstrate a stable and improving development trend in 2025. According to the projection of CAAM, the sales volume of China's passenger vehicles will increase by approximately 5% in 2025.

CAAM and relevant authoritative institutions are of the opinion that the macroeconomy and automobile industry development in 2025 will manifest the following main trends:

1. The macroeconomy will maintain the basic trend of long-term improvement

In 2025, China's economy will continue to maintain the basic trend of long-term improvement and high-quality development. China will expand domestic demand in all aspects to boost resident consumption, unswervingly deepen reform and expand opening up to further liberate and develop productivity, stimulate and enhance economic vitality. The implementation of policies such as "implementing special actions to boost consumption" and "further expansion of the implementation of 'large-scale equipment renewal and consumer goods trade-in' policy" will effectively motivate the potential of domestic demand and provide stronger demand impetus for the stable operation and positive development of the economy.

2. China's automotive market will show a stable and positive development trend

In 2025, China's automotive market will continue to maintain a stable and positive development trend driven by policy support, technological innovation and market demand. With the continuous improvement of market acceptance, speedy iteration of product technology and accelerated popularization of intelligence, the new energy vehicle market will continue to maintain a rapid growth and become the core force driving the growth of the automotive market.

OPERATIONAL STRATEGY OF THE GROUP FOR 2025

In 2025, the Group will continue to implement the operating philosophy of "survival, reform, and development", target the goal of advancement and improvement, focus on key sectors such as off-road, crossover off-road models, SUVs, mid-to-high-end hybrids, etc., keep up with the market rhythm, optimize its product matrix, and increase the proportion of high-value and popular products. For overseas market, we will take the initiative to explore the target market, adjust the operating model, and form a synergy in various segments of the market so as to maintain a stable growth trend. With product strategic transformation as the core, we will deepen joint venture cooperation to promote the implementation of major projects, persist in innovative development, comprehensively push forward the intelligent and new energy transformation, and take multiple measures to advance high-quality and sustainable development. Beijing Brand will focus on the "off-road family", upgrade the implementation of "Western Region Off-road Vehicles" strategy, and make volume breakthroughs in the off-road and crossover off-road market in all dimensions. With reinforcing production capacity advantages as the core, Beijing Benz will focus on consolidating its production capacity advantage and laying a foundation base for future development, promote the operating transformation of the entire value chain, and advance "electric, digital and low-carbon" transformation. Beijing Hyundai will implement the "In China, For the World" strategy, stabilize its operating rhythm, continuously expand exports, and comprehensively promote new energy transformation. Fujian Benz will continue to focus on economic benefits and steadily proceed electric transformation, striving to achieve the goal of "becoming a respected front-runner in the high-end multi-purpose vehicle market in the new era".

PROFIT DISTRIBUTION

The Board does not recommend the payment of a final dividend for 2024 to the shareholders of the Company (the "**Shareholders**").

MATERIAL LITIGATION

As of the end of 2024, the Company was not involved in any material litigation or arbitration. To the best knowledge of the Directors, there is also no pending material litigation or claim against the Company or material litigation or claim against the Company which may have material adverse effect to the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

The Company and its subsidiaries did not purchase, redeem or sell any of the Company's listed securities in 2024 (including sale of treasury shares (if any)). As at the end of 2024, the Company did not hold any treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to building and maintaining a high level of corporate governance so as to protect the rights and interests of the Shareholders and enhance its sense of wealth and sense of responsibility. The Company has put together a sound and market-oriented corporate governance structure and established the general meeting, the Board and the strategy and sustainability committee, the audit committee, the remuneration committee and the nomination committee of the Board and the board of supervisors, and implemented corporate governance practices in strict accordance with the articles of association of BAIC Motor Corporation Limited. The Company has adopted the Corporate Governance Code (the "**Corporate Governance Code**") as set forth in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The Company has complied with all applicable code provisions under the Corporate Governance Code throughout 2024 and the Group has complied with all applicable code provisions under the Corporate Governance Code in all material respects.

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**") as set out in Appendix C3 to the Listing Rules as the code of conduct for dealing in securities of the Company by all Directors, supervisors and senior management. In response to the Company's enquiries, all Directors, supervisors and senior management have confirmed that they strictly complied with the Model Code during the reporting period.

AUDIT COMMITTEE

The audit committee of the Board has reviewed the Company's and the Group's 2024 annual results, and the audited consolidated financial statements for 2024 prepared in accordance with the International Financial Reporting Standards.

DATE FOR ANNUAL GENERAL MEETING AND CLOSURE OF SHARE REGISTER OF MEMBERS

For details of the resolutions to be considered and approved at the 2024 annual general meeting of the Company (the "**2024 Annual General Meeting**"), the book closure date of H shares and the date of the 2024 Annual General Meeting, please refer to the circular for the 2024 Annual General Meeting to be sent by the Company in due course.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.baicmotor.com) respectively. The Company will publish the 2024 annual report of the Company containing all the information required by the Listing Rules on the websites of the Company and the Stock Exchange in due course.

By Order of the Board
BAIC Motor Corporation Limited
Yu Dan
Secretary to the Board and Company Secretary

Beijing, the PRC, March 28, 2025

As at the date of this announcement, the Board comprises Mr. Wang Hao, as Chairman of the Board and executive Director; Mr. Hu Hanjun and Mr. Chen Hongliang, as non-executive Directors; Mr. Song Wei, as executive Director; Mr. Peng Jin, Mr. Ye Qian, Mr. Paul Gao, Mr. Kevin Walter Binder, Mr. Gu Tiemin and Mr. Sun Li, as non-executive Directors; Ms. Yin Yuanping, Mr. Xu Xiangyang, Mr. Tang Jun, Mr. Edmund Sit and Mr. Ji Xuehong, as independent non-executive Directors.

* *For identification purpose only*