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北京汽車股份有限公司
BAIC MOTOR CORPORATION LIMITED*
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1958)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of BAIC Motor Corporation Limited (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “**Group**” or “**we**”) for the six months ended June 30, 2025 (the “**Reporting Period**” or the “**first half of 2025**”) together with the comparative figures for the corresponding period in 2024. The results have been prepared in accordance with the International Accounting Standard 34, “Interim Financial Reporting” issued by the International Accounting Standards Board and the disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The audit committee of the Board (the “**Audit Committee**”) and Ernst & Young, the external auditor of the Group, have reviewed the unaudited condensed consolidated interim financial information (the “**Condensed Financial Information**”).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2025

		For the six months ended June 30,	
	<i>Note</i>	2025	2024
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
Revenue	5	82,398,455	94,322,292
Cost of sales		<u>(70,477,919)</u>	<u>(76,749,697)</u>
Gross profit		11,920,536	17,572,595
Selling and distribution expenses		(3,883,378)	(4,293,619)
Administrative expenses		(2,023,801)	(2,366,004)
Net impairment losses on financial assets		(16,348)	(11,509)
Other gains/(losses), net		<u>205,248</u>	<u>(151,286)</u>
Operating profit		6,202,257	10,750,177
Finance income		140,963	200,232
Finance costs		<u>(153,985)</u>	<u>(213,068)</u>
Finance cost, net		(13,022)	(12,836)
Share of loss of investments accounted for using equity method		<u>(34,182)</u>	<u>(504,306)</u>
Profit before tax	6	6,155,053	10,233,035
Income tax expense	7	<u>(2,380,665)</u>	<u>(3,366,737)</u>
Profit for the period		<u>3,774,388</u>	<u>6,866,298</u>
Attributable to:			
Owners of the parent		359,961	1,978,021
Non-controlling interests		<u>3,414,427</u>	<u>4,888,277</u>
		<u>3,774,388</u>	<u>6,866,298</u>
Earning per share attributable to ordinary equity holders of the parent			
Basic and diluted (expressed in RMB)	9	<u>0.04</u>	<u>0.25</u>

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	For the six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit for the period	3,774,388	6,866,298
Other comprehensive income		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Cash flow hedges	393,215	(201,514)
Share of other comprehensive (losses)/gains of investments accounted for using the equity method	–	(1,452)
Exchange differences	75,482	(29,633)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	468,697	(232,599)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(414,881)	1,717,136
Other comprehensive income for the period, net of tax	53,816	1,484,537
Total comprehensive income for the period	3,828,204	8,350,835
Total comprehensive income attributable to:		
Owners of the parent	194,621	3,568,973
Non-controlling interests	3,633,583	4,781,862
	3,828,204	8,350,835

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2025

	<i>Note</i>	June 30, 2025 (Unaudited) RMB'000	December 31, 2024 (Audited) RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		44,819,648	45,583,570
Land use rights		6,289,768	6,380,199
Investment properties		215,132	222,138
Intangible assets		13,088,697	13,097,743
Investments accounted for using equity method		8,440,230	8,073,048
Equity investments designated at fair value through other comprehensive income		7,815,745	8,312,628
Deferred income tax assets		6,975,345	7,863,476
Other receivables and prepayments		426,448	825,231
Total non-current assets		88,071,013	90,358,033
Current assets			
Inventories		28,863,326	27,912,590
Trade and bills receivables	<i>10</i>	17,434,747	16,800,277
Advances to suppliers		319,102	154,247
Other receivables and prepayments		2,879,056	2,177,563
Restricted cash and term deposits with initial term of over three months		1,602,461	1,043,203
Cash and cash equivalents		25,540,848	33,598,355
Total current assets		76,639,540	81,686,235
Total assets		164,710,553	172,044,268

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT JUNE 30, 2025

	<i>Note</i>	June 30, 2025 (Unaudited) RMB'000	December 31, 2024 (Audited) RMB'000
LIABILITIES			
Current liabilities			
Trade and bills payables	11	39,255,117	39,308,419
Contract liabilities		1,312,068	1,403,687
Other payables and accruals		27,495,131	32,858,935
Current income tax liabilities		322,187	1,469,893
Borrowings		6,479,616	6,318,369
Lease liabilities		99,504	94,953
Provisions		1,871,261	2,835,481
Total current liabilities		76,834,884	84,289,737
Net current assets		(195,344)	(2,603,502)
Total assets less current liabilities		87,875,669	87,754,531
Non-current liabilities			
Borrowings		1,846,818	2,271,010
Lease liabilities		216,289	262,337
Deferred income tax liabilities		244,681	329,156
Provisions		5,405,527	4,217,521
Deferred income		1,919,677	2,193,034
Total non-current liabilities		9,632,992	9,273,058
Net assets		78,242,677	78,481,473
EQUITY			
Equity attributable to owners of the parent			
Share capital		8,015,338	8,015,338
Other reserves		22,782,538	22,947,878
Retained earnings		26,711,563	26,351,602
Subtotal		57,509,439	57,314,818
Non-controlling interests		20,733,238	21,166,655
Total equity		78,242,677	78,481,473
Total equity and liabilities		164,710,553	172,044,268

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

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

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

This Condensed Financial Information is presented in thousands of Renminbi Yuan (“**RMB'000**”), unless otherwise stated, and is approved for issue by the Board of Directors on August 26, 2025.

This Condensed Financial Information has not been audited.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2024.

3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of new standards effective as of January 1, 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. One amendment applies for the first time in 2025, but does not have an impact on the interim condensed consolidated financial statements of the Group.

Amendments to IAS 21

Lack of Exchangeability

The amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments are effective for annual reporting periods beginning on or after January 1, 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Group's financial statements.

Going concern

As at June 30, 2025, the current liabilities of the Group exceeded its current assets by approximately RMB195,344 thousands. In respect of given the debt obligations and working capital requirements, management has thoroughly considered the Group's available sources of the funds as follows:

- the Group's continuous net cash generated from operating; and
- undrawn short-term and long-term banking facilities of approximately RMB33,819 million as at June 30, 2025.

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.

4 OPERATING SEGMENT INFORMATION

During current period, the Group optimized its business structure to further enhance resource allocation and efficiency. All business operations of the Group are related to the production and sales of automobiles and auto parts, research and development, and related technical services. Accordingly, the Group's performance is comprehensively reviewed under a single business category, and the amounts previously reported under the reportable operating segments have been aggregated to conform with the current period's presentation.

There is no customer accounting for 10 percent or more of the Group's revenue for each of the six months ended June 30, 2025 and 2024.

The Group is domiciled in the PRC. The percentage of its revenue from external customers residing in the PRC is approximately 96.4% for the six months ended June 30, 2025 (six months ended June 30, 2024: 98.8%).

As at June 30, 2025, 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 98.7% (December 31, 2024: 98.4%).

5 REVENUE

	For the six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Revenue from contracts with customers	82,359,285	94,279,526
Revenue from other sources		
Rental income	39,170	42,766
Total	82,398,455	94,322,292

Revenue from contracts with customers**(a) Disaggregated revenue information****For the six months ended June 30, 2025**

	Total <i>RMB'000</i>
Types of goods or services	
Sales of vehicles	79,051,240
Others	3,308,045
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Total	82,359,285
Geographical markets	
Mainland China	80,249,568
Other countries/regions	2,109,717
Total	82,359,285
Timing of revenue recognition	
Goods transferred at a point in time	81,646,023
Services transferred over time	713,262
Total	82,359,285
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For the six months ended June 30, 2024

	Total <i>RMB'000</i>
Type of goods or services	
Sales of vehicles	90,715,703
Others	3,563,823
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Total	94,279,526
Geographical markets	
Mainland China	93,239,724
Other countries/regions	1,039,802
Total	94,279,526
Timing of revenue recognition	
Goods transferred at a point in time	93,297,251
Services transferred over time	982,275
Total	94,279,526
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6 PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging/(crediting)

	For the six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Depreciation and amortization	4,281,433	4,427,650
Employee benefit costs	2,138,710	2,904,720
Warranty expenses	1,199,577	1,112,811
Impairment on trade receivables	16,348	11,509
Impairment on non-financial assets	764,101	332,898
Foreign exchange losses/(gains)	92,755	297,214
(Gains)/losses on forward foreign exchange contracts with fair value through profit or loss	(136,253)	22,881
Loss on disposals of property, plant and equipment	532	32,055
Government grants	(163,172)	(198,907)
	<u>2,380,665</u>	<u>3,366,737</u>

7 INCOME TAX

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

Except for the aforementioned companies and certain overseas subsidiaries which are subject to the statutory income tax rates in respective tax jurisdictions, provision for income tax is calculated at the statutory income tax rate of 25% based on the taxable income of each group entity at the end of June 30, 2025 and June 30, 2024, in accordance with the relevant rules and regulations of corporate income tax in the PRC.

	For the six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current income tax	1,574,179	3,286,791
Deferred income tax	806,486	79,946
	<u>2,380,665</u>	<u>3,366,737</u>
Total tax charge for the period from continuing operations	<u>2,380,665</u>	<u>3,366,737</u>

8 DIVIDENDS

The Board of Directors of the Company does not recommend the payment of any interim dividend for the six months ended June 30, 2025 (six months ended June 30, 2024: Nil).

9 EARNINGS PER SHARE

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

	For the six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit attributable to ordinary shareholders of the Company (<i>RMB'000</i>)	359,961	1,978,021
Weighted-average number of ordinary shares in issue (<i>thousands</i>)	8,015,338	8,015,338
Earnings per share for profit attributable to ordinary shareholders of the Company for the period (<i>RMB</i>)	0.04	0.25

Note: During the six months ended June 30, 2025 and 2024, there were no potential dilutive ordinary shares and diluted earnings per share was equal to basic earnings per share.

10 ACCOUNTS RECEIVABLE

	June 30,	December 31,
	2025	2024
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Trade receivables, gross (<i>note (a)</i>)	12,713,226	12,518,966
Less: provision for impairment	(1,505,439)	(1,457,105)
	11,207,787	11,061,861

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 credit period is generally 15 days, extending up to six months for major customers. Each customer has a maximum credit limit. The ageing analysis of trade receivables based on invoice date is as follows:

	June 30, 2025 (Unaudited) RMB'000	December 31, 2024 (Audited) RMB'000
Within 1 year	7,467,071	7,218,606
1 to 2 years	45,062	44,780
2 to 3 years	280,872	455,414
Over 3 years	4,920,221	4,800,166
	<u>12,713,226</u>	<u>12,518,966</u>

Notes receivable (*note (b)*) measured at

– FVOCI		
– amortized cost	6,234,494	5,743,081
Less: provision for impairment	–	2,869
	<u>(7,534)</u>	<u>(7,534)</u>
	<u>6,226,960</u>	<u>5,738,416</u>

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

	June 30, 2025 (Unaudited) RMB'000	December 31, 2024 (Audited) RMB'000
Notes receivables (i)	<u>4,754,910</u>	<u>4,372,354</u>

- (i) collateral for notes payable issued by banks

11 TRADE AND NOTES PAYABLE

	June 30, 2025 (Unaudited) RMB'000	December 31, 2024 (Audited) RMB'000
Trade payables	28,587,980	32,033,789
Notes payable	10,667,137	7,274,630
	<u>39,255,117</u>	<u>39,308,419</u>

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

	June 30, 2025 (Unaudited) RMB'000	December 31, 2024 (Audited) RMB'000
Current to 1 year	28,410,381	31,954,999
1 to 2 years	126,559	41,582
2 to 3 years	21,454	17,721
Over 3 years	29,586	19,487
	<u>28,587,980</u>	<u>32,033,789</u>

BUSINESS OVERVIEW

I. 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 strength.

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 operation 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 oil-powered and new energy models, providing users with a full range of travel experiences.

Beijing Brand adheres to the proposition of “making high-quality cars for users”, always takes technological breakthroughs as the core and focuses on product iteration, building a user-oriented enterprise that fosters deep connection with users. Focusing on the off-road and crossover off-road sectors and starting from “China’s Pioneer of Off-Road Vehicles”, Beijing Brand achieved breakthrough innovations in the sector of off-road electrification through deep integration of off-road heritage and new energy technology, leading the new trend in “electrified” travel of off-road vehicles. Relying on the main power label of “extended range”, Beijing Brand continues to deepen its hybrid technology. By upgrading “Jimu 2.0” Vehicle Technology, “Borderless” Off-Road Technology, “Pioneer” Intelligence Technology, etc., Beijing Brand continuously strengthens its technical strength and strives to create off-road and crossover off-road products, providing consumers with a full range of travel solutions from urban to off-road. Among which, BJ30 magic core is positioned as the “Leader of RMB100,000 Level Hybrid Square Boxes”; BJ40e REEV Edition is known as the “Camping Car”; BJ40 Fuel Edition has become the “Professional Off-Road Fuel-saving Leader” with excellent performance; BJ60 meets high-end demands with its positioning of luxury off-road SUV. At the same time, Beijing Brand also has urban SUV hybrid 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, to fully address the diversified demand of different consumer groups.

In the future, Beijing Brand will continue to deepen technological innovation, promote product upgrades, forming more than ten vehicle models covering three major categories, including fuel, pure electric and hybrid. The Group will endeavor to its best to deliver excellent, safe and intelligent travel experiences through high-quality products, innovation technologies and caring services.

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 is 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, as well as 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, making Beijing Benz an important part of the global network of Mercedes-Benz. On this basis, Beijing Benz has successively produced the fuel models such as the long-wheel base E-Class sedan and the long-wheel base GLC SUV, and successively launched a number of pure electric and hybrid models such as EQE, EQE SUV, E350 e L and GLC 350 e L.

3. *Beijing Hyundai*

Beijing Hyundai Motor Co., Ltd. (“**Beijing Hyundai**”) is a joint venture of the Company. The Company holds 50.0% equity interest in Beijing Hyundai through its subsidiary BAIC Investment Co., Ltd., while Hyundai Motor Company holds another 50.0% equity interest in 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 many types of oil-powered 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 has currently built two modern engine production bases and has established the first power battery factory outside of Germany, mainly producing advanced engines and power battery products covering a number of series such as M282, M260A and M254.

Beijing Hyundai has been manufacturing engines since 2004. Its current products are mainly Gamma II series 1.5L/1.6L displacement engines. 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 Co., Ltd. and BH Leasing Co., Ltd. and continuously promote 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 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 technology¹ cooperation, vehicle distribution, etc. In addition, BAIC Automobile SA Proprietary Limited, a joint venture of the Company, is responsible for the production and operation of the South African production base and the marketing business in relevant markets.

¹ means knocked-down

II. INDUSTRY DEVELOPMENT IN THE FIRST HALF OF 2025

In the first half of 2025, the automotive industry continued to maintain a good momentum. Among which, new energy vehicles maintained a rapid growth and continued to drive industrial transformation and upgrading; the exports of automobile sustained growth resilience, underpinning the overall growth of the automobile market; and the proportion of sales volume of Chinese-branded passenger vehicles increased, maintaining a high level. According to data from the China Association of Automobile Manufacturers (CAAM), the sales volume of passenger vehicles in the first half of 2025 amounted to 13.531 million units, representing a year-on-year increase of 13%. Exports of passenger vehicles totaled 2.581 million units.

In terms of industry policies, the National Development and Reform Commission (NDRC) and the Ministry of Finance issued the “Notice on Expanding the Implementation of Large-scale Equipment Renewal and Consumer Goods Trade-in Policy by 2025”, aiming at continuously reviving the terminal demand in the automotive market and boosting industry development.

III. OPERATIONAL PERFORMANCE OF THE GROUP IN THE FIRST HALF OF 2025

In the first half of 2025, guided by the philosophy of “survival, reform and development”, the Group focused on the “domestic and international” dual strategic markets as well as popular product portfolios, with an objective to maintain stable sales, optimize operational efficiency and improve operational quality. During the Reporting Period, Beijing Brand, Beijing Benz, Beijing Hyundai and Fujian Benz collectively achieved vehicle wholesale of 421,000 units and vehicle retail sales of 427,000 units.

Adhering to the direction of new energy development

The Group steadfastly adhered to the direction of new energy development and constantly enhanced new energy product matrix to promote strategic in-depth breakthroughs in new energy sector.

During the Reporting Period, Beijing Brand developed BJ30 and BJ40 extended range binary star products, achieving a mutual integration of off-road and new energy technologies. Beijing Benz continued to perfect its product lineup of “parallel operation of both fuel and electric models” and made the debut of its first vehicle model based on Mercedes-Benz module structure (MMA), i.e. the all-new pure electric long-wheelbase CLA, at the 21st Shanghai International Automobile Industry Exhibition, further expanding its pure electric portfolio. Beijing Hyundai’s first pure electric SUV made its public debut, embarking on a new journey of making comprehensive layout in the new energy industry. Fujian Benz has comprehensively launched the construction of Mercedes-Benz new energy commercial vehicle platform (VAN.EA) in China, and steadily advanced its all-new luxury pure electric MPV project based on such platform, which will usher in an all-new strategic upgrade and leap in product matrix.

Fully focusing on the off-road sector

In the first half of 2025, Beijing Brand experienced a comprehensive transformation and rejuvenation. During the Reporting Period, BJ40e REEV Edition, positioned as super extended range and intelligent driving hardcore SUV, was launched to the market, marking that Beijing Brand has established a three-dimensional product matrix featuring off-road, crossover off-road and hardcore off-road SUV, covering all off-road scenarios. Since its launch, BJ40e REEV Edition continued to take the lead in square box sector. Starting from the launch of BJ40e REEV, the BJ series models will undergo a complete rejuvenation and iteration with the dual support of new energy and intelligent technologies. During the Reporting Period, a series of Beijing Brand products such as BJ30, BJ40 Honor, and all-new BJ40 made their debut in the international market, achieving breakthroughs in overseas expansion. In the future, Beijing Brand will launch a variety of new flagship products, delivering high-quality products, innovative technologies and caring services to offer users a more excellent, safe and intelligent off-road life experience. These initiatives will fully push forward Beijing Brand from the “Pioneer of China’s Off-Road Vehicles” to the “Leader of China’s Off-Road Vehicles”.

Paving a new marketing pathway

In the first half of 2025, the Group fully embraced new media, establishing a new media communication matrix and a premium content ecosystem to empower the integration of “research, production, supply, sales and service”. Beijing Brand leveraged its new media matrix to release diverse content, refine interactive mechanisms, and promptly address public concerns, transforming new media into its primary communication platform. The plan of “Western Region Off-road Vehicles” continued to gain momentum, integrating western regional characteristics with off-road capabilities while focusing on five key elements, namely “product, policy, experience, service and ecosystem”, to drive dual enhancement of both brand equity and market performance. Beijing Benz launched the marketing campaign of “Exploring BBAC with Our Host”, spotlighting the “hidden” excellence in manufacturing. This initiative has evolved into a “blockbuster IP”, effectively driving marketing engagement. Beijing Hyundai has effectively amplified brand influence through live-streaming initiatives and co-creation with vehicle owners, driving measurable sales growth.

Building a user-centric enterprise

BAIC Motor has long adhered to its founding vision of “user-oriented”, driving brand renewal and upward mobility through relentless self-reinvention. During the reporting period, BAIC Motor proactively adapted to market shifts and user demands. Staying true to its user-centric, market-driven philosophy, Beijing Brand achieved holistic evolution across brand equity, product portfolio, and user experience. Meanwhile, Beijing Benz introduced the all-new pure electric long-wheelbase CLA, exclusively crafted for the market in China, expanding premium electric mobility choices for consumers.

Moving forward, BAIC Motor will implement a multi-dimensional layout encompassing product portfolio enhancement, premium service upgrades, and ecosystem experience optimization to consistently elevate customer satisfaction and empower extraordinary journeys.

Breakthroughs in overseas operations across multiple fronts

The Group steadfastly advanced the strategic deepening of its overseas operations, holistically strengthened its global business framework capabilities. During the Reporting Period, Beijing Brand accelerated overseas product development and certification and launched multiple best-selling models in international markets, continuously refining channel development and achieving significant improvements in quantitative expansion and qualitative upgrade of dealer network, which laid a solid foundation for further overseas growth. Meanwhile, Beijing Hyundai actively explored new export markets, diversifying both its vehicle lineup and regional coverage, aiming to elevate operational excellence through its dual-driver strategy of “domestic sales + exports”.

Sales network

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

Beijing Brand has undergone a brand refresh and upgrade, driving sales network enhancements through a dual-drive strategy of channel innovation and user operations to expand market reach and brand penetration. In the first half of 2025, several new outlets were added. At the same time, a new type of channel partnership with dealers has been built to achieve win-win development between manufacturers and dealers. Moreover, it continued to drive sales growth by improving terminal capabilities. In terms of user operation, the brand employed a two-pronged approach of innovative marketing and a new media matrix, boosting brand breakthrough reach and customer acquisition/conversion capabilities.

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 helps 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 dealers’ training and talent development to digitally empower retail and support business development. It kept a close eye on the profitability and risk control of dealers, took proactive measures to formulate network optimization plans, sustaining a more competitive dealer network. By targeting key cost items as leverage points, efforts are made to improve quality and increase efficiency, empowering dealers to improve their holistic operational strength.

Beijing Hyundai has actively promoted the optimization of its network layout, stabilized channel operation and continued to enhance the healthy development of its channels. It strengthened the marketing rhythm by taking advantage of hotspots and created a new media marketing matrix to help increase the exposure of brands and products and promote them on new media platforms. Beijing Hyundai promoted fan marketing and built an online and offline customer operation matrix to achieve accurate marketing, service, line management, assisting in the transformation of customer value.

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, focus on the design and manufacturing processes of vehicle products, continuously improve the accuracy of implementing digital standards and continuously enhance 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. In May 2025, Beijing Benz’s Shunyi Plant was named to the first batch of Beijing’s 2025 Advanced-Level Smart Factory List, recognizing its outstanding achievements in smart manufacturing and digital innovation. 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 ensure equipment accuracy while manufacturing high-quality products that meet customer’s requirements. In the meantime, it reasonably uses flexible production plans and mixed model production to effectively reduce manufacturing costs.

Industry chain extension and cooperation

In the first half of 2025, the Group continuously promoted the coordination of industry and finance and industrial cooperation, refined the industry chain covering research, production, supply and marketing, and reinforced its core competitiveness.

In the future, guided by the overall business strategy, the Group will unleash the potential of internal and external synergy, link all links of the industrial chain, continuously consolidate the foundation for industry competition, and inject strong momentum into sustainable development.

Employees

As at June 30, 2025, the Group had a total of 31,885 employees (as at December 31, 2024: 31,705 employees).

IV. OUTLOOK FOR THE SECOND HALF OF 2025

Looking ahead into the second half of the year, the “large-scale equipment renewal and consumer goods trade-in” policy will be implemented in an orderly manner. Coupled with the continuous enrichment of new product supply by enterprises, it will help drive the growth of automobile consumption. Meanwhile, the external environment is becoming increasingly complex, severe and uncertain, and industry competition will remain fierce.

In the second half of 2025, the Group will focus on the core operations of “marketing empowerment, cost control, and quality improvement” to expand market share, enhance investment efficiency, and promote the achievement of operational goals. Beijing Brand will take the “BJ40 Range-Extender” and “BJ30” box-type vehicle combination as the core, deepen its presence in the target market, empower the dealer system, and drive the acceleration of overall production and sales volume. Beijing Benz will maintain strategic focus, keep up with market changes, and continue to consolidate its leading position in China’s high-end luxury car market. Beijing Hyundai will adhere to the business philosophy of “Making Improvement through Intelligence and Transformation in the Future” and improve the operational quality in the new era of joint ventures. Fujian Benz will uphold the keynote of stable operation, deepen the practice of improving quality and efficiency, and make every effort to help achieve the goal of “becoming a respected front-runner in the high-end multi-purpose vehicle market in the new era”.

MANAGEMENT DISCUSSION AND ANALYSIS

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 Group achieved revenue of RMB82,398.5 million in the first half of 2025, representing a decrease of 12.6% compared to the same period in 2024, which was primarily due to the impact of changes in price competition and sales decline.

The Group recorded a net profit attributable to owners of the parent of RMB360.0 million in the first half of 2025, representing a decrease of 81.8% compared to the same period in 2024. The Group recorded basic earnings per share of RMB0.04 in the first half of 2025.

Gross profit

The Group achieved a gross profit of RMB11,920.5 million in the first half of 2025, representing a decrease of 32.2% compared to the same period in 2024, which was mainly due to the impact of price competition and sales decline.

Working Capital and Financial Resources

The Group usually satisfies its daily working capital requirements through self-owned cash and borrowings. The Group generated net cash from operating activities of RMB1,961.0 million in the first half of 2025, representing a decrease of 83.0% compared to the same period in 2024, which was mainly due to the impact of decreased net cash inflow from operating activities.

As at June 30, 2025, the Group had cash and cash equivalents of RMB25,540.8 million, notes receivable of RMB6,227.0 million, notes payable of RMB10,667.1 million, outstanding borrowings of RMB8,326.4 million, unused short-term and long-term bank credit lines of approximately RMB33,819 million and commitments for capital expenditure of RMB9,539.9 million.

Capital Structure

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

The Group's debt-to-asset ratio (total debt/total assets) was 52.5% as at June 30, 2025, representing a decrease of 1.9 percentage points from December 31, 2024 (the “**end of 2024**”).

The Group's net gearing ratio ((total borrowings less cash and cash equivalents)/(total equity plus total borrowings less cash and cash equivalents)) was -28.2% as at June 30, 2025, representing an increase of 18.6 percentage points from the end of 2024, which was mainly due to a significant decrease in cash and cash equivalents.

As at June 30, 2025, the total outstanding borrowings were RMB8,326.4 million, including short-term borrowings of RMB6,479.6 million in aggregate and long-term borrowings of RMB1,846.8 million in aggregate. The Group will repay the aforesaid borrowings in a timely manner at maturity.

As at June 30, 2025, none of the Group's debt covenants in effect included any agreement on the obligations to be performed by controlling shareholders 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

The Group incurred total capital expenditures of RMB2,464.1 million in the first half of 2025, compared to RMB2,214.1 million in the same period of 2024.

The Group incurred total research and development expenditures of RMB1,372.3 million in the first half of 2025, compared to RMB1,802.3 million in the same period of 2024. 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 or disposals of subsidiaries, associates or joint ventures during the first half of 2025.

FOREIGN EXCHANGE GAINS OR LOSSES²

The Group incurred foreign exchange gains of RMB43.5 million in the first half of 2025, compared to foreign exchange losses of RMB320.1 million in the same period of 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 gains from Euro-denominated payments as a result of the changes in the exchange rate of RMB against Euro.

The Group used foreign currencies (primarily Euro) to pay for part of its imported parts and components. 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.

PLEDGE OF ASSETS

As at June 30, 2025, the Group pledged notes receivable of RMB4,754.9 million.

CONTINGENT LIABILITIES

As at June 30, 2025, the Group had no material contingent liabilities.

MATERIAL LITIGATION AND ARBITRATION

As at June 30, 2025, the Company had no material litigation or arbitration. The Directors were also not aware of any material litigations or claims which were pending or had a significant adverse impact on the Company.

EVENTS AFTER THE REPORTING PERIOD

There were no events that had a significant impact on the Group after the end of the Reporting Period.

INTERIM DIVIDEND

The Board has not made any recommendation on the payment of an interim dividend for the first half of 2025.

² Foreign exchange gains or losses include (gains)/losses on forward foreign exchange contracts with fair value changes through profit or losses

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed securities (including sale of treasury shares, if any) during the Reporting Period.

As at June 30, 2025, the Company did not hold any treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group has been building and maintaining a high level of corporate governance so as to protect the rights and interests of shareholders and enhance corporate value and sense of responsibility. The Company has put together a sound and market-oriented corporate governance structure and established the general meeting, the Board, the strategy and sustainability committee of the Board (the “**Strategy Committee**”), the Audit Committee, the remuneration committee of the Board (the “**Remuneration Committee**”) and the nomination committee of the Board (the “**Nomination Committee**”) and the board of supervisors (the “**Board of Supervisors**”), and implemented corporate governance practices in strict accordance with the Company's articles of association. With reference to the code provisions under Part 2 of the Corporate Governance Code (the “**CG Code**”) as set forth in Appendix C1 to the Listing Rules, the Company has set up the purposes, values and strategies that are consistent with its culture and established a modern corporate governance structure comprising the general meeting, the Board, the Board of Supervisors and senior management that operate independently and are subject to checks and balances.

The Company had complied with the provisions under the CG Code throughout the Reporting Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules as the code of conduct for dealing in securities of the Company by all Directors, supervisors (the “**Supervisors**”) and senior management of the Company.

In response to the Company's enquiries, all Directors, Supervisors and senior management have confirmed that they strictly complied with the Model Code during the Reporting Period.

THE BOARD AND COMMITTEES

Due to work adjustment, Mr. Chen Wei ceased to be the Chairman, a non-executive Director, the chairmen of the Strategy Committee and the Nomination Committee on March 13, 2025. On the same day, the Company convened the 2025 first extraordinary general meeting, at which Mr. Wang Hao was appointed as a non-executive Director and appointed as an executive Director, the Chairman of the Board, the chairmen of the Strategy Committee and the Nomination Committee at the Board meeting held on the same day. The term of office of the Director shall commence from March 13, 2025 until the expiration of the term of the fifth session of the Board. For details, please refer to the announcements of the Company dated February 23, 2025 and March 13, 2025, and the circular of the Company dated February 25, 2025.

Save as disclosed above, there was no change in the composition of the Board, the Strategy Committee, the Audit Committee, the Nomination Committee or the Remuneration Committee from January 1, 2025 and up to the date of this announcement.

BOARD OF SUPERVISORS

On January 16, 2025, Ms. Zhu Yan ceased to be a non-employee representative Supervisor due to work adjustment. For details, please refer to the relevant announcement of the Company dated January 17, 2025.

On March 13, 2025, the Company convened the 2025 first extraordinary general meeting, at which Mr. Xia Peng was appointed as a non-employee representative Supervisor for a term commencing from March 13, 2025 until the expiration of the term of the fifth session of the Board of Supervisors. For details, please refer to the announcements of the Company dated February 23, 2025 and March 13, 2025 and the circular of the Company dated February 25, 2025.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference. As at the date of this announcement, the Audit Committee comprises Mr. Edmund Sit (Chairman), Mr. Hu Hanjun and Mr. Tang Jun, among which two are independent non-executive Directors. The Audit Committee has reviewed with the management the accounting standards and practices adopted by the Group and reviewed the unaudited interim financial statements for the first half of 2025, the 2025 interim results and the 2025 interim report of the Group.

PUBLICATION OF UNAUDITED INTERIM RESULTS AND 2025 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (www.hkex.com.hk) and the website of the Company (www.baicmotor.com), respectively. A 2025 interim report containing all the information required under the Listing Rules will be published on the websites of the Company and the Stock Exchange in due course.

By order of the Board
BAIC Motor Corporation Limited
Wang Hao
Chairman

Beijing, the PRC, August 26, 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; and 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