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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025**

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, 2025 (“**2025**” or “**reporting period**”) in conjunction with the comparative financial data of the previous year.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

		December 31,	
	Notes	2025	2024
		RMB'000	RMB'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		43,401,247	45,583,570
Investment properties		207,799	222,138
Land use rights		6,276,392	6,380,199
Other intangible assets		13,335,438	13,097,743
Financial assets at fair value through profit or loss		166,989	–
Investments in joint ventures		4,021,464	2,191,021
Investments in associates		7,421,076	5,882,027
Equity investments designated at fair value through other comprehensive income		8,512,517	8,312,628
Deferred tax assets	4	6,894,264	7,863,476
Prepayments, other receivables and other assets		333,307	825,231
Total non-current assets		90,570,493	90,358,033
CURRENT ASSETS			
Inventories		21,604,473	27,912,590
Trade and bills receivables	5	25,603,801	16,800,277
Advances to suppliers		244,381	154,247
Prepayments, other receivables and other assets	6	2,918,527	2,177,563
Pledged deposits		2,197,100	1,043,203
Cash and cash equivalents		23,366,389	33,598,355
Total current assets		75,934,671	81,686,235
Total assets		166,505,164	172,044,268

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at December 31, 2025

		December 31,	
	Notes	2025	2024
		RMB'000	RMB'000
CURRENT LIABILITIES			
Trade and bills payables	9	43,668,332	39,308,419
Contract liabilities		2,126,888	1,403,687
Other payables and accruals	10	25,720,387	32,858,935
Interest-bearing bank and other borrowings	8	5,934,723	6,318,369
Lease liabilities		164,018	94,953
Tax payable		483,049	1,469,893
Provision		1,784,924	2,835,481
		<u>79,882,321</u>	<u>84,289,737</u>
Total current liabilities		79,882,321	84,289,737
NET CURRENT LIABILITIES			
		<u>(3,947,650)</u>	<u>(2,603,502)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>86,622,843</u>	<u>87,754,531</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at December 31, 2025

		December 31,	
	Notes	2025	2024
		RMB'000	RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	8	1,986,800	2,271,010
Lease liabilities		224,876	262,337
Deferred tax liabilities	4	436,720	329,156
Provision		5,009,265	4,217,521
Deferred income		1,880,174	2,193,034
		<u>9,537,835</u>	<u>9,273,058</u>
Total non-current liabilities		<u>9,537,835</u>	<u>9,273,058</u>
Net assets		<u>77,085,008</u>	<u>78,481,473</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital	7	8,015,338	8,015,338
Reserves		49,929,284	49,299,480
		57,944,622	57,314,818
Non-controlling interests		<u>19,140,386</u>	<u>21,166,655</u>
Total equity		<u>77,085,008</u>	<u>78,481,473</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2025

	<i>Notes</i>	December 31, 2025 RMB'000	2024 RMB'000
REVENUE	3	164,046,986	192,495,606
Cost of sales		<u>(145,034,619)</u>	<u>(161,608,557)</u>
Gross profit		19,012,367	30,887,049
Other gains and losses		2,501,876	(104,580)
Selling and distribution expenses		(6,649,650)	(8,568,867)
Administrative expenses		(4,388,835)	(4,935,786)
Impairment losses on financial and contract assets, net		(199,474)	(96,833)
Finance costs, net	11	(107,200)	49,572
Share of profits and losses of:			
Joint ventures		(693,328)	(1,503,339)
Associates		222,609	249,500
PROFIT BEFORE TAX		9,698,365	15,976,716
Income tax expense	12	<u>(3,921,547)</u>	<u>(6,143,857)</u>
PROFIT FOR THE YEAR		<u>5,776,818</u>	<u>9,832,859</u>
Attributable to:			
Owners of the parent		122,696	955,839
Non-controlling interests		5,654,122	8,877,020
		<u>5,776,818</u>	<u>9,832,859</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (expressed in RMB)	13	<u>0.02</u>	<u>0.12</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2025

	<i>Notes</i>	December 31,	
		2025	2024
		RMB'000	RMB'000
PROFIT FOR THE YEAR		5,776,818	9,832,859
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
Gains/(losses) on cash flow hedges, net of tax		115,219	(273,929)
Exchange differences:			
Exchange differences on translation of foreign operations		144,256	(72,692)
Share of other comprehensive income of joint ventures		–	(1,452)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		259,475	(348,073)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>			
Changes in fair value of designated at fair value through other comprehensive income		92,733	590,078
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		352,208	242,005
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,129,026	10,074,864
Attributable to:			
Owners of the parent		384,860	1,347,593
Non-controlling interests		5,744,166	8,727,271
		6,129,026	10,074,864

1 CORPORATE AND GROUP INFORMATION

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

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

The Company was incorporated in the PRC on September 20, 2010 as a joint stock company with limited liability under Company Law of the PRC. The immediate parent company of the Company is Beijing Automotive Group Co., Ltd. (“**BAIC Group**”), which is beneficially owned by the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality. 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 have been approved for issue by the Board of Directors on March 25, 2026.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) accounting standards as issued by the International Accounting Standards Board (“**IASB**”), and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. They have been prepared under the historical cost convention, except for equity investments, bills receivable and forward foreign exchange contracts which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

As at December 31, 2025, the current liabilities of the Group exceeded its current assets by approximately RMB3,948 million. In respect of RMB7,546 million dividends paid to the non-controlling interest holder of a subsidiary during the year, and given the debt obligations and working capital requirements, management has thoroughly considered the Group’s available sources of the funds as follows:

- the Group’s continuous net cash generated from operating and financing activities; and
- undrawn short-term and long-term banking facilities of approximately RMB16,948 million and RMB7,305 million respectively as at December 31, 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended December 31, 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in accounting policies and disclosures

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

For annual reporting periods beginning on or after January 1, 2025, amendments to IAS 21 Lack of Exchangeability specifies 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 require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements. The amendments did not have a material impact on the Group's financial statements.

2.3 Issued but not yet effective IFRS accounting standards

The Group has not applied the following new and amended IFRS accounting standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 9 and IFRS 7	<i>Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7¹</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>

¹ Effective for annual periods beginning on or after January 1, 2026

² Effective for annual/reporting periods beginning on or after January 1, 2027

³ No mandatory effective date yet determined but available for adoption

3 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 was no customer accounting for 10 percent or more of the Group's revenue for each of the years ended December 31, 2025 and 2024.

Geographical information

(a) Revenue from external customers

	For the year end December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Chinese mainland	158,597,846	187,806,622
Other countries/regions	5,449,140	4,688,984
Total	<u>164,046,986</u>	<u>192,495,606</u>

The revenue information of continuing operations above is based on the locations of the customers.

(b) Non-current assets

	For the year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Chinese mainland	73,918,479	73,118,365
Hong Kong	–	63,257
Other countries/regions	1,078,244	1,000,307
	<hr/>	<hr/>
Total	74,996,723	74,181,929
	<hr/> <hr/>	<hr/> <hr/>

The non-current asset information of continuing operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

REVENUE, OTHER GAINS AND LOSSES

An analysis of revenue is as follows:

	For the year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Revenue from contracts with customers</i>	163,954,329	192,397,295
<i>Revenue from other sources</i>		
Other lease payments, including fixed payments	92,657	98,311
	<hr/>	<hr/>
Subtotal	92,657	98,311
	<hr/>	<hr/>
Total	164,046,986	192,495,606
	<hr/> <hr/>	<hr/> <hr/>

Revenue from contracts with customers

(a) Disaggregated revenue information

	For the year end December 31,	
	2025	2024
	RMB'000	RMB'000
Types of goods or services		
Sales of Vehicles	151,050,619	183,148,365
Others	12,903,710	9,248,930
Total	<u>163,954,329</u>	<u>192,397,295</u>
Geographical markets		
Mainland China	158,509,758	187,797,649
Other countries/regions	5,444,571	4,599,646
Total	<u>163,954,329</u>	<u>192,397,295</u>
Timing of revenue recognition		
Goods transferred at a point in time	162,907,240	190,748,256
Services transferred over time	1,047,089	1,649,039
Total	<u>163,954,329</u>	<u>192,397,295</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	<u>1,402,609</u>	<u>860,140</u>

(b) Accounting policies of revenue recognition

The Group manufactures and sells passenger vehicles and auto parts to its dealers and automotive/spare parts manufacturers. The revenue recognition policies applied by the Group for each of these activities are as follows:

Products

Revenue from sales of products is recognized when the performance obligation for promises to transfer goods to customers is satisfied which is at a point in time when control of the products has transferred, being when the risk and reward have been transferred, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products.

The vehicles are often sold with sales rebates. Sales are recorded based on the contract prices, net of the sales rebates which are calculated periodically.

Services

Revenue from providing services of after-sales, transportation, technical consultancy, etc is recognized upon satisfaction of the performance obligations over time in the accounting period during which the services are rendered.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as of December 31 are as follows:

	2025	2024
	RMB'000	RMB'000
Amounts expected to be recognised as revenue:		
Within one year	2,115,310	1,403,687
After one year	428,205	404,527
Total	2,543,515	1,808,214

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

	2025	2024
	RMB'000	RMB'000
Other gains and losses		
Government grants	821,486	437,759
Loss on disposal of items of property, plant and equipment	(2,408)	(168,816)
Income on forward foreign exchange contracts with fair value through profit or loss	86,331	30,494
Foreign exchange loss	(189,641)	(429,701)
Gain on disposal of a subsidiary	2,206,439	–
Impairment of property, plant and equipment	(438,361)	(22,983)
Others	18,030	48,667
Total other gains and losses	2,501,876	(104,580)

4 DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Right-of-use assets	Valuation surplus upon acquisition of a subsidiary	Depreciation of fixed assets	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2025	95,601	587,195	1,162,198	329,157	2,174,151
Credited to statement of profit or loss	(9,818)	(18,942)	(225,418)	(20,579)	(274,757)
Charged to statement of other comprehensive income	—	—	—	145,561	145,561
At December 31, 2025	85,783	568,253	936,780	454,139	2,044,955
At January 1, 2024	48,305	606,137	645,818	85,348	1,385,608
(Credited)/charged to statement of profit or loss	47,296	(18,942)	516,380	269,336	814,070
Credited to statement of other comprehensive income	—	—	—	(25,527)	(25,527)
At December 31, 2024	95,601	587,195	1,162,198	329,157	2,174,151

Deferred tax assets

	Provisions for impairment losses	Accruals	Lease liabilities	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2025	506,499	8,401,173	90,672	710,127	9,708,471
Credited/(charged) to statement of statement of profit or loss	266,681	(1,318,008)	(9,089)	(145,556)	(1,205,972)
At December 31, 2025	773,180	7,083,165	81,583	564,571	8,502,499
At January 1, 2024	297,225	7,853,487	43,711	942,621	9,137,044
Credited to statement of profit or loss	209,274	547,686	46,961	23,301	827,222
Charged to statement of other comprehensive income	—	—	—	(255,795)	(255,795)
At December 31, 2024	506,499	8,401,173	90,672	710,127	9,708,471

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025	2024
	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	6,894,264	7,863,476
Net deferred tax liabilities recognised in the consolidated statement of financial position	(436,720)	(329,156)
Net deferred tax assets	<u>6,457,544</u>	<u>7,534,320</u>

Note:

Deferred income tax assets and liabilities are presented net to the consolidated statement of financial position through setting-off of RMB1,608,235,000 as at December 31, 2025 (December 31, 2024: RMB1,844,995,000).

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 RMB66 billion (December 31, 2024: RMB60 billion) that can be carried forward against future taxable income as at December 31, 2025.

The unrecognized tax loss amounting to approximately RMB56 billion (December 31, 2024: RMB49 billion) can be carried forward for utilization in future included in which approximately RMB6 billion, RMB11 billion, RMB36 billion and RMB3 billion being expired in less than 1 year, 1-2 years, 2-5 years and 5-10 years respectively (December 31, 2024: RMB2 billion, RMB6 billion, RMB33 billion and RMB8 billion respectively).

5 TRADE AND BILLS RECEIVABLES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Trade receivables, gross	14,902,268	12,518,966
Less: impairment	<u>1,340,870</u>	<u>1,457,105</u>
	13,561,398	11,061,861
Bills receivable measured at		
– FVOCI	1,338,008	5,743,081
– amortized cost	10,752,758	2,869
Less: impairment	<u>48,363</u>	<u>7,534</u>
Net carrying amount	<u>25,603,801</u>	<u>16,800,277</u>

Notes:

- (a) The majority of the 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,	
	2025	2024
	RMB'000	RMB'000
Within 1 year	10,861,903	7,218,606
1 to 2 years	243,257	44,780
2 to 3 years	44,664	455,414
Over 3 years	3,752,444	4,800,166
	<u>14,902,268</u>	<u>12,518,966</u>
Total	<u>14,902,268</u>	<u>12,518,966</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	For the year end December 31,	
	2025	2024
	RMB'000	RMB'000
As at January 1	1,464,639	1,296,514
Impairment losses	183,659	194,633
Disposal of a subsidiary	(256,260)	–
Amount written off as uncollectible	(2,805)	(26,508)
	<u>1,389,233</u>	<u>1,464,639</u>
As at December 31	<u>1,389,233</u>	<u>1,464,639</u>

- (b) Substantially all notes receivable are with maturity period of within six months.
- (c) Most accounts receivable are denominated in RMB and their carrying amounts are reasonable approximations of fair values.
- (d) The amounts of accounts receivable pledged as collateral as at the respective ends of the reporting period are as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Bills receivables (i)	7,390,215	4,372,354
	<u>7,390,215</u>	<u>4,372,354</u>

- (i) collateral for notes payable issued by banks

6 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Deductible value-added tax	1,088,679	1,722,067
Receivable from		
– sales of raw materials	219,447	480,801
– disposal of subsidiary	803,787	–
– disposals of property, plant and equipment and land use rights	605,763	526,615
– sales of new energy vehicle credits	264,226	328,340
Contracts fulfillment costs	324,198	384,158
Service fees	307,225	56,157
Deposits	15,468	13,624
Prepayments for property, plant and equipment	4,684	3,979
Derivative financial instruments	86,472	–
Others	224,310	163,929
	<u>3,944,259</u>	<u>3,679,670</u>
Less: non-current portion	333,307	825,231
Less: Impairment allowance	692,425	676,876
	<u>2,918,527</u>	<u>2,177,563</u>

Notes:

- (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 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.

- (b) Movements on the provision for impairment on other receivables are as follows:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
As at January 1	676,876	776,052
Provision for impairment losses/(reversal) recognized during the year	15,815	(99,176)
Disposal of a subsidiary	(266)	–
	<u>692,425</u>	<u>676,876</u>

7 SHARE CAPITAL

	Number of ordinary shares of RMB1 each (thousands)	RMB'000
As at January 1, 2025 and December 31, 2025	<u>8,015,338</u>	<u>8,015,338</u>
As at January 1, 2024 and December 31, 2024	<u>8,015,338</u>	<u>8,015,338</u>

8 INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Current		
Bank loans – secured	2,782,049	2,638,756
Bank loans – unsecured	1,257,657	354,856
Current portion of long term bank loans – secured	19,200	–
Current portion of long term bank loans – unsecured	1,875,817	800,862
Current portion of corporate bonds	–	2,523,895
Total – current	<u>5,934,723</u>	<u>6,318,369</u>
Non-current		
Bank loans – secured	80,800	–
Bank loans – unsecured	1,906,000	2,271,010
Total – non-current	<u>1,986,800</u>	<u>2,271,010</u>
Total borrowings	<u>7,921,523</u>	<u>8,589,379</u>

Currency

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
RMB	5,037,133	5,950,623
United States dollar	2,784,390	2,638,756
South African Rand	100,000	–
Total	<u>7,921,523</u>	<u>8,589,379</u>

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	2025	2024
	RMB'000	RMB'000
Fixed interest rate	755,316	3,163,164
Variable interest rate	7,166,207	5,426,215
Total	<u>7,921,523</u>	<u>8,589,379</u>

Analysed into:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Borrowings from financial institutions		
Current to 1 year	5,934,723	6,318,369
1 to 2 years	104,800	1,846,010
2 to 5 years	1,882,000	425,000
Total	<u>7,921,523</u>	<u>8,589,379</u>

Undrawn facilities at floating rates

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Within 1 year	16,948,407	13,526,932
Over 1 year	7,305,100	2,100,000
Total	<u>24,253,507</u>	<u>15,626,932</u>

Notes:

- (a) Balances at December 31, 2025 include borrowings of RMB2,328 million (December 31, 2024: RMB952 million) obtained from BAIC Finance, an associate of the Group. The remaining balances were obtained from banks.
- (b) The fair values of the borrowings are not materially different to their carrying amounts, since the interests payable on these borrowings is either close to that calculated by current interest rate or the borrowings are of a short-term nature.
- (c) Certain of the Group's bank loans are secured by:
 - (i) BAIC Motor Corporation Limited has guaranteed certain of BAIC Hong Kong Investment Corp. Limited's bank loans which had a net carrying value of RMB2,782,049,000 as at December 31, 2025 (2024: USD367,085,000).
 - (ii) China Export & Credit Insurance Corporation and debt service reserve account have guaranteed certain of BAIC Automobile SA (Pty) Ltd.'s bank loan which had a net carrying value of approximately RMB100,000,000 (2024: Nil) as at December 31, 2025.

9 TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Trade payables	32,371,895	32,033,789
Bills payable	11,296,437	7,274,630
	<u>43,668,332</u>	<u>39,308,419</u>

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Within 1 year	32,336,209	31,954,999
1 to 2 years	2,166	41,582
2 to 3 years	4,326	17,721
Over 3 years	29,194	19,487
	<u>32,371,895</u>	<u>32,033,789</u>

The trade payables are non-interest-bearing and are normally settled on 30-60-day terms.

10 OTHER PAYABLES AND ACCRUALS

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Sales discounts and rebates	14,458,475	15,783,980
Payable for		
– services	1,330,664	3,007,285
– property, plant and equipment and intangible assets	2,129,500	3,502,098
– general operations	2,306,560	2,409,527
Wages, salaries and other employee benefits	2,094,908	1,798,310
Other taxes payable	1,344,888	1,759,780
Payables for transportation and warehouse expenses	793,724	1,457,126
Advertising and promotion	769,946	1,209,385
Investment payable to a joint venture	–	961,963
Derivative financial instruments	–	181,813
Deposits	136,205	64,981
Others	355,517	722,687
	<u>25,720,387</u>	<u>32,858,935</u>

Other payables are non-interest-bearing and have an average term of three months.

11 FINANCE COSTS

	For the year end December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
Interest income on deposits in financial institutions	<u>(223,773)</u>	<u>(372,608)</u>
Finance costs		
Interest expense on borrowings from financial institutions	217,610	254,109
Interest expense on corporate bonds	44,655	112,388
Interest expense on loans from immediate parent company and a fellow subsidiary	3,050	9,026
Interest on lease liabilities	15,048	7,448
Amortization of discount on non-current provisions	<u>187,445</u>	<u>116,238</u>
Total interest expense on financial liabilities not at fair value through profit or loss	467,808	499,209
Less: amounts capitalized in qualifying assets	<u>136,835</u>	<u>176,173</u>
Subtotal	<u>330,973</u>	<u>323,036</u>
Total	<u>107,200</u>	<u>(49,572)</u>

12 INCOME TAX EXPENSE

PRC profits tax has been provided at the statutory income tax rate of 25% (2024: 25%) on the assessable income of respective Group entities in accordance with relevant PRC enterprise income tax rules and regulations, except for certain entities of the Group in the PRC were recognized as new and high-technology enterprises with preferential income tax rate of 15% and certain overseas subsidiaries which are subject to statutory income tax rates in respective tax jurisdictions.

	For the year end December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax expense	2,990,332	6,157,009
Deferred	<u>931,215</u>	<u>(13,152)</u>
Total	<u>3,921,547</u>	<u>6,143,857</u>

A reconciliation of the tax expense/(credit) applicable to profit before tax at the statutory tax rate for the jurisdiction where the operations of the Group are substantially based to the tax expense at the effective tax rate is as follows:

	For the year end December 31,	
	2025	2024
	RMB'000	RMB'000
Profit before tax from continuing operations	9,698,365	15,976,716
Tax at the statutory tax rate of 25%	2,424,591	3,994,179
Effects of preferential tax rates and different tax rates in other jurisdictions	24,021	25,186
Impact on share of results of investments accounted for using equity method	117,680	313,460
Income not subject to tax	(379,916)	(10,619)
Expenses not deductible for tax	14,853	54,073
Additional deduction on research and development costs	(238,094)	(313,171)
Unrecognized tax losses/deductible temporary differences utilized	(58,610)	(27,251)
Tax losses/deductible temporary differences for which no deferred tax was recognized	2,017,022	2,108,000
Tax charge at the Group's effective rate	3,921,547	6,143,857

The share of income tax attributable to associates and joint ventures amounting to zero (2024: Nil) is included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss.

13 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the year, as adjusted to reflect the rights issue during the year.

The calculations of basic earnings per share are based on:

	For the year end December 31,	
	2025	2024
	RMB'000	RMB'000
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:	122,696	955,839
	Number of shares	
	(thousands)	
	2025	2024
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	8,015,338	8,015,338

During the years ended December 31, 2025 and 2024, there were no potential dilutive ordinary shares and diluted earnings per share was equal to basic earnings per share.

14 DIVIDENDS

No dividends has been paid or delivered by the Company during the years ended December 31, 2025 and 2024.

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.

In 2025, adhering to technological progress, product upgrading and model innovation, Beijing Brand built a user-centric enterprise around the concept of “building high-quality vehicles for users”. In terms of off-road vehicle electrification, through the two-way integration of off-road capabilities and new energy, we empowered off-road vehicles with electrification; in terms of off-road vehicle intelligence, relying on BAIC “Yuanjing” intelligence, we continuously improved the intelligence level of off-road vehicles and provided consumers with a full-scenario travel solution from urban to off-road scenarios.

Drawing on its technical heritage as the “inventor of Chinese off-road vehicles”, Beijing Brand has continuously advanced brand and product innovation, and made every effort to develop off-road and light off-road products to address the diversified needs of different consumer bases. BJ30 Traveler targets the entry-level light off-road vehicle market, while BJ40e REEV aims to be the king of extended-range hard-core SUVs. BJ40 Fuel is positioned as a “full-scenario professional off-road SUV”, achieving off-road accessibility for all. BJ60 EREV Executive Edition, equipped with plateau oxygen generation and satellite communication, is a luxury intelligent hard-core extended-range SUV, meeting the demands of high-end users.

In the future, Beijing Brand will continue to deepen technological innovation and promote product upgrades, covering a product lineup of over ten models across three major categories: gasoline vehicles, pure electric vehicles and hybrid vehicles. We are committed to providing users with an exciting, safe, and intelligence mobility experience through high-quality products, innovative technologies and attentive 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 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. On this basis, Beijing Benz currently offers models such as the all-new Mercedes-Benz all-electric CLA, all-electric EQE SUV, C-Class, E-Class, and GLC SUV. At the historic turning point of the automotive industry from fuel-powered to electric vehicles, Beijing Benz has responded proactively and continuously accelerated its transformation towards “electrification, digitization and low-carbonization”. In terms of its electric product matrix, Beijing Benz has cumulatively put into production three types of power batteries and six pure electric vehicle models. In the future, it will also develop more “next-generation luxury” and “core luxury” models based on the all-new Mercedes-Benz Modular Architecture (MMA) platform and the MB.EA pure electric platform.

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 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 11th-generation Sonata, the all-new Tucson L, the MUFASA (updated ix35), the fifth-generation Santa Fe, the Custo and pure electric SUV EO 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., Ltd., 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., Ltd. 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 reducers 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 and power batteries such as M282, M260 and M254. In 2025, the EB5 power battery of Beijing Benz was officially put into production. The battery is adapted to the MMA pure electric platform with large capacity, ultra-fast charging, long battery life, low energy consumption and high safety performance, which features the core power solution of the new generation of domestic luxury pure electric models of Benz.

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 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 an associate, BAIC International Development Co., Ltd. (“**BAIC International**”), and we promote the rapid development of international business through overseas sales companies, representative offices, 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 businesses of the South African production base and the marketing business in South African and Southern Africa Development Community (SADC) markets. In 2025, we implemented the localization strategy and restarted BAIC DE MAXICO SA DE CV to build a brand image and deepen the foundation of the localization market by directly operating subsidiaries. We registered BAIC GULF AUTOMOBILE TRADING FZ to achieve full coverage in the Gulf area and stimulate overseas sales volume.

BUSINESS OPERATIONS OF THE GROUP IN 2025

In 2025, the Group accelerated the implementation of strategies for the three-year leap forward action. We actively responded to changes in the market situation, seized the development opportunities of the industry, focused on the “domestic and international” strategic markets, concentrated on the star product portfolio, optimized operational efficiency continuously and steadily improved business quality. Adhering to intensified efforts in products with multiple technical routes, our products cover diverse categories such as fuel-powered, pure electric, hybrid, extended range and off-road vehicles. During the reporting period, Beijing Brand, Beijing Benz, Beijing Hyundai and Fujian Benz achieved a total wholesale sales volume of 868,000 units.

1. Focusing on the new energy strategy

Steadfastly adhering to the new energy development direction, we focused on the diverse needs of users in segmented markets, continuously improved our new energy product matrix, and consistently enhanced product market recognition and core competitiveness. During the reporting period, since the launch of BJ40e REEV of Beijing Brand, it has continuously led the boxy off-road vehicle segment and achieved a dual advancement in off-road vehicles and new energy technologies. In the future, with the dual empowerment of new energy and intelligent technologies, Beijing Brand’s models will undergo a complete revitalization and iteration. Beijing Benz continued to refine its “dual-track” product lineup of gasoline and electric vehicles. As the first model built on the MMA platform, the new all-electric long-wheelbase CLA has launched, further expanding its pure electric vehicle portfolio. In the future, Beijing Benz will continue to introduce more new energy products to maintain its competitiveness in the domestic luxury vehicle market. Beijing Hyundai launched its first pure electric SUV-EO, embarking on a new journey in its comprehensive layout of the new energy vehicle market. Fujian Benz has fully initiated the construction of the VAN.EA platform in China, steadily advancing the new luxury all-electric MPV project developed on this platform, which will bring a new level of upgrade and leap forward to its product matrix.

¹. knocked-down

2. Building a user-centric enterprise

With the user at its core, we are committed to developing a user-centric enterprise. We listen to users' voices, focus on users' needs, and deeply cultivate user value. During the reporting period, an efficient voice of customer (VOC) response mechanism was established, transforming from listening to users into rapid action. We have implemented an ecological brand strategy, launched the "Joyful Off-Road China" IP, and built a three-dimensional operating model of "major events + bases + user celebrations", connecting the goal of brand strategy through the whole chain by upgrading user activities. Using "clubs" as a vehicle, we have built a multi-dimensional user ecosystem. Focusing on emotional connections and co-creating value with core users, we ensured that our terminal service system resonates with user-centric thinking. Beijing Benz has continuously deepened the concept of "China Research and Development + China Intelligent Manufacturing for China", focused on customers' high-frequency usage scenarios and driving habits, built a product matrix suitable for the Chinese market, and met the increasingly diversified luxury travel needs of Chinese customers. Beijing Hyundai has continuously advanced the transformation of customer service, empowered the customer purchase journey with digitization, and strengthened interaction with customers by integrating and optimizing mainstream media platforms to connect with them directly. In the future, we will continuously enhance user satisfaction and contribute to pleasant mobility by persistently improving our product system upgrading brand services, and optimizing ecosystem experience.

3. Deepening marketing transformation

In 2025, the Group built a new media communication matrix and a premium content ecosystem for the integration of "research, production, supply, sales and service". During the reporting period, Beijing Brand was dedicated to deeply unlocking the full lifecycle value of customers through model innovation and digital tools. We have been driving the transformation from single product sales to a new model of "product + service + ecosystem", optimizing the dealer cooperation mechanism for full-cycle empowerment, deepening the NPS (net promoter score) management system, and boosting sales by leveraging the new media communication matrix. Beijing Brand has strengthened product awareness through precise exposure and innovated user operation and experience with circle-breaking contents. Beijing Benz has further built its "Beijing Benz Intelligent Manufacturing" IP, explored and utilized the highlights of production and manufacturing, and piloted a new retail model of direct connection with users and online-offline integration for new energy models. Beijing Hyundai has expanded its brand visibility through live streaming and co-creation with vehicle owners, driving sales growth.

In terms of sales networks, Beijing Brand has advanced both channel expansion and operational empowerment, significantly increasing market coverage and steadily expanding channel scale. Meanwhile, structures have been optimized, improving both channel quality and operational capability. Beijing Benz has improved customer experience and sustainable business development with a high-quality and efficient retail network, through multiple measures such as enhancing network capabilities, cost efficiency and personnel empowerment. Beijing Hyundai has actively optimized network layout, maintaining the stability of existing channels while proactively exploring new markets. Concurrently, it has focused on strengthening channel foundations and enhancing comprehensive operational capabilities at dealerships, including customer acquisition, conversion, and service.

4. Solidifying overseas presence

In 2025, in view of the coexistence of risks and opportunities in the reshaping of the global automobile trade landscape, the Group focused on accelerating the globalization development and steadily increased the export scale, with overseas operations becoming a significant pillar of the Group's growth. Beijing Brand focused on its core base, restructured its business structure and resource allocation, achieved rapid growth in key markets and efficient development of untapped markets, and made substantial breakthroughs in high-end and mature regions such as Australia and Europe, thus entering a new stage of market development. At the same time, we actively promoted the introduction of KD project products in key markets such as Malaysia and Indonesia. Beijing Hyundai's export was in a period of rapid growth, forming incremental breakthroughs in full coverage, all models and all forms.

Deploying the dual carbon strategy

In response to the national and Beijing municipal "dual carbon" strategic deployment, the Company has integrated green and low-carbon development into the entire operation management and business development. Focusing on energy conservation and emission reduction, new energy technology applications and energy structure optimization, the Company has continuously promoted operational carbon reduction and collaborative carbon reduction across the industrial chain. While reducing energy consumption and carbon emissions, it has improved resource utilization efficiency, enhanced the ability to respond to policy and market changes, and promoted high-quality business development. Focusing on cost reduction, efficiency improvement and green and low-carbon development, Beijing Brand has proactively innovated automotive materials at the material end and extended carbon reduction from source design to the entire value chain. Beijing Benz's front-wheel-drive vehicle factory has obtained the ISO14068 carbon neutrality verification statement certificate, becoming the first zero-carbon vehicle factory in China to receive this certification; the "Green Mountain Reading Corner", the first green culture and ecological civilization education project in China's manufacturing industry, was launched at Beijing Benz. Focusing on energy efficiency improvement, energy substitution and supply chain collaboration, Fujian Benz has built a carbon reduction system covering the production end and supply chain, and was rated as one of the first batch of "Zero-Waste Enterprises" in Fuzhou in 2025.

Production Facilities

We have dedicated production facilities to manufacture and assemble our products, all of which are equipped with flexible production lines. The ability to flexibly change production schedules and quickly respond to demand changes in the market also reduces capital expenditure and operating costs.

In order to ensure excellent product quality, we have established an advanced digital and intelligent quality management system in Beijing Brand's plants. The system is deeply integrated into the whole process of vehicle design and manufacturing, realizing precise management and control of core processes and data-driven decision-making and enabling continuous improvement of product quality with the digital accuracy.

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, intelligence 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.

Industry Chain Extension and Cooperation

In 2025, the Group focused on deepening the synergy between industry and finance and industrial linkage, continued to optimize the layout of the whole industrial chain of research, production, supply, sales and services, built up the core competitive advantages of its main business, accelerated the expansion of overseas business and comprehensively consolidated the foundation of global operation.

On November 21, 2025, the Company entered into an Equity Acquisition Agreement with BAIC Group, pursuant to which the Company has conditionally agreed to sell, and BAIC Group has conditionally agreed to purchase, 51% equity interest in BAIC International (hereinafter referred to as the “**Disposal**”). After completion of the Disposal, BAIC Group can leverage its platform advantages to comprehensively empower BAIC International's operations in overseas product development, brand building, investment and financing, thereby providing robust group-level resource support for the accelerated advancement of the Company's internationalization strategy.

Please refer to the relevant announcements of the Company for details of the above collaborations. In the future, the Group will adhere to its overall business strategy, deepen the layout of high-quality cooperation, empower various internal business reform initiatives and comprehensively enhance its core competitiveness.

PERFORMANCE ANALYSIS AND DISCUSSION

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 generated the revenue of RMB164,047.0 million in 2025, representing a decrease of 14.8% as compared to that of 2024, mainly due to the impact of price competition and changes in the decrease in sales volume.

The Group recorded a net profit attributable to equity holders of the Company of RMB122.7 million, representing a decrease of 87.2% as compared to the same period in 2024; basic earnings per share was RMB0.02 in 2025.

Gross profit

The Group recorded a gross profit of RMB19,012.4 million in 2025, representing a decrease of 38.4% as compared to 2024, mainly due to the impact of price competition and decrease in sales volume.

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 RMB10,039.4 million in 2025, representing a decrease of 65.6% as compared to the same period in 2024, mainly due to the decrease in net cash inflow from operating activities.

As at the end of 2025, the Group had cash and cash equivalents of RMB23,366.4 million, notes receivable of RMB12,042.4 million, notes payable of RMB11,296.4 million, outstanding borrowings of RMB7,921.5 million, unutilised short-term and long-term banking facilities of approximately RMB24,253.5 million and commitments for capital expenditure of RMB9,501.6 million.

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) was 53.7% as at December 31, 2025, representing a decrease of 0.7 percentage point as compared to that as at 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 -25.1% as at December 31, 2025, representing an increase of 21.7 percentage points as compared to the end of 2024, mainly due to the significant decrease in cash and cash equivalents.

As at the end of 2025, the total outstanding borrowings were RMB7,921.5 million, including short-term borrowings of RMB5,934.7 million in aggregate and long term borrowings of RMB1,986.8 million in aggregate. The Group will repay the aforesaid borrowings in a timely manner at maturity.

As of the end of 2025, 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

The Group incurred total capital expenditures of RMB5,637.3 million in 2025, compared to RMB5,379.7 million in 2024.

The Group incurred total research and development expenditures of RMB3,601.8 million in 2025, compared to RMB4,292.4 million in 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 during 2025.

Regarding a material disposal in 2025: On November 21, 2025 (after trading hours), the Company entered into the equity acquisition agreement with BAIC Group, pursuant to which the Company has conditionally agreed to sell, and BAIC Group has conditionally agreed to purchase, 51% of the equity interests in BAIC International, for a total consideration of RMB1,607.5740 million in cash (the “**Disposal**”). After completion of the Disposal, BAIC International will be owned as to 51% by BAIC Group and 49% by the Company, and BAIC International will cease to be a subsidiary of the Company and its financial results will no longer be consolidated in the Group’s accounts. For details of the Disposal, please refer to the Company’s announcement of “Discloseable and Connected Transaction in Relation to the Disposal of 51% of the Equity Interests in a Wholly-owned Subsidiary” published on the HKEXnews website of the Stock Exchange on November 21, 2025. At the end of February 2026, the registration procedures for the change of equity ownership of the Disposal were completed at the registration authority.

FOREIGN EXCHANGE LOSSES²

The Group incurred foreign exchange losses of RMB103.3 million in 2025, as compared to foreign exchange losses of 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 decrease in amount due from Euro-denominated payments.

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.

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

REMUNERATION POLICIES

Staff costs incurred by the Group decreased from RMB5,678.7 million in 2024 to RMB5,232.6 million in 2025, representing a year-on-year decrease of 7.9%, which was mainly attributable to the impact of control measures such as the decrease in production and sales volume and the optimization of refined scheduling.

Based on the core remuneration philosophy of post-based salary, the Group conducts internal value assessment based on the position value and comprehensively considers the job responsibilities and scope of work. At the same time, it deeply integrates the annual operational objectives into the performance appraisal system, combined with the salary level in the external market to build a scientific, complete and differentiated salary system with distinct levels, providing solid talent attraction, retention, cultivation and incentive support for the implementation of the Group's 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 2025, the Group had pledged bills receivable amounting to RMB7,390.2 million.

CONTINGENT LIABILITIES

As at the end of 2025, the Group had no material contingent liabilities.

PRINCIPAL RISKS AND UNCERTAINTIES

1. Risks relating to macroeconomic volatility

Macroeconomic performance has an impact on consumer demands for automobiles, and therefore affects the Group's operating performance. The Group's operations and development will face certain risks in the event of adverse factors such as weak demand in the domestic automotive market, compressed profitability due to rising raw material prices, and increased pressure on exports caused by heightened global trade barriers. The Group will strengthen the monitoring of market dynamics, adjust production and operation strategies in a timely manner, enhance the added value of products and market competitiveness and actively expand overseas markets to enhance its ability to resist macroeconomic volatility and mitigate potential risks.

2. Risk of increased market competition

The Group operates in a highly competitive industry. Although the “involution competition” in the industry has been alleviated by the policy guidance, the price war has not yet completely subsided. Coupled with challenges such as fluctuations in raw material prices and shortages of automotive-grade chips, the cost pressure on enterprises has intensified significantly. According to the statistics of China Association of Automobile Manufacturers (“CAAM”), it is expected that passenger vehicles will maintain a steady development trend in 2026. The automobile industry, as one of the new driving forces to promote the quality of the economy, is facing increased pressure from transformation and upgrading. In addition, the industry will experience continuous technological reforms in the development of electrification, networking and intelligence, intensifying the competition. The Group will continuously pay attention to the market conditions, remain customer-centric, and promote the optimization of supply chain by focusing on the research and development of core technologies to reduce production costs. Shifting from price to value competition, we will create differentiated competitive advantages and enhance our 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 core materials of battery (such as lithium and cobalt), steel, aluminum, rubber, plastics and paint, etc. With the increase in production and sales, the volume of production factors procured by the Group from suppliers has also increased year-on-year. Chip shortage and increased prices of bulk raw materials will adversely affect the Group’s results of operations. The Group will respond to risks by improving the strategic procurement mechanism for bulk raw materials, expanding supply channels, optimizing material formulations and processes, and strengthening early warnings for the supply chain.

OUTLOOK OF 2026

Prospect for the Development of Passenger Vehicle Industry in 2026

2026 marks the inaugural year of the “15th Five-Year Plan”. China’s economic work will adhere to the principles of seeking progress while maintaining stability, improving quality and efficiency, and prioritizing domestic demand. Characterized by “solidifying foundations and making comprehensive efforts”, it will consolidate the industrial system and institutional framework established during the “14th Five-Year Plan” period, accelerating policy implementation in development and reform. Under the macro guidance of “adhering to expanding domestic demand” and “stimulating the intrinsic driver of resident consumption”, the extension of new energy vehicle “purchase tax” and the continuous optimization and implementation of automotive “Upgrade & Trade-In” initiative policies have expanded automotive consumption; multi-party efforts to comprehensively address “excessive internal” competition have encouraged the industry to return to a benign and orderly development ecosystem; concurrently, expanding high-level opening up and guiding the reasonable and orderly cross-border layout of industrial and supply chains have accelerated the global layout for China’s automotive industry and its deep integration into the global development pulse.

In 2026, China’s passenger vehicle market is expected to transition from high-speed expansion to a mature cycle of deep cultivation within existing stock and structural optimization, entering a new phase of high-quality development characterized by high sales, low growth and strong structural differentiation. The core evolution will focus on four major themes: slight overall sales growth, new energy leading the way, value competition and deepening globalization. With the continuation and optimization of automotive consumption policies, and the support of new products and new technologies, China’s automotive market will continue to develop steadily, and the advantages of new energy vehicles will be further solidified. CAAM and other authoritative institutions predict that in 2026, China’s automobile market sales will reach 34.75 million units, a year-on-year increase of 1%; among these, passenger vehicle sales will be 30.25 million units, a year-on-year increase of 0.5%; new energy vehicle sales will reach 19 million units, a year-on-year increase of 15.2%, and automobile exports will be 7.4 million units, a year-on-year increase of 4.3%.

OPERATIONAL STRATEGY OF THE GROUP FOR 2026

In 2026, the Group will focus on the goal of the three-year leap forward action by considering internal and external environmental changes and strategic goal progress. With the “three top-priority projects” as the implementation tools, we will effectively improve operational quality and steadily advance towards the “15th Five-Year Plan” strategic goals.

Beijing Brand operates under the guideline of “brand elevation, balancing volume and profit, and effectively enhancing operational quality”. Through consolidating its production capacity advantages, Beijing Benz will continuously introduce more future-oriented electric and intelligent products, promoting the “electrification, digitization and low-carbon” transformation, and solidifying its sustainable development foundation. By implementing its localization strategy of “In China, For China, To the World”, Beijing Hyundai will deepen collaborative innovation, accelerate its new energy transformation, and continuously expand exports. By prioritizing economic efficiency, Fujian Benz will steadily advance its electrification transformation, and strive to achieve the goal of “becoming a respected leader in the high-end commercial vehicle market in the new era”. Overseas exports will serve as a growth driver. Through localization, a diversified product portfolio and other measures, the Group will steadily enhance its ability to explore international markets and make every effort to achieve new goals.

PROFIT DISTRIBUTION

The Board does not recommend the payment of a final dividend for 2025 to the shareholders of the Company (the “**Shareholders**”).

MATERIAL LITIGATION

As of the end of 2025, 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 2025 (including sale of treasury shares). As at the end of 2025, 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 implemented corporate governance practices in strict accordance with the Articles of Association. 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 2025 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 regarding dealing in securities of the Company by the Directors and senior management. Having made enquiry of all Directors and senior management of the Company, the Directors and senior management confirmed that they have complied with the Model Code during 2025.

AUDIT COMMITTEE

The audit committee of the Board has reviewed the Company's and the Group's 2025 annual results, and the audited consolidated financial statements for 2025 prepared in accordance with the IFRS.

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

For details of the resolutions to be considered and approved at the 2025 annual general meeting of the Company (the “**2025 Annual General Meeting**”), the book closure date of H shares and the date of the 2025 Annual General Meeting, please refer to the circular for the 2025 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 2025 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
Wang Hao
Chairman of the Board

Beijing, the PRC, March 25, 2026

As at the date of this announcement, the Board comprises Mr. Wang Hao, as Chairman of the Board and executive Director; Mr. Gu Xin, as non-executive Director; Mr. Chen Geng and Ms. Zhu Yan, as executive Directors; 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; and Mr. Zhao Jinlun, as employee representative Director.

* *For identification purpose only*