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

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock code：1958

* For identification purpose only

2024
Annual Report

Official website

WeChat Official account

BJ40e REEV Edition

CONTENTS

2 Corporate Information
4 Chairman's Statement
6 Summary of Operations
7 Company Profile and Business Overview
25 Management Discussion and Analysis
28 Report of the Board of Directors
50 Report of the Board of Supervisors
52 Corporate Governance Report
70 Directors, Supervisors and Senior Management
81 Environmental, Social and Governance Report
137 Independent Auditor's Report
145 Consolidated Balance Sheet
147 Consolidated Statement of Comprehensive Income
149 Consolidated Statement of Changes in Equity
151 Consolidated Statement of Cash Flows
152 Notes to the Consolidated Financial Statements
235 Definitions

Section I Corporate Information

- **NAME OF THE COMPANY**
  BAIC Motor Corporation Limited

- **ENGLISH NAME OF THE COMPANY**
  BAIC Motor Corporation Limited[1]

- **REGISTERED OFFICE ADDRESS**
  A5-061, Unit 101, 5/F, Building No. 1, Courtyard No. 99, Shuanghe Street, Shunyi District, Beijing, China

- **HEADQUARTERS**
  No. 99 Shuanghe Street, Shunyi District, Beijing, China

- **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**
  31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

- **AUTHORIZED REPRESENTATIVES**

  Mr. Song Wei
  5/F, No. 99 Shuanghe Street, Shunyi District, Beijing, China

  Ms. Yu Dan
  5/F, No. 99 Shuanghe Street, Shunyi District, Beijing, China

- **COMPANY SECRETARY**

  Ms. Yu Dan
  5/F, No. 99 Shuanghe Street, Shunyi District, Beijing, China

- **JOINT COMPANY SECRETARY**

  Ms. Ng Sau Mei
  31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

- **HONG KONG LEGAL ADVISOR**

  Linklaters
  11th Floor, Alexandra House, 18 Chater Road, Hong Kong

- **CHINA LEGAL ADVISOR**

  JunHe LLP
  20/F, China Resources Building, 8 Jianguomenbei Avenue, Dongcheng District, Beijing, China

- **AUDITORS (EXTERNAL AUDIT FIRM)**

  PricewaterhouseCoopers
  Certified Public Accountants and Registered PIE Auditor
  22/F, Prince's Building, Central, Hong Kong

  PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership)
  11/F, PricewaterhouseCoopers Center,
  202 Hubin Road, Shanghai, China

1 For identification purpose only

- **PRINCIPAL BANKS**

  Bank of Beijing, Jinyun Branch
  Block A, Jinyun Building, A43 Xizhimen North Street,
  Haidian District, Beijing, China

  China CITIC Bank, Olympic Village Branch
  1/F, Tower D, Tian Chuang Shi Yuan Building, No. 309 Huizhong Beili, Chaoyang District, Beijing, China

- **H SHARE REGISTRAR**

  Computershare Hong Kong Investor Services Limited
  Shops 1712-1716, 17/F, Hopewell Center,
  183 Queen's Road East, Wanchai, Hong Kong

- **H SHARE STOCK CODE**
  1958

- **INVESTOR ENQUIRIES**
  Investor hotline: (86)10 5676 1958; (852) 3188 8333
  Website: www.baicmotor.com
  E-mail: ir@baicmotor.com

RMB
192.50
Billion

In 2024, the Group recorded the consolidated revenue of RMB192.50 billion and the net profit of RMB9.83 billion for the year

0.946
Million Units

In 2024, Beijing Brand, Beijing Benz, Beijing Hyundai and Fujian Benz achieved sales of a total of 0.946 million units of vehicles and retail sales of 0.983 million units

Wang Hao
Chairman

DEAR SHAREHOLDERS,

On behalf of the Board (the "Board") of Directors (the "Directors") of the Company, I am delighted to present the 2024 annual report of BAIC Motor Corporation Limited (the "Company", together with its subsidiaries, the "Group" or "we").

In 2024, China's economy showed a stable and improving development trend under the complex situation of global economic fluctuations and internal challenges. The annual gross domestic product ("GDP") exceeded RMB130 trillion for the first time, reaching RMB134.9 trillion and marking a 5.0% increase[2]. This performance is outstanding among the top-ranked economies in the world. China has made solid progress in the automotive market with high-quality development driven by a series of policies of stabilizing growth and promoting consumption and the joint efforts of the entire industry. According to the data of China Association of Automobile Manufacturers ("CAAM"), in 2024, China's automobile sales amounted to 31.436 million units, representing a year-on-year increase of 4.5%, maintaining its position as the world's largest market for 16 consecutive years, of which sales of passenger vehicles amounted to 27.563 million units, representing a year-on-year increase of 5.8%, sales of new energy vehicle ("NEV") amounted to 12.866 million units, representing a year-on-year increase of 35.5%, exports of vehicles amounted to 5.859 million units, representing a year-on-year increase of 19.3%, and sales of premium brand passenger vehicles amounted to 4.738 million units, representing a year-on-year increase of 2.3%.

In 2024, adhering to the operational philosophy of "survival, reform and development", the Group upheld the development tone of "stability and breakthrough" and continued to consolidate its development base, keep abreast of market changes, and drive the development of multi-tech products through concentrating on the "domestic and international" dual strategic markets, with an aim to achieve localized breakthroughs in niche markets. Faced with severe external environment and intensified industry competition, we have achieved relatively stable operating results. During the Reporting Period, the Group achieved vehicle wholesale of 0.946 million units and retail sales of 0.983 million units. The Group recorded the consolidated revenue of RMB192.50 billion and the net profit of RMB9.83 billion for the year.

2 It is published by the National Bureau of Statistics

2024 is a critical year and a year of transition for the Group. Embracing the general theme of pursuing stable development and seeking breakthroughs, with market as the core and sales as the driving force, the Group made efforts on the development of multi-tech products and was determined to advance high-quality transformation. Adhering to the orientation of "Comprehensive New Energy Transformation", the Group released the Magic Core Electric Drive Super Drive Solution, and electric off-road products such as BJ60 Magic Core Electric Drive Edition were launched successively, creating a new pattern of "oil-electric dual engine" development. We accelerated the implementation of new energy platforms and products, and launched a new generation of pure electric EQA SUV, EQB SUV, all-new E-Class hybrid models and GLC hybrid versions. We strategically subscribed for the shares of Beijing Electric Vehicle Co., Ltd. ("BJEV") to continue to deepen our layout in the new energy sector. We continued to explore overseas markets for our star products mainly including BJ40, Magic Cube, Sonata and Elantra, to drive global layout into a new chapter, with annual export sales of 120,000 vehicles, achieving a leapfrog growth, and driving quality breakthrough with increase in sales volume. Focusing on the "off-roader family", Beijing Brand deepened the development in the fields of the off-road and crossover off-road vehicle, achieving sales of 173,000 vehicles throughout the year. It launched the "Western Region Off-road Vehicles" (西疆越) plan with a forward-looking vision, and achieved competitive growth in its independent business. We adhered to the cooperation concept of "achieving win-win outcomes with partners" to continuously deepen the multi-field cooperation with Mercedes-Benz Group AG ("Mercedes-Benz Group") and Hyundai Motor Company ("Hyundai Motor") to promote sustainable development towards the future. At the same time, we adhered to the development concept of "innovation, coordination, green, openness and sharing", to proactively promote the application of independently-developed core technology and intelligent cutting-edge technology to pursue the control of core technologies and lead the development of the Company. We accelerated the upgrading of green factories and the implementation of low-carbon results, and further reinforced green supply chain management. At the same time, we actively fulfilled our social responsibilities and issued the "Western Region Off-road Vehicles" plan to contribute to the economic development of the western region.

2025 is the final year for China to implement the 14th Five-Year Plan. Adhering to the general principle of pursuing economic progress while maintaining stability, China will implement more proactive and effective macro policies, expand domestic demand in all aspects, and boost resident consumption. In 2025, the vitality of China's automotive market will be further stimulated under the joint promotion of policy support, technological innovation and market demand and China's automotive market will continue to maintain a stable and improving development trend.

2025 is the first year of the three-year leap forward action, and the Group will focus on the goal of advancement and improvement, implement the operational philosophy of "survival, reform and development", further deepen reform and be dedicated to innovation. The Group will focus on key sectors such as off-road models, crossover off-road models, SUVs and mid-to-high-end hybrids, and continuously optimize its product structure. The Group will take the initiative to explore overseas markets, form a synergy in various segments of the market, and maintain a stable growth trend. With product strategic transformation as the core, the Group will deepen joint venture cooperation, and adhere to scientific and technological innovation to comprehensively promote intelligent and new energy transformation. The Group will emphasize on the annual work goals and key projects, make every effort to achieve an overall improvement in system capacity and create a new pattern of high-quality and sustainable development.

Lastly, I would like to express my gratitude to all our staff and partners for their hard work, and to our Shareholders for their long-lasting support.

王昊

Wang Hao
Chairman
March 28, 2025

Section III Summary of Operations

Summary of operations of the Group for 2020 to 2024 is as follows:

(Unit: RMB million)

	For the year ended December 31,				
Item	**2024**	**2023**	**2022**	**2021**	**2020**
Sales volume (units)	**945,593**	1,042,005	947,061	1,031,203	1,168,610
Revenue	**192,496**	197,949	190,463	175,916	176,973
Cost of sales	**(161,609)**	(159,651)	(148,128)	(138,273)	(134,833)
Gross profit	**30,887**	38,298	42,334	37,643	42,140
Selling and distribution expenses	**(8,569)**	(10,068)	(11,177)	(10,312)	(11,309)
General and administrative expenses	**(4,936)**	(5,113)	(5,338)	(5,799)	(7,984)
Net impairment losses on financial assets and contract assets	**(97)**	(565)	(475)	(87)	(401)
Other (losses)/gains, net	**(104)**	17	664	2,515	(101)
Finance gains, net	**50**	31	1	61	100
Share of loss of investments accounted for using equity method	**(1,254)**	(1,600)	(1,281)	(1,101)	(2,015)
Profit before income tax	**15,977**	21,000	24,729	22,920	20,430
Income tax expense	**(6,144)**	(7,374)	(8,394)	(7,769)	(7,475)
Profit for the year	**9,833**	13,626	16,335	15,151	12,955
Attributable to					
Equity holders of the Company	**956**	3,030	4,197	3,858	2,029
Non-controlling interests	**8,877**	10,596	12,138	11,293	10,926

	As at December 31,				
Total assets, total liabilities and interests attributable to equity holders of the Company	**2024**	**2023**	**2022**	**2021**	**2020**
Total assets	**172,044**	168,723	173,375	180,844	193,703
Total liabilities	**93,563**	89,340	94,438	105,957	120,109
Interests attributable to equity holders of the Company	**57,315**	57,009	54,497	52,583	51,088

Notes:

1. Information on sales volume includes total wholesale sales of Beijing Brand, Beijing Benz, Beijing Hyundai and Fujian Benz. Information for 2020 to 2023 is extracted from the Company's 2023 annual report.

2. The Group has applied the amendments to standards and interpretations disclosed in note 2(b) to the consolidated financial statements on page 153 in the preparation of the 2024 consolidated financial statements and has reclassified the relevant warranty cost in 2023 from selling and distribution expenses to cost of sales.

I. OVERVIEW

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).

II. MAJOR BUSINESS OPERATIONS

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

Passenger Vehicles

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

1. Beijing Brand

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

By adhering to its brand mission of "making happiness and the beauty of distant places within reach" and brand positioning of "becoming a trusted partner for families seeking outdoor adventures", Beijing Brand has created three major product series, namely the Excellent Off-road Performance, the Joyful Adventure and the Pleasure Experience. Relying on four major technologies, namely Jimu 2.0 Vehicle Technology, Borderless Off-road Technology, Pioneer Intelligence Technology and Magic Core Power Technology, Beijing Brand strives to promote the launch of multi-technology products, including fuel, pure electric and hybrid models. The Excellent Off-road Performance is dominated by the three major series of products, namely BJ40, the all-new BJ40 and BJ60, and the electric off-road series of products such as the BJ60 Magic Core Electric Drive Edition, the all-new BJ40e REEV are simultaneously launched; the Joyful Adventure features BJ30 as its flagship product and simultaneously launches the fuel edition and the magic core electric drive hybrid edition, with focus on "Deep Hybrid Light Off-road Electric 4WD" product characteristics; the Pleasure Experience showcases products, including urban SUV fuel models such as the all-new X7 and the new Magic Cube, as well as pure electric models such as the EU5 and the EU5 PLUS.

2. **Beijing Benz**

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

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

3. **Beijing Hyundai**

Beijing Hyundai Motor Co., Ltd. ("Beijing Hyundai") is a joint venture of the Company. The Company holds 50.0% equity interest of Beijing Hyundai through its subsidiary BAIC Investment Co., Ltd. ("BAIC Investment"), while Hyundai Motor holds another 50.0% equity interest of Beijing Hyundai. Beijing Hyundai has been manufacturing and selling Hyundai passenger vehicles since 2002.

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

4. **Fujian Benz**

Fujian Benz Automotive Co., Ltd. ("Fujian Benz") is a joint venture of the Company. The Company holds 35.0% equity interest of Fujian Benz, and establishes an acting-in-concert agreement with Fujian Motor Industry Group Co., which holds another 15.0% equity interest of Fujian Benz. The consensus will be reached while making decisions regarding the operation, management and other matters of Fujian Benz, as well as the exercising of power by the directors appointed by Fujian Motor Industry Group Co.. Mercedes-Benz Vans Hong Kong Limited holds the remaining 50.0% equity interest of Fujian Benz.

Fujian Benz commenced the manufacturing and sales of multi-purpose passenger vehicles of Mercedes-Benz brand in 2010. At present, Fujian Benz stays on the leading edge in the field of joint venture premium business purpose vehicles, with production and sales of Mercedes-Benz V-Class vehicles and New Vito products.

Core Parts and Components for Passenger Vehicles

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

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

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

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

Car Financing

We conduct car financing and automobile aftermarket-related businesses of Beijing Brand, Mercedes-Benz brand and Hyundai brand through associates and joint ventures including Beijing Automotive Group Finance Co., Ltd., Mercedes-Benz Leasing Co., Ltd., Beijing Hyundai Auto Finance Company Limited and BH Leasing Co., Ltd. and continuously promote the rapid development of car financing businesses by methods including capital investment and business cooperation.

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

International Business

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

III. CORE COMPETITIVENESS

The Group adheres to sales as the key driver of reform, products as the cornerstone of development, and quality as the core value. It steadily promotes high-quality development despite fierce market competition and continuously enhances its core competitiveness.

1. Enhancing innovative product forms to meet increasingly diverse needs

The Company's passenger vehicle brand portfolio is profoundly competitive and highly complementary and can satisfy the purchase demands of different groups for vehicles at different stages by leveraging our comprehensive product-defined development strategy.

In terms of brand portfolio, Beijing Brand adheres to transition to new energy. By identifying market opportunities and integrating the entire value chain of research, production, supply, and sales, it has developed key local advantages and effectively enhanced product competitiveness. Beijing Benz has established the largest-scale research and development center among joint ventures under the Mercedes-Benz Group, along with the only fully functional prototype plant located overseas. Beijing Benz has a high-level research and development team, with a leading level technology in China in localization of components, problem analysis of new energy electric drive and etc., aiming to continuously solidify its leading position in the high-end premium vehicle market. With a focus on research and development as well as innovation, Beijing Hyundai adheres to comprehensively upgrading its product lines, by accelerating the introduction and application of new technologies including the transition to new energy vehicles, intelligence and networking.

In terms of product definition, the Company carries out market research initiatives focusing on the insight of crossover off-road product user scenarios, early-adopter users in academic institutions and dealership networks, and continuously updates and improves product theory and user insight system. It focuses on multi-level market trend prediction and multi-dimensional insight into core user demands, and optimizes and enhances the scenario-based evaluation system 2.0 to achieve full coverage of user application scenarios. In order to optimize highly sensory functional experience, a dual evaluation mechanism involving experts and users is adopted in order to continuously provide excellent products for the market and users.

2. Diversified equity structure and good strategic partnership

BAIC Group, a Controlling Shareholder of the Company as well as one of the main automobile groups in China, has established a relatively complete automobile industry chain covering businesses including research, development and manufacturing of vehicles, components and parts, automobile service trade, comprehensive commuting service, finance and investment. Other Shareholders of the Company include state-owned investment platforms, key state-owned enterprises, Mercedes-Benz Group, related strategic and financial investors, which is a diversified and internationalized equity structure. Such diversified equity structure is conducive to sufficient utilization of resources of Shareholders, improvement in the management ability by the Company and deep exploitation of the development potential of the Company.

The Company has established close joint venture and cooperation relationships with Mercedes-Benz Group, Hyundai Motor and other famous enterprises in the industry, and has further expanded the breadth and depth of the cooperation. In addition to establishment of Beijing Benz, Fujian Benz, Beijing Mercedes-Benz Sales Service Co., Ltd. ("Benz Sales") and Mercedes-Benz Leasing Co., Ltd. by the Company and Mercedes-Benz Group, both parties have cooperated and exchanged with each other in technology, platform, human resource and other aspects to a greater extent. Close cooperation with strategic partners enhances the research and development ability of the Company, expands the talent team and enriches the experience of the Company in management, production and operation.

3. **Experienced management team and core research and development team**

The management team of the Company has extensive industry and management experience as well as multidisciplinary and compound knowledge systems and professional skills. The team members have previously worked at leading domestic and international automotive companies, accumulating extensive experience in corporate management. They broaden the international vision rooted in local culture and ensure that the Company is able to formulate efficient and farsighted research and development strategies by grasping the future development trend and technologies of passenger vehicles and the law of industry development. Meanwhile, with the continuous improvement and optimization of the training system, the Company has carried out comprehensive improvement and continuously made progress in terms of pioneering, leading, basic and professional strengths.

The Company is committed to developing the first-class research and development strength and has a research and development team with excellent quality and reasonable structure. The core research and development team consists of international and domestic senior professionals in relevant fields, including intelligent networking, technologies of battery, motor and control, vehicle integration, NVH, powertrain, chassis framework etc., with strong strength and rich experience in research and development. The team fully promotes independent innovation, creates core technologies in depth, and continuously develops its own core strength. The team has continuously made achievements, with the capacity for the development of complete vehicle systems, core parts and components, and integrated development of key sub-system technology and vehicle system. It is an important research and development organization for passenger vehicles of Beijing Brand.

4. **Geographic advantage of headquarters in Beijing**

The headquarters of the Company is located in Beijing, the capital of China, where there are many scientific research institutions, colleges and universities, a great number of industry experts and talents, and the Company is able to obtain more high-quality human resource support, attract high-end industry talents and keep abreast of new technologies and breakthroughs in the industry in a timely manner, in order to support the improvement in the research and development strength of the Company. Meanwhile, Beijing boasts more convenient transportation, a more developed logistics system, more complete supporting facilities and infrastructures, which satisfy the demands of the Company for support necessary for production and operation.

5. Advanced manufacturing, techniques, quality and process management

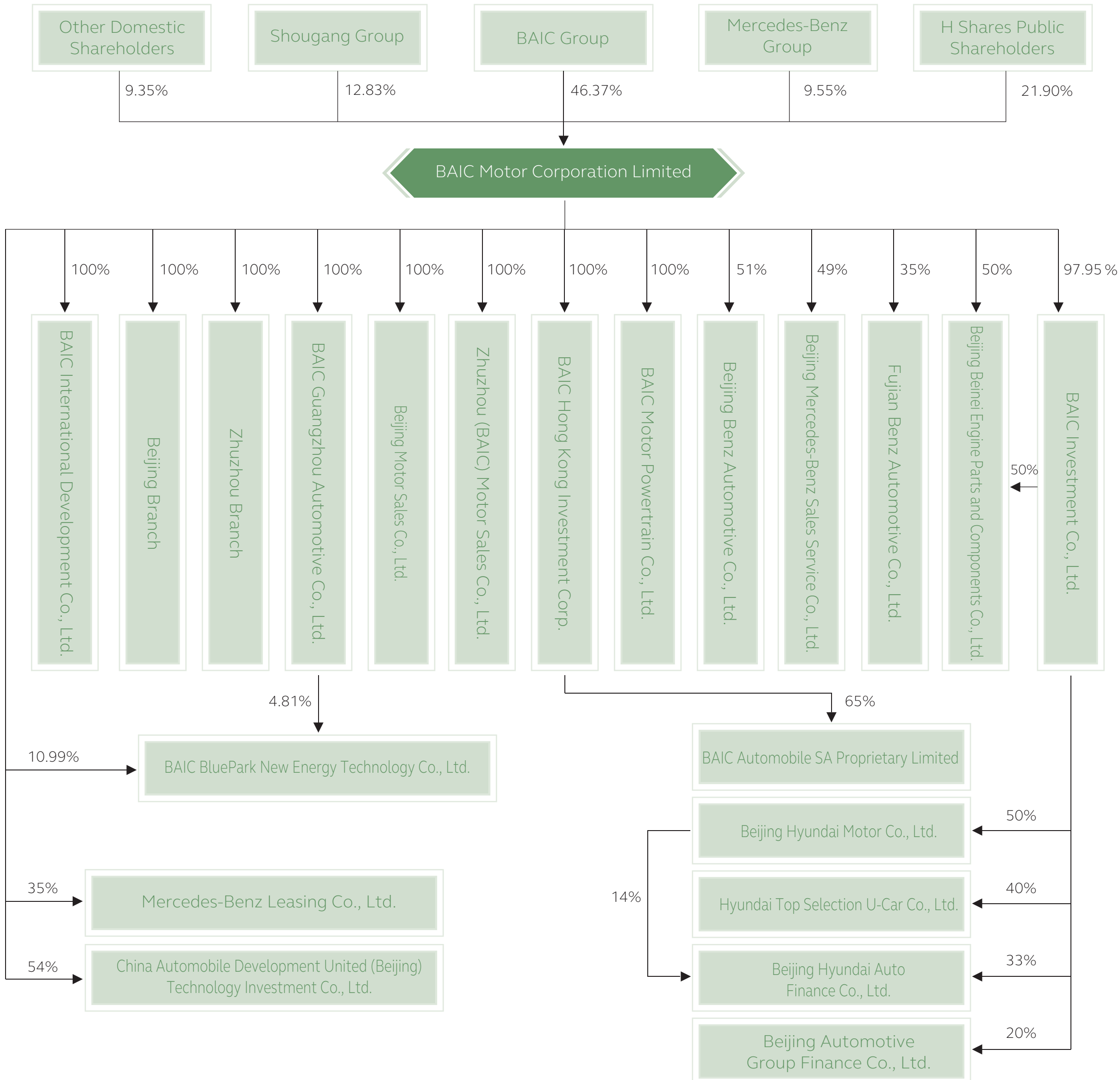
We have specialized production facilities to manufacture and assemble passenger vehicles to improve efficiency and maintain product quality standards. All of our production facilities are equipped with flexible production lines, as such we can apply differentiated production processes for different types of passenger vehicles. In order to ensure high quality operation of production, we carry out regular maintenance of the production facilities. Meanwhile, we have set up and implemented stringent quality control systems that comply with national and international standards, as we attach great importance to the consistency of product quality.

IV. CONTROLLING SHAREHOLDER

BAIC Group is the sole Controlling Shareholder of the Company and held 46.90% equity interest in the Company as of the Date of Issue of the Report. BAIC Group is one of the major automobile manufacturing groups in China and has been ranked among the world's top 500 companies for 12 consecutive years. BAIC Group has an operating history of over 60 years. It has now developed into a comprehensive and modern automobile conglomerate with diversified business portfolio and integrating vehicle research and development and manufacturing, parts and components manufacturing, automobile service trade, education and investment and financing business, as well as incubation of new industries. The Group is a key platform established by BAIC Group for passenger vehicle resource integration and business development.

V. BRIEF OF EQUITY STRUCTURE

The following chart sets out the major shareholding and investment structure of the Company as at December 31, 2024 (the "end of 2024"):



As of the Date of Issue of the Report, BAIC Group has been transferred 40 million domestic shares of the Company held by Shenzhen Benyuan Jinghong Equity Investment Fund Enterprise (Limited Partnership), which in aggregate held 46.90% equity interest in the Company.

BEIJING BRAND • MAJOR MODELS

1

BJ40e REEV EDITION

2

BJ30

3

BJ60 MAGIC CORE ELECTRIC DRIVE EDITION

4

NEW MAGIC CUBE

5

NEW X7

6

NEW EU5 PLUS

7

GLC L SUV

8

E-CLASS L

9

EQE SUV

10

THE FIVE-GEN SANTAFE

11

NEW TUCSON L

12

THE ELEVEN-GEN SONATA

VI. THE INDUSTRY DEVELOPMENT OF PASSENGER VEHICLES IN 2024

In 2024, the production and sales volume of passenger vehicles in China continued to grow, with an outstanding performance in the terminal market. The main increase in domestic demand was contributed by SUV, with the production and sales volume of new energy vehicles exceeding 10 million units, and the market share of independent passenger vehicles further increased. According to the data of CAAM, the sales volume of passenger vehicles in 2024 was 27.563 million units, representing a year-on-year increase of 5.8%, which showed a steady development trend.

In the first half of 2024, due to the impact of the economic environment, consumer confidence was sluggish, corporate involution did not bring about incremental growth, the passenger vehicles market was under-performed and recorded a decline in the sales volume. In the second half of 2024, the National Development and Reform Commission and the Ministry of Finance introduced the announcement of Measures to Strengthen Support for Large-Scale Equipment Upgrades and Trade-Ins for Consumer Goods (《關於加力支持大規模設備更新和消費品以舊換新的若干措施》), which effectively stimulated market demand, promoted the recovery of production and sales volume in passenger vehicle market, and drove the overall growth of the automobile industry with its wide coverage of models and significant subsidy amount. According to the data of CAAM, in 2024, new energy passenger vehicle sales amounted to 12.866 million units, representing a year-on-year increase of 35.5%, with a market share of 40.9%, and plug-in hybrid and extended-range vehicles have become new growth driving force; the sales volume of Chinese brand passenger vehicles amounted to 17.970 million units, a year-on-year increase of 23.1%, with a market share of 65.2%; sales of premium brand passenger vehicles amounted to 4.738 million units, a year-on-year increase of 2.3%; and exports of passenger vehicles amounted to 4.955 million units, a year-on-year increase of 19.7%.

VII. BUSINESS OPERATIONS OF THE GROUP IN 2024

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

1. Ongoing expansion in the new energy segment

In 2024, the Group's ongoing expansion in the new energy segment continuously improved its product matrix. The Group released the Magic Core Electric Drive Super Drive Solution, and launched Beijing Brand's first hybrid product of BJ30, the BJ60 Magic Core Electric Drive Edition, the all-new BJ40e REEV and other series of products, as well as Beijing Benz's new EQA and EQB pure electric SUV, the all-new long-wheelbase E-Class-E350 e L plug-in hybrid and GLC 350 e L plug-in hybrid version. To explore in-depth new energy transformation, the Group advanced the establishment of a new energy platform, Mercedes-Benz new energy commercial vehicle platform as well as the launching of Beijing Hyundai's all-new pure electric vehicle models. Our strategic subscription for the shares of BJEV gave full play to the strategic resource synergy advantages of new energy passenger vehicles.

2. Expanding high-quality overseas markets

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

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

3. Significant development of proprietary businesses

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

4. Win-win cooperation for the future

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

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

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

5. Technological innovation empowering development

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

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

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

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

Production Facilities

We have specialized production facilities to manufacture and assemble products. All of our production facilities are equipped with flexible production lines. This not only enables us to flexibly change production plans and respond quickly to changes in market demand, but also reduces our capital expenditures and operating costs.

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

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

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

Sales Network

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

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

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

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

Industry Chain Extension and Cooperation

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

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

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

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

VIII. PROSPECT FOR THE DEVELOPMENT OF PASSENGER VEHICLE INDUSTRY IN 2025

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

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

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

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

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

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

IX. OPERATIONAL STRATEGY OF THE GROUP FOR 2025

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

REVENUE AND NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

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

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

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

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

GROSS PROFIT

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

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

Gross profit from new energy vehicles decreased from RMB-3,750.2 million in 2023 to RMB-4,441.5 million in 2024, representing a year-on-year increase in loss.

WORKING CAPITAL AND FINANCIAL RESOURCES

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

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

CAPITAL STRUCTURE

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

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

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

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

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

SIGNIFICANT INVESTMENTS

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

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

MATERIAL ACQUISITIONS AND DISPOSALS

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

FOREIGN EXCHANGE LOSSES[4]

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

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

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

REMUNERATION POLICIES

Staff costs incurred by the Group decreased from RMB5,968.8 million in 2023 to RMB5,678.7 million in 2024, representing a year-on-year decrease of 4.9%.

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

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

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

PLEDGE OF ASSETS

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

CONTINGENT LIABILITIES

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

PRINCIPAL RISKS AND UNCERTAINTIES

1. Risks relating to macroeconomic volatility

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

2. Risk of increased market competition

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

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

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

Section VI Report of the Board of Directors

The Board of Directors hereby presents the report of the Board of Directors to the shareholders of the Company (the "Shareholders") and 2024 audited consolidated financial statements of the Group as prepared in accordance with the International Financial Reporting Standards ("IFRS") Accounting Standards issued by the International Accounting Standards Board.

COMPANY PROFILE AND INITIAL PUBLIC OFFERING

The Company was incorporated as a joint stock limited company in the PRC on September 20, 2010. On December 19, 2014, the Company's H Shares have been listed on the Main Board of the Stock Exchange in Hong Kong Special Administrative Region ("Hong Kong") of the PRC.

BUSINESS REVIEW

Please refer to the chapters headed "Company Profile and Business Overview" on pages 7 to 24 and "Management Discussion and Analysis" on pages 25 to 27 in this report for details regarding the business conditions and principal risks and uncertainties exposed to the Group in 2024, and the prospect of 2025. In addition, please refer to relevant information on pages 28 to 31 in this report for events after balance sheet date, information regarding the Group's environmental performance and policies, the compliance with the relevant laws and regulations that have a significant impact on the Group and the Group's relations with employees, suppliers and customers in 2024.

PRINCIPAL BUSINESS

Please refer to the section headed "MAJOR BUSINESS OPERATIONS" on pages 7 to 9 of "Company Profile and Business Overview" in this report for details.

OUTLOOK

Please refer to the chapter headed "OPERATIONAL STRATEGY OF THE GROUP FOR 2025" on page 24 of "Company Profile and Business Overview" in this report for details.

PERFORMANCE

The 2024 annual results and the financial position as at the end of 2024 of the Company and the Group are set out on pages 145 to 234 of the audited consolidated financial statements in this report.

PROPERTY

Changes of property, plant and equipment of the Group in 2024 are set out in Note 6 to the consolidated financial statements.

SHARE CAPITAL

As of the Date of Issue of the Report, the share capital of the Company is RMB8,015,338,182 and is divided into 8,015,338,182 Shares, at par value of RMB1.0 per Share (comprising 5,494,647,500 Domestic Shares and 2,520,690,682 H Shares).

TAXATION

The tax position of the Group for 2024 is set out in Note 32 to the consolidated financial statements.

EVENT AFTER BALANCE SHEET DATE

The details for event after balance sheet date of the Group are set forth in Note 42 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The details of the change in the reserves of the Company and the Group for 2024 are set forth in Note 39 to the audited consolidated financial statements, and in the consolidated statement of changes in equity on pages 149 to 150, respectively, among which the information of the reserve distributable to Shareholders is set forth in Note 39 to the consolidated financial statements.

PROFIT DISTRIBUTION

In accordance with the provisions of Article 167 of the Articles of Association of BAIC Motor Corporation Limited (the "Articles of Association"), distributable profits will be determined based on either the China Accounting Standards for Business Enterprises ("China Accounting Standards" or "PRC Accounting Standards") released by the Ministry of Finance or the IFRS Accounting Standards, whichever is lower.

The Board recommends no profit distribution for 2024.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

MAJOR CLIENTS AND SUPPLIERS

Major clients

The transaction amount of the top five clients of the Group in 2024 accounted for 3.6% of the Group's total revenue in 2024. The transaction amount of the single largest client of the Group accounted for 1.1% of the Group's total revenue in 2024.

Major suppliers

The transaction amount of the top five suppliers of the Group in 2024 accounted for approximately 58.5% of the Group's cost of raw materials used in the cost of sales in the year. The transaction amount of the single largest supplier of the Group accounted for approximately 40.0% of the Group's cost of raw materials used in the cost of sales in the year.

In 2024, Mercedes-Benz Group (the largest supplier of the Group), Beijing BAIC Yanfeng Automotive Parts Co., Ltd. (the second largest supplier of the Group), and BAIC Group Off-road Vehicle Co., Ltd. ("BAIC Off-road Vehicle") (the fourth largest supplier of the Group) and Beijing Hainachuan Lear Automotive System Co., Ltd.* (北京海納川李爾汽車系統有限公司) (the fifth largest supplier of the Group) are the related parties of the Group.

None of the Directors, their close associates or any Shareholders (who to the best of the Directors' knowledge held more than 5% of the issued Shares of the Company) had interests in the major clients and suppliers of the Group during anytime in 2024.

RELATIONS WITH EMPLOYEES, SUPPLIERS AND CLIENTS

The Group provides a competitive remuneration portfolio to attract and incentivize employees. The Group reviews the employees' remuneration portfolio on a regular basis and makes necessary adjustment in order to be in line with the market standard. The Group also understands that it is of great importance to maintain good relations with suppliers and clients for the realization of the short- term and long-term goals. For the purpose of maintaining its brand competitiveness and dominance, the Group is committed to providing consistently premium products and services to clients. In 2024, the Group had no material and significant dispute with suppliers and clients.

ENVIRONMENTAL PERFORMANCE AND POLICIES

The Group has actively responded to the environmental policies and strictly complied with the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, and other laws, regulations and relevant policies. In adhering to the environmental concept of "green operation for sustainable development", it promoted cleaner production, developed green products through eco-design, and reduced the impact on the environment throughout the product life cycle. The Group strengthened the management and control over pollutants to reduce the impact of the production process on the environment by enhancing production efficiency, improving technologies and processes, optimizing emission management and treatment systems as well as environmental monitoring.

The Group, through the business philosophy of "improving efficiency through cost reduction", promoted both management–related energy conservation and project-related energy conservation, explored energy-saving potential, improved energy utilization efficiency and reduced energy consumption, achieving continuous improvement in energy performance and transforming into a "carbon neutral" enterprise. It has established its operating policy of planning energy consumption, promoting energy conservation and increasing productivity and effectiveness through energy conservation. The Group saved energy through technologies and management methods, and continuously reduced its own energy consumption and carbon dioxide emissions, thus achieving the coordinated development of economic development and resource conservation.

In 2024, the Group strictly complied with relevant laws, regulations and China's environmental policies, and established corresponding compliance operation mechanisms. It prepared the environmental, social and governance report according to the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange. For details, please refer to the chapter headed "Environmental, Social and Governance Report" on pages 81 to 136 of this report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company is a joint stock company incorporated in China with limited liability, and is registered as a non- Hong Kong company under the Hong Kong Companies Ordinance. The Shares of the Company are traded on the Main Board of the Stock Exchange. The Company continuously reviews its current systems and procedures, emphasizes and strives to comply with the Company Law of the People's Republic of China (the "Company Law"), the Listing Rules, the Securities and Futures Ordinance (the "SFO"), applicable Hong Kong Companies Ordinance, and other relevant laws and regulations which have a significant impact on the Company. The Company endeavors to safeguard its Shareholders' interests, enhance corporate governance and strengthen the functions of the Board of Directors.

Laws and regulations that have a significant impact on the operation of the Group include but are not limited to the Company Law, the Regulation of the People's Republic of China on the Administration of Company Registration, the Securities Law of the People's Republic of China, the Foreign Investment Law of the People's Republic of China, the Civil Code of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Regulation on the Administration on Recall of Defective Auto Products, the

Provisions on the Liability for the Repair, Replacement and Return of Household Automotive Products, the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China and the Product Quality Law of the People's Republic of China. The business operation of the Group has always complied with national and local laws and regulations. The Group upholds honesty and integrity, and performs its social responsibility. In 2024, there was no material litigation or dispute against the Group.

The Group has always been adhering to putting the exercise of power under institutional checks, continuously improving and strengthening the Company's employee management system improvement. In 2024, the Group further deepened and perfected the management system matching with the governance requirements of listed companies, and further optimized the system which is easy to comply with, operate and implement.

The Company and its employees have been exercising their best endeavors to strictly follow the applicable rules, laws and industry standards. The Directors are not aware of any breach of laws or regulations which have a significant impact on the Group, nor are they aware of any litigation or cases of corruption, bribery, extortion, fraud and money laundering involving the Group in 2024.

DONATIONS

In 2024, the Group did not make any donations.

BANK LOANS AND OTHER BORROWINGS

The details for bank loans and other borrowings of the Group at the end of 2024 are set forth in Note 22 to the consolidated financial statements.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The basic information of the Directors, the supervisors (the "Supervisors") and senior management of the Company is set out in the chapter headed "Directors, Supervisors and Senior Management" on pages 70 to 80 of this report.

As of the Date of Issue of the Report, Mr. Liu Guanqiao, Mr. Paul Gao, Mr. Kevin Walter Binder and Mr. Ji Xuehong have obtained legal advice from law firms qualified to advise on Hong Kong law on March 22, 2024; and Mr. Peng Jin has obtained legal advice from law firms qualified to advise on Hong Kong law on October 17, 2024, and have confirmed that they understood all the requirements of the Listing Rules applicable to them as directors of a listed issuer and the possible consequences of making a false statement or providing false information to the Stock Exchange.

The Company has received a confirmation from each of the independent non-executive Directors in respect to their independence pursuant to Rule 3.13 of the Listing Rules. Each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors to be independent persons pursuant to Rule 3.13 of the Listing Rules.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The following sets out changes in information of the Directors, Supervisors and senior management from January 1, 2024 to the Latest Practicable Date:

Directors and Supervisors

On March 22, 2024, Mr. Chen Wei, Mr. Hu Hanjun and Mr. Chen Hongliang were appointed as non-executive Directors, Mr. Song Wei was appointed as an executive Director, Mr. Liu Guanqiao, Mr. Ye Qian, Mr. Paul Gao, Mr. Kevin Walter Binder, Mr. Gu Tiemin and Mr. Sun Li were appointed as non-executive Directors, and Ms. Yin Yuanping, Mr. Xu Xiangyang, Mr. Tang Jun, Mr. Edmund Sit and Mr. Ji Xuehong were appointed as independent non-executive Directors, for a term of office commencing on March 22, 2024 until the expiration of the term of the fifth session of the Board.

On the same day, Mr. Chen Wei was elected as the chairman of the Company (the "Chairman") by the fifth session of the Board of Directors, and the chairmen and members of the audit committee of the Board (the "Audit Committee"), the remuneration committee of the Board (the "Remuneration Committee"), the nomination committee of the Board (the "Nomination Committee") and the strategy and sustainability committee of the Board (the "Strategy Committee") were elected. The term of office of the above personnel commenced on March 22, 2024 until the expiration of the term of the fifth session of the Board of Directors.

With the establishment of the fifth session of the Board of Directors, Mr. Hubertus Troska, Mr. Harald Emil Wilhelm and Mr. Ge Songlin, who were the Directors of the fourth session of the Board of Directors, ceased to be the Directors. For details, please refer to the relevant announcement of the Company dated March 22, 2024.

Due to work adjustment, Mr. Liu Guanqiao ceased to be a non-executive Director and a member of the Strategy Committee with effect from August 22, 2024. For details, please refer to the relevant announcement of the Company dated August 26, 2024.

The Company convened the 2024 third extraordinary general meeting on October 17, 2024, at which Mr. Peng Jin was appointed as a non-executive Director and a member of the Strategy Committee, for a term of office commencing from October 17, 2024 until the expiration of the term of the fifth session of the Board. For details, please refer to the circular of the Company dated September 30, 2024 and the announcement of the Company dated October 17, 2024.

Due to work adjustment, Mr. Chen Wei ceased to be the Chairman, a non-executive Director, the chairmen of the Strategy Committee and the Remuneration 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 at the Board meeting held on the same day, for a term of office commencing from March 13, 2025 until the expiration of the term of the fifth session of the Board. On the same day, Mr. Wang Hao was elected as the Chairman, and was appointed as the chairmen of the Strategy Committee and the Nomination Committee by the fifth session of the Board of Directors. 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.

On March 19, 2024, Mr. Zhang Ran and Ms. Jiang Yumei were elected as the employee representative Supervisors of the fifth session of the Board of Supervisors of the Company (the "Board of Supervisors") at the employee representatives' meeting of the Company. On March 22, 2024, Ms. Jiao Feng, Ms. Zhu Yan and Mr. Deng Yishuai were appointed as the fifth session of non-employee representative Supervisors at the 2024 first extraordinary general meeting of the Company. The five Supervisors above form the fifth session of the Board of Supervisors, for a term of office commencing on the date of his/her appointment until the expiration of the term of the fifth session of the Board of Supervisors.

On the same day, Mr. Zhang Ran was elected as the chairman of the fifth session of the Board of Supervisors at the first meeting of the fifth session of the Board of Supervisors, with a term of office commencing from March 22, 2024 until the expiration of the term of the fifth session of the Board of Supervisors.

With the establishment of the fifth session of the Board of Supervisors, Mr. Zhang Yanjun, who is the Supervisor of the fourth session of the Board of Supervisors, ceased to be the employee representative Supervisor with effect from March 19, 2024; Mr. Zhou Xuehui and Ms. Qiao Yufei ceased to be the non-employee representative Supervisors with effect from March 22, 2024. For details, please refer to the relevant announcement of the Company dated March 22, 2024.

On September 20, 2024, Mr. Zhang Ran ceased to be the chairman of the Board of Supervisors and an employee representative Supervisor due to work adjustment. For details, please refer to the relevant announcement of the Company dated September 20, 2024.

On October 24, 2024, Mr. Zhao Jinlun was elected as an employee representative Supervisor at the meeting of the employee representatives of the Company for a term commencing from October 24, 2024 until the expiration of the term of the employee representative Supervisors of the fifth session of the Board of Supervisors. On October 28, 2024, at the meeting of the fifth session of the Board of Supervisors, Mr. Zhao Jinlun was elected as the chairman of the fifth session of the Board of Supervisors for a term commencing from October 28, 2024 until the expiration of the term of the employee representative Supervisors of the fifth session of the Board of Supervisors. For details, please refer to the relevant announcement of the Company dated October 28, 2024.

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.

Senior Management and Company Secretary

On March 22, 2024, Mr. Song Wei was elected as the President at the first meeting of the fifth session of the Board of Directors, with a term of office commencing from March 22, 2024 until the expiration of the term of the fifth session of the Board of Directors. For details, please refer to the relevant announcement of the Company dated March 22, 2024.

On the same day, a resolution to amend the Articles of Association was considered and approved at the 2024 first extraordinary general meeting of the Company, adding a provision stating that the general counsel shall be a member of the Company's senior management. Mr. Zhang Zuyuan is the general counsel of the Company, his term of office commenced on March 22, 2024 until the expiration of the term of the fifth session of the Board of Directors. For details, please refer to the relevant announcement of the Company dated March 22, 2024.

On April 26, 2024, Mr. Zhang Kai was elected as the vice president of the Company at the second meeting of the fifth session of the Board, with a term of office commencing from April 26, 2024 until the expiration of the term of the fifth session of the Board.

On March 28, 2025, Mr. Wang Jianhui resigned as the company secretary of the Company (the "Company Secretary"). On the same day, Ms. Yu Dan has been appointed as the Company Secretary and Ms. Ng Sau Mei has been appointed as the joint Company Secretary.

Save as disclosed above, there was no change in the Directors, Supervisors, senior management and Company Secretary of the Company from January 1, 2024 and up to the Latest Practicable Date. Meanwhile, the Directors, Supervisors, senior management and Company Secretary confirmed that there was no information required to be disclosed in accordance with Rule 13.51B(1) of the Listing Rules.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

Each Director of the Board of Directors and each Supervisor of the Board of Supervisors has entered into a service contract with the Company for a term of three years or ending on the expiry of the term of office for the current session of the Board of Directors or the Board of Supervisors. The service contracts set out the main terms, key conditions and relevant rights, obligations and responsibilities of the appointed Directors and Supervisors, with particular emphasis on the duties of the independent non-executive Directors and the executive Directors, and they can be terminated in accordance with the relevant terms in the service contracts.

In 2024, none of the Directors or the Supervisors entered into a service contract with the Company that cannot be terminated by the Company within a year without compensation (other than statutory compensation).

REMUNERATION OF DIRECTORS AND SUPERVISORS

Details of remuneration of Directors and Supervisors in 2024 are set out in Note 40 to the consolidated financial statements.

REMUNERATION FOR FIVE INDIVIDUALS WITH THE HIGHEST REMUNERATION

Details of remuneration for five individuals (excluding Directors and Supervisors) with the highest remuneration in the Company in 2024 are set forth in Note 30 to the consolidated financial statements.

MANAGEMENT CONTRACTS

In 2024, no contract regarding the management and administration of overall business and any substantial part of the business has been entered into or maintained by the Company.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "CONNECTED TRANSACTIONS" on pages 38 to 48 in this report, none of the Company or any of its subsidiaries entered into any contracts of significance with the Controlling Shareholder or any of its subsidiaries other than the Group, nor was there any contract of significance between the Group and the Controlling Shareholder or any of its subsidiaries other than the Group in relation to provision of services in 2024.

MATERIAL INTERESTS OF DIRECTORS AND SUPERVISORS IN CONTRACTS, TRANSACTIONS OR ARRANGEMENTS

In 2024, save as disclosed in this report, none of the Directors or Supervisors or their connected entities directly or indirectly has material interest in any contracts, transactions or arrangements, which are significant to the businesses of the Group and entered into by the Company or any of its subsidiaries.

INTERESTS OF DIRECTORS ON COMPETING BUSINESSES

In 2024, save as disclosed in this report, none of the Directors or their associates has any competing interests in the businesses which compete or are likely to compete with businesses of the Company, either directly or indirectly.

DIRECTORS AND SUPERVISORS SERVING IN COMPETING BUSINESSES

The chart below summarizes the information of the Directors and Supervisors serving in BAIC Group and its connected companies as of the Date of Issue of the Report:

Name	Major positions in the Group	Main Positions in Beijing Automotive Group Co., Ltd. and Its Connected Companies
Mr. Wang Hao	• Chairman of the Board and executive Director of the Company	• Director of BAIC Group Off-road Vehicle Co., Ltd.
Mr. Hu Hanjun	• Non-executive Director of the Company	• Deputy general manager of Beijing Automotive Group Co., Ltd.

Save as disclosed above, as of the Date of Issue of the Report, none of the Directors, Supervisors or their associates had any interest in competing businesses or businesses that might be competing with the Group's business, nor did they have any other conflicts of interest with the Group.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the end of the Reporting Period, none of the Directors, Supervisors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register of the Company as referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at the end of 2024, none of the Directors or Supervisors or any of their respective associates was granted by the Company or its subsidiaries any rights to, or exercised any rights to acquire shares or debentures of the Company or any other body corporate.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at the end of 2024, to the best knowledge of the Directors, the following entities/persons (except for the Directors, Supervisors and senior management) had interests or short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept of the Company under section 336 of the SFO, or who were directly and/or indirectly deemed to have 5% or more interest of the nominal value of any class of share capital carrying rights to vote in all circumstances at the annual general meetings:

Name of Shareholder	Class of Shares	Number of Shares/Underlying Shares Held Note 1	Percentages of Relevant Class of Shares (%) Note 2	Percentage of the Total Share Capital (%)
Beijing Automotive Group Co., Ltd. Note 3	Domestic Shares	3,716,659,704(L)	67.64	46.37
Shougang Group Co., Ltd.	Domestic Shares	1,028,748,707(L)	18.72	12.83
Mercedes-Benz Group AG	H Shares	765,818,182(L)	30.38	9.55

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

Note 2: The percentage is calculated based on the number of Shares held by relevant persons/the number of relevant classes of Shares of the Company in issue as at the end of 2024.

Note 3: As of the Date of Issue of the Report, BAIC Group has been transferred 40 million domestic shares of the Company held by Shenzhen Benyuan Jinghong Equity Investment Fund Enterprise (Limited Partnership), which in aggregate held 46.90% equity interest in the Company.

ARRANGEMENTS FOR SHARE PRE-EMPTIVE RIGHT AND SHARE OPTION

In 2024, no arrangement for share pre-emptive right and share option was made by the Company, and there is no specific provision under the PRC laws or the Articles of Association regarding share pre-emptive right.

DEBENTURES ISSUED

In 2024, the Group did not issue debentures.

As at the end of 2024, the total outstanding borrowings was RMB8,589.4 million, including short-term borrowings of RMB6,318.4 million in aggregate and long-term borrowings of RMB2,271.0 million in aggregate.

EQUITY-LINKED AGREEMENTS

In 2024, no equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company or subsisted.

PERMITTED INDEMNITY PROVISION

In 2024, no permitted indemnity provision (whether made by the Company or otherwise) was made which was or is in force for the benefit of the Directors or any directors of the associated companies of the Company (if made by the Company).

The Company has liability insurance to protect Directors, Supervisors and senior management against certain relevant lawsuits.

RETIREMENT AND EMPLOYEE BENEFIT SCHEMES

For details of the retirement and employee benefit schemes of the Group, please refer to the section headed "Employees" on pages 48 to 49 of this report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

For details, please refer to the chapter headed "Corporate Governance Report" on pages 52 to 69 of this report.

AUDIT COMMITTEE

The Audit Committee has reviewed the Company's and the Group's 2024 annual results, and the audited consolidated financial statements for 2024 prepared in accordance with the IFRS Accounting Standards.

AUDITORS

PricewaterhouseCoopers ("PwC") and PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) ("PwC Zhong Tian") were appointed as the Company's auditors in relation to the financial statements prepared under the IFRS Accounting Standards and China Accounting Standards, respectively, for the year of 2024.

FIVE-YEAR FINANCIAL SUMMARY

Summary of the Group's operation performance, assets and liabilities for the last five financial years is set out in the chapter headed "Summary of Operations" on page 6 in this report. This summary does not form part of the audited consolidated financial statements.

COMPLIANCE OF BAIC GROUP WITH THE NON-COMPETITION UNDERTAKING

The Company has received a confirmation letter from BAIC Group, which confirms that in 2024, BAIC Group has complied with every undertaking in the Non-competition Undertaking given to the Company.

PUBLIC FLOAT

According to the information publicly available to the Company, or to the knowledge of the Directors, as at the Date of Issue of the Report, the public held no less than 21.90% of Shares issued by the Company, which complies with a waiver regarding public float granted to the Company when it got listed. For details, please refer to the Prospectus, the announcement of the Company on partial exercise of over-allotment option dated January 12, 2015, and the announcement of the Company on completion of the placing of H Shares dated May 3, 2018.

MATERIAL LITIGATION

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

CONNECTED TRANSACTIONS

Non-fully-exempted continuing connected transactions

1. **Trademark Licensing Framework Agreement between the Company and BAIC Group**

The Company and BAIC Group entered into a trademark licensing framework agreement on March 24, 2023, which took effect from the date of approval by the Shareholders at the 2022 annual general meeting of the Company to December 31, 2025, and was subject to renewal by mutual consent.

Pursuant to the agreement, the Group is licensed by BAIC Group to use certain trademarks in the products manufactured and services supplied by the Group and in the documents of the Group. The actual trademark licensing fees and payment method shall be determined in accordance with the principles, terms and conditions of the agreement and set out in a specific agreement to be entered into between the parties.

The annual caps for the trademark licensing fees paid by the Group to BAIC Group under the trademark licensing framework agreement for 2023, 2024 and 2025 are as follows:

	Annual cap for the year ended/ending December 31, (RMB in million)		
Item	**2023**	2024	2025
Trademark licensing fees paid by the Group to BAIC Group	**985.0**	992.0	996.0

The above continuing connected transactions and annual caps were considered and approved by the Board of Directors on March 24, 2023 and approved by the Shareholders on June 26, 2023 at the 2022 annual general meeting of the Company. For further details of the trademark licensing framework agreement, please refer to the announcement of the Company dated March 24, 2023 and the circular of the Company dated May 24, 2023.

In 2024, the actual trademark licensing fees paid by the Group to BAIC Group under the above agreement were RMB660.7 million.

2. **Property and Facility Leasing Framework Agreement between the Company and BAIC Group**

The Company entered into a property and facility leasing framework agreement (the "Property and Facility Leasing Framework Agreement") with BAIC Group on December 2, 2014, with the term from the Listing date of the Company to December 31, 2016, subject to renewal through mutual consents by both parties. Both parties renewed the Property and Facility Leasing Framework Agreement on October 20, 2016 and April 27, 2022 with the term from January 1, 2023 to December 31, 2025, subject to renewal through mutual consents by both parties.

Pursuant to the agreement, the Group will lease properties and facilities from BAIC Group and/or its associates for manufacturing specific passenger vehicles. The rent payable under the agreement was agreed based on arm's length negotiation between the parties to the agreement with reference to the local market price, in compliance with relevant rules and regulations of the PRC; Specific agreements shall be entered into stipulating the specific terms and conditions (including property rentals, payment methods and other usage fees) in respect of relevant leased properties and facilities.

The annual caps for the total annual rentals payable by the Group to BAIC Group and/or its associates for the property and facility leasing and the total annual rentals to be received from BAIC Group and/or its associates for the property and facility leasing under the Property and Facility Leasing Framework Agreement are set out below:

	Annual cap for the year ended/ending December 31, (RMB in million)		
Item	**2023**	2024	2025
Total annual rentals paid by the Group to BAIC Group and/or its associates for property and facility leasing	**425.8**	425.8	425.8
Total annual rentals received by the Group from BAIC Group and/or its associates for property and facility leasing	**255.9**	255.9	255.9

The above continuing connected transactions and the annual caps were considered and approved by the Board of Directors on April 27, 2022. For other details on the Property and Facility Leasing Framework Agreement, please refer to the announcement of the Company dated April 27, 2022.

In 2024, the actual rentals for property and facility leasing paid by the Group to BAIC Group and/or its associates were RMB128.5 million, and the actual rentals received by the Group from BAIC Group and/or its associates for property and facility leasing were RMB28.6 million.

3. **Financial Services Framework Agreement between the Company and BAIC Finance**

The Company entered into a financial services framework agreement (the "Financial Services Framework Agreement") with BAIC Finance on December 2, 2014, for an initial term from the Listing date of the Company to December 31, 2016, subject to renewal through mutual consents by both parties. The Company renewed the Financial Services Framework Agreement with BAIC Finance on October 20, 2016 and April 27, 2022 with the term from January 1, 2023 to December 31, 2025, subject to renewal through mutual consents by both parties.

Pursuant to the agreement, BAIC Finance will provide financial services to the Company, mainly including (i) deposits; (ii) loans and entrusted loans; (iii) other financial services inclusive of notes discount and acceptance, finance leasing, settlement and entrusted loan agency; and (iv) any other services subject to relevant approvals from The China Banking and Insurance Regulatory Commission ("CBIRC").

The Financial Services Framework Agreement provides for the following pricing principles:

(a) Deposit services. Interest rates for the deposits placed by the Group with BAIC Finance will not be lower than: (i) the lower limit of interest rate published by the People's Bank Of China ("PBOC") for deposits of a similar type for the same period; (ii) the interest rate for deposits of the same type for the same period placed by subsidiaries of BAIC Group (other than the Group); or (iii) the interest rate for deposits of the same type for the same period offered by independent commercial banks to the Company and its subsidiaries.

(b) Loans services. Interest rates for the loans to be advanced by BAIC Finance to the Group will not be higher than: (i) the caps (if any) of the loan interest rate published by the PBOC for loans of a similar type for the same period; (ii) the interest rate for loans of the same type for the same period offered by BAIC Finance to other subsidiaries of BAIC Group (other than the Group); or (iii) the interest rate for loans of the same type for the same period offered by independent commercial banks to the Company and its subsidiaries.

(c) Other financial services. The interest rates or services fees will be (i) subject to the prevailing benchmark fee (if applicable) for similar types of financial services published by the PBOC or CBIRC; (ii) comparable to or not exceeding the interest rates or fees charged by independent commercial banks or financial institutions to the Group for financial services of the same type; and (iii) comparable to, or no less favourable to the Group than, fees charged by BAIC Finance to the subsidiaries of BAIC Group other than the Group for financial services of the same type.

As BAIC Group, the Controlling Shareholder and a connected person of the Company, holds 56.00% equity interest in BAIC Finance, an associate of BAIC Group, BAIC Finance is also a connected person of the Company. The transactions under the Financial Services Framework Agreement between the Company and BAIC Finance constitute connected transactions of the Company, pursuant to Chapter 14A of the Listing Rules.

As the loan services provided by BAIC Finance to the Group are on normal commercial terms and on terms that are no less favourable than those offered by independent third parties to the Group for comparable services in China, and no security over the assets of the Group was granted in respect of the loans, the loan service transactions are exempted from the reporting, announcement and independent Shareholders' approval requirements under the Rule 14A.90 of the Listing Rules.

The annual caps on the maximum daily balance of deposits and the interest income from deposits under the Financial Services Framework Agreement for 2023, 2024 and 2025 are as follows:

	Annual cap for the year ended/ending December 31, (RMB in million)		
Item	**2023**	2024	2025
Maximum daily balance of deposits placed by the Group with BAIC Finance	**22,000.0**	22,000.0	22,000.0
Interest income from deposits placed by the Group with BAIC Finance	**490.1**	490.1	490.1
Charges payable to BAIC Finance by the Group for other financial services	**457.5**	775.7	761.4

The above continuing connected transactions and annual caps were considered and approved by the Board of Directors on April 27, 2022 and March 24, 2023 and approved by the Shareholders at the 2021 annual general meeting of the Company on June 28, 2022 and the 2022 annual general meeting of the Company on June 26, 2023, respectively. For further details of the Financial Services Framework Agreement, please refer to the announcements of the Company dated April 27, 2022 and March 24, 2023 and the circulars dated April 27, 2022 and March 24, 2023.

In 2024, the actual amount of the maximum daily balance deposits placed by the Group with BAIC Finance was RMB19,560.0 million, the actual amount of interest income from deposits placed by the Group with BAIC Finance was RMB106.0 million, and the actual amount of charges payable to BAIC Finance by the Group for other financial services was RMB246.0 million.

4. Products and Services Purchasing Framework Agreement between the Company and BAIC Group

The Company entered into a products and services purchasing framework agreement (the “Products and Services Purchasing Framework Agreement”) with BAIC Group on December 2, 2014, for an initial term from the Listing date of the Company to December 31, 2016, subject to renewal through mutual consents by both parties. In order to effectively meet the Company’s requirements for stable supply and high quality of products and integrated services, the Company renewed the Products and Services Purchasing Framework Agreement with BAIC Group on October 20, 2016 and April 27, 2022, with the term from January 1, 2023 to December 31, 2025, subject to renewal through mutual consents by both parties.

Pursuant to the agreement, BAIC Group and/or its associates will provide the Group with commodities including equipment, raw materials, parts and components and vehicles, and related technologies, related derivatives arising from such commodities (including but not limited to energy credits and carbon emission policy trading), and services including labor services, logistics services, transportation services, technical services and consulting services. In order to ensure that the terms of individual transaction in respect of the purchase of products and comprehensive services by the Group from BAIC Group are fair and reasonable and in line with market practices, the Group has adopted the following pricing policies and measures: to have regular contact with the suppliers of the Group (including BAIC Group) to keep abreast of market developments and the price trend of comprehensive services; before placing an individual purchase order, to invite a certain number of suppliers (including BAIC Group) from the list of approved suppliers of the Group to submit quotations or proposals; and to have the suppliers and pricing of products and integrated services determined by the collective decision of the Company's tender assessment board according to the Company's administrative measures for market quotations.

The annual caps for purchase of products and purchase of services under the Products and Services Purchasing Framework Agreement for 2023, 2024 and 2025 are as follows:

	Annual cap for the year ended/ending December 31, (RMB in million)		
Item	**2023**	2024	2025
Purchase of products	**38,209.4**	49,511.1	56,883.5
Purchase of services	**6,037.4**	5,797.6	5,746.3

The above continuing connected transactions and annual caps were considered and approved by the Board of Directors on April 27, 2022 and March 24, 2023 and approved by the Shareholders at the 2021 annual general meeting of the Company on June 28, 2022 and the 2022 annual general meeting of the Company on June 26, 2023, respectively. For further details of the Products and Services Purchasing Framework Agreement, please refer to the announcements of the Company dated April 27, 2022 and March 24, 2023 and the circulars of the Company dated April 27, 2022 and March 24, 2023.

In 2024, the actual amounts of products and services purchased under the Products and Services Purchasing Framework Agreement were RMB32,571.7 million and RMB4,944.6 million respectively.

5. **Provision of Products and Services Framework Agreement between the Company and BAIC Group**

The Company entered into a provision of products and services framework agreement (the "Provision of Products and Services Framework Agreement") with BAIC Group on December 2, 2014, for an initial term from the Listing date of the Company to December 31, 2016, subject to renewal through mutual consents by both parties. The Company renewed the Provision of Products and Services Framework Agreement with BAIC Group on October 20, 2016 and April 27, 2022 with the term from January 1, 2023 to December 31, 2025, subject to renewal through mutual consents by both parties.

Pursuant to the agreement, BAIC Group and/or its associates will purchase the various types of products (including commodities such as facilities, raw materials, components and parts and vehicles etc. and related technologies, and derivatives derived from such commodities (including but not limited to energy credits and carbon emissions policy trading)) ("Supply of Products") and services (including sales agency, processing agency, labour, logistics, transportation, technical services and consultancy) ("Provision of Services") from the Group. In order to ensure that the terms under such agreement are fair, the said agreement specifically provides that the terms of transactions contemplated thereunder are to be no less favorable than those entered into between the Company and independent third parties. The service fees charged to BAIC Group by the Group are determined on the basis of arm's length negotiations between the relevant parties. To ensure that the terms of supplying products and services to BAIC Group are fair and reasonable, the Group made reference to the relevant historical prices of products and services and based such on the principle of cost coupled with a fair and reasonable margin.

The annual caps for Supply of Products and Provision of Services under the Provision of Products and Services Framework Agreement for 2023, 2024 and 2025 are as follows:

	Annual cap for the year ended/ending December 31, (RMB in million)		
Item	**2023**	2024	2025
Supply of Products	**33,849.7**	48,097.3	46,060.2
Provision of Services	**310.6**	316.1	313.9

The transaction for Supply of Products and annual caps were considered and approved by the Board of Directors on April 27, 2022 and March 24, 2023 and approved by the Shareholders on June 28, 2022 at the 2021 annual general meeting of the Company and on June 26, 2023 at the 2022 annual general meeting of the Company. The transaction for Provision of Services and the annual caps were considered and approved by the Board of Directors on April 27, 2022. For further details of the transactions for Supply of Products and Provision of Services, please refer to the announcements of the Company dated April 27, 2022 and March 24, 2023 and the circulars of the Company dated April 27, 2022 and March 24, 2023.

In 2024, the actual amounts of Supply of Products and Provision of Services under the Provision of Products and Services Framework Agreement were RMB20,876.0 million and RMB59.1 million respectively.

6. **Continuing connected transactions in relation to Mercedes-Benz Group and its associates**

In 2024, the Group has entered into a number of continuing connected transactions with Mercedes-Benz Group and its associates. In view of factors including protection of trade secrets and avoidance of unnecessary burden and losses to the business and operation of the Group, the Stock Exchange, at the time of Listing of the Company, has granted the Company an exemption from strict compliance with the written agreement and/or annual cap, announcements, annual reporting and/or independent Shareholders' approval requirements under the Listing Rules in respect of certain transactions with Mercedes-Benz Group, as follows:

Nature of transaction	Transaction summary and pricing policy	Exemption granted
Sales of vehicles by Beijing Benz to Mercedes-Benz Group and its associates	• **Transaction summary:** Mercedes-Benz Group and its associates purchased vehicles from Beijing Benz for the purposes of research and development, testing, marketing and promotion and self-use. • **Pricing policy:** The market prices of relevant vehicles have been taken into consideration to ensure that the prices are fair and reasonable and on normal commercial terms.	Signing of written agreement
Purchases of parts and accessories by Beijing Benz from Mercedes-Benz Group and its associates	• **Transaction summary:** Beijing Benz purchased from Mercedes-Benz Group and its associates' components (including chassis), spare parts and accessories for the purposes of production. • **Pricing policy:** The market prices of similar products available in the market will be taken into consideration by Beijing Benz to ensure that the prices offered by Mercedes and/or its associates are reasonable and competitive in the market. • **Transaction amount:** Not applicable.	Signing of written agreement, annual cap, annual reporting, announcement and independent Shareholders' approval

Nature of transaction	Transaction summary and pricing policy	Exemption granted
Provision of the right to use intellectual property rights (including trademarks and technologies) by Mercedes-Benz Group and its associates to Beijing Benz	• **Transaction summary:** Beijing Benz is granted by Mercedes-Benz Group a non-exclusive license for the use of trademarks (including the "Benz" trademark in its company name) and technologies in the manufacture and assembly of Mercedes-Benz branded passenger vehicles upon the periodic payment of royalties to Mercedes-Benz Group and its associates. • **Pricing policy:** The prices for the use of technologies and trademarks have been agreed by Mercedes-Benz Group and the Group on arm's length negotiations subject to our internal control procedures. The royalties payable for such licenses of technologies and trademarks are calculated as a percentage of the net revenue from vehicles and automobile parts and components which use the licensed technologies and trademarks. This net revenue is calculated based on the manufacturer's suggested retail price less the value-added tax, gross margin of dealers, sales rebates to dealers, consumption tax and sales discounts. • **Transaction amount:** Not applicable.	Signing of written agreement, annual cap, annual reporting, announcement and independent Shareholders' approval

Nature of transaction	Transaction summary and pricing policy	Exemption granted
Provision of services by Mercedes-Benz Group and its associates to Beijing Benz	• **Transaction summary:** Beijing Benz has entered into service procurement agreements with Mercedes-Benz Group and its associates, pursuant to which Mercedes-Benz Group and its associates provided technical support, training, specialist assistance, IT support, sales consulting, marketing and operational management services. • **Pricing policy:** The service fees charged by Mercedes-Benz Group and its associates to the Group are determined based on arm's length negotiations subject to internal control procedures. In relation to technical support services and specialist assistance services, Mercedes-Benz Group and the Company agreed that the service fees to be paid will be determined on a fixed fee rate on a daily basis with reference to the historical rates paid by Beijing Benz for the provision of similar services. The Group will take into account the market prices and comparable prices of similar services. • **Transaction amount:** Not applicable.	Signing of written agreement, annual cap, annual reporting, announcement and independent Shareholders' approval
Beijing Benz provides Mercedes-Benz Group and its associates with services, parts and accessories	• **Transaction summary:** Beijing Benz sold components and spare parts and provided aftersales referral services to Mercedes-Benz Group and its associates. • **Pricing policy:** In relation to the aforesaid transactions, the Group will take into account the market prices of the relevant parts, components and services offered by other suppliers to Mercedes-Benz Group and its associates to ensure that the prices Beijing Benz offered to Mercedes-Benz Group and its associates are fair and reasonable and on normal commercial terms. The Group determines the prices of our components, parts and accessories by reference to the average profit margin in the market or based on the principle of the cost plus a reasonable margin. • **Transaction amount:** Not applicable.	Signing of written agreement, annual cap, annual reporting, announcement and independent Shareholders' approval

Upon completion of the placing of H Shares by the Company on May 3, 2018 and as of the Latest Practicable Date, Mercedes-Benz Group held 9.55% equity interest in the Company and ceased to be a connected person at the listed company level; since Mercedes-Benz Group at the same time held 49% equity interest in Beijing Benz, a significant subsidiary of the Company, Mercedes-Benz Group and its associates remained connected persons of the Company at the subsidiary level pursuant to Chapter 14A of the Listing Rules, and the transactions entered into between the Group and Mercedes-Benz Group and its associates continued to constitute connected transactions of the Company and shall be regulated as transactions with connected persons at the subsidiary level.

The annual caps for the continuing connected transactions arising from the sales of vehicles by Beijing Benz to Mercedes-Benz Group and its associates for 2023, 2024 and 2025 are RMB500.0 million, RMB630.0 million and RMB500.0 million respectively. The above continuing connected transactions and the annual caps were considered and approved by the Board of Directors on April 27, 2022. As each of applicable percentage ratios of the annual caps is less than 1% or exceed 0.1% but is less than 5%, pursuant to the Listing Rules, the aforesaid continuing connected transactions shall be exempted from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In 2024, the actual amount of such transactions was RMB67.5 million.

Independent non-executive Directors' review and confirmation

Independent non-executive Directors have reviewed the aforesaid continuing connected transactions and have confirmed that in 2024, they have been entered into in the ordinary and usual course of the Group's business; on normal commercial terms or better; with the terms no less favorable to the Company than those offered to or by (as the case may be) independent third parties, if those available for comparison are insufficient to determine whether the terms of such transaction is normal commercial terms; and in accordance with relevant agreements whose conditions are fair and reasonable and in the interest of the Shareholders as a whole.

Auditor's letter

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged our auditor, PwC, to report on the Group's continuing connected transactions in accordance with HKSAE3000 (Revised) "Hong Kong Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accounts. Based on its work, the Company's auditor provided the Board of Directors with a letter confirming that, with respect to the aforesaid continuing connected transactions: (1) nothing has come to our auditor's attention that causes it to believe that the disclosed continuing connected transactions have not been approved by the Board of Directors; (2) for transactions involving the provision of goods or services by the Group, nothing has come to our auditor's attention that causes it to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group; (3) nothing has come to our auditor's attention that causes it to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (4) with respect to the aggregate amount for each of the aforesaid continuing connected transactions, nothing has come to our auditor's attention that causes it to believe that the disclosed continuing connected transactions has exceeded the annual cap as set by the Company.

The auditor's letter has been addressed to the Board pursuant to Rule 14A.56 of the Listing Rules.

The Company confirmed that the entering into and implementation of specific agreements in relation to the above continuing connected transactions for 2024 has complied with the pricing principles of these continuing connected transactions.

Save as disclosed above and as in this annual report, there are no other related party transactions or continuing related party transactions set out in Note 37 to the consolidated financial statements which are discloseable connected transactions or continuing connected transactions under the Listing Rules. The connected transactions and continuing connected transactions have complied with the disclosure requirements under Chapter 14A of the Listing Rules.

MODEL CODE

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 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.

ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of 2024 audited consolidated financial statements are consistent with the principal accounting policies for the preparation of 2023 audited consolidated financial statements.

EMPLOYEES

Number of employees

As of the end of 2024, the Company, its subsidiaries and joint ventures had a total of 31,705 employees.

Employee motivation

The Group has established a comprehensive performance evaluation and management system to link the annual business objectives with the performance evaluation of different departments and employees, thereby increasing the proportion of incentive-based and variable compensation. The Group implements a rigorous and comprehensive performance evaluation system built across the Company and cascaded down to its branches, departments and individuals to ensure full coverage of key indicators as well as effective implementation and achievement of indicators by level-by-level management. Through multiple measures and approaches, the Group's business and individual motivation are connected, thereby stimulating the creative capability of the organization and the individuals. In line with the notion of pursuing shareholder value and corporate social responsibility, the Group hopes to achieve sustainable development.

Employee training

In 2024, relying on supporting the core strategic objectives of the organization, and combining with the challenges of core businesses, the Group aimed to effectively enhance organizational effectiveness, fully stimulate the vitality of talents, and assist in the resilient growth of the enterprise as the overall goal. Through the coordinated efforts in three aspects, namely strategic talent cultivation, the integration of business and training, and the improvement of employees' capabilities and efficiency, the Group ensured to provide support for the short-term organizational objectives and accumulate energy for the long-term goals.

In the talent training system, the Group took into account the business characteristics and talent training needs while strengthening the holistic training via internal and external teaching, special training camp, community operations and so forth, increased the organizational effectiveness and energized the staff, providing a strong guarantee for the career development of employees and the implementation of its strategies.

Employees' remuneration

Based on human resources strategies, the Group has established a performance and competence-oriented remuneration system with a focus on the post value, and a competitive remuneration standard with reference to the remuneration level of relevant enterprises in Beijing and the same industry, providing effective guarantee for recruiting, retaining and motivating talents, as well as the realization of human resources strategy of the Group.

Pension plans

In 2024, the Group had a total of 25 retired individuals who enjoyed the basic pension insurance granted by the local social security bureau.

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. The employees participating in the plan shall make relevant payment by a certain proportion. A third-party legal person trustee is entrusted to act as the account manager, custodian and investment manager to carry out fund management and investment activities. In accordance with the provisions of the pension system, such payment shall be payable at the time of employee retirement.

The Group makes fixed monthly contributions to various retirement benefit schemes based on a specified percentage of eligible employees' salaries and the relevant contribution ceilings, including:

(a) Mandatory Chinese government-funded pension scheme: The Group is required to make contributions to pension schemes established by municipal and provincial governments in the PRC under these schemes. In accordance with the relevant government policy, the Group is not allowed to use the relevant contributions to reduce the existing contribution level even if the employee withdraws from the relevant scheme before the contributions are vested in him/her. In 2024, the Group did not use any forfeited contributions in the relevant schemes to reduce the existing level of contributions. As of December 31, 2024, the Group also had no forfeited contribution balances available for such purposes; and

(b) Voluntary supplementary pension scheme: The Group did not use forfeited contributions under these schemes (i.e., contributions that employees withdrew from the schemes before the contributions were vested in him/her and were processed by the Group on behalf of the employees) to reduce the current level of contributions in 2024. As of 31 December 2024, the balance of forfeited contributions available to the Group for such purpose was RMB11.66 million.

Tax relief

The Directors are not aware of any tax relief available to the Shareholders by reason of their holding of the Company's securities.

All references in this part of this annual report (Report of the Board of Directors) to other parts, sections of or notes in the annual report, form part of the Report of the Board of Directors.

BY ORDER OF THE BOARD
Wang Hao
Chairman

March 28, 2025

Section VII Report of the Board of Supervisors

In 2024, pursuant to the Company Law, the Articles of Association and the Rules of Procedure of the Board of Supervisors of BAIC Motor Corporation Limited (the "Rules of Procedure of the Board of Supervisors"), and in the spirit of accountability for the interest of the Company and safeguarding the legitimate rights and interests of the Shareholders, all Supervisors have duly performed their supervisory duties to effectively monitor and inspect the execution of the duties of the Directors and senior management and the operation and management activities of the Company. In so doing, they have promoted the operation standardization and healthy development of the Company.

THE WORK OF THE BOARD OF SUPERVISORS

Convening meetings of the Board of Supervisors

In 2024, a total of five meetings of the Board of Supervisors were held, at which the nomination of supervisors, the re-appointment of the Company's international and domestic auditors for 2024, the Report of the Board of Supervisors for 2023, the 2023 Annual Report, the Report on the Financial Accounts for 2023, the 2024 Interim Report, and the financial statements for the first quarter and the third quarter of 2024 and the election of the chairman of the Board of Supervisors were considered and approved.

Changes of members of the Board of Supervisors

For details, please refer to the chapter headed "Report of the Board of Directors" on pages 31 to 34 of this report.

Attendance at the Shareholders' general meetings and the Board meetings

Pursuant to the Articles of Association and the Rules of Procedure of the Board of Supervisors, members of the Board of Supervisors attended the 2024 first extraordinary general meeting, the 2024 second extraordinary general meeting, the 2023 annual general meeting, the 2024 first domestic shareholders class meeting, the 2024 first H shareholders class meeting, the 2024 third extraordinary general meeting, and the 2024 fourth extraordinary general meeting, and sat in on the on-site Board meetings. The Board of Supervisors also appointed certain Supervisors to act as the scrutineers of the general meetings and Board meetings to ensure the legality of meeting procedures and matters voted on at the meetings, and reviewed relevant materials of the Board meetings held by teleconference.

By attending the general meetings and the Board meetings and reviewing relevant meeting materials, members of the Board of Supervisors enhanced their understanding of consideration of proposals at the general meetings and the Board meetings, as well as the decision-making process of the Board. They have also enhanced their understanding of the financial position, connected transactions and production and operation of the Company, the supervision of the performance of the duties of the Directors and senior management, decisions on significant matters, standardization and effectiveness of operation and management activities. In a timely manner, they informed the Company of possible risks and problems in production, operation, financial management and internal control, and put forward reasonable suggestions on major operating decisions and financial risk control of the Company, and enhanced supervision of the Company for lawful operation. In so doing, they have played a positive role in promoting the Company's standardized governance and improving the operational efficiency of the Company.

Supervisory inspection overview

In 2024, by closely aligning with the Company's strategic layout, the operational management of key enterprises and the implementation of major projects, the Board of Supervisors conducted in-depth inspections and research on the enterprises, carrying out on-site visits to the Zhuzhou Branch of the Company, Xiangtan BAIC Faurecia Automotive Systems Co., Ltd. (湘潭北汽佛吉亞汽車系統有限公司), and Fujian Benz (福建奔馳) and other key enterprises, visiting distributors in the Zhuzhou and Fuzhou regions to gain an in-depth understanding of production and operations, and providing recommendations for improving the Company's management and distributor business development. Meanwhile, members of the Board of Supervisors offered professional opinions and suggestions on product planning, brand building, market expansion and service quality enhancement of Beijing Brand. Anchored in the corporate strategic transformation, the Board of Supervisors proactively safeguarded against operational risks and earnestly protected the interests of the Company's shareholders, laying a solid foundation for the sustained, stable, and healthy development of the Company.

INDEPENDENT OPINION OF BOARD OF SUPERVISORS ON LAWFUL OPERATION OF THE COMPANY

In 2024, the Board of Directors made scientific decisions in compliance with the Company Law, the Listing Rules, the Articles of Association and relevant laws, regulations and systems. The Directors duly performed their duties diligently and in accordance with the laws; the members of senior management devoted to their duties, and faithfully performed their duties and conscientiously implemented the decisions made by the Board of Directors to ensure standardized operation and orderly management of the Company. The Company continuously improved and effectively implemented the internal control systems according to its actual conditions, laws and regulations. The internal control systems complied with relevant national laws, regulations and actual requirements of the Company and played a relatively good role in preventing and controlling risks for the operation and management of the Company. The Company has established internal joint supervision mechanisms including discipline inspection and supervision, internal audit and compliance management, which effectively promotes, prevents and addresses the operational risks of the Company, and improves compliant operation of the Company.

INDEPENDENT OPINION OF BOARD OF SUPERVISORS ON INSPECTION OF THE COMPANY'S FINANCIAL STATUS

The chairman and some members of the Board of Supervisors were in attendance at the meetings of the Audit Committee for the year, and supervised the financial position, risk management, internal audit and other work of the Company. The Board of Supervisors carefully read the 2024 financial budget report of the Company, reviewed the standard unqualified auditor's reports issued by PwC and PwC Zhong Tian, listened to the report of the Company's senior management on relevant audit and communicated with the auditors. The Board of Supervisors is of the view that the Company's 2024 financial report meets the requirements of the relevant accounting standards and regulations; and it gives a true and fair view of the Company's financial position and business performance; and the information reflecting the Company's operation is truthful, legitimate and complete without false information, misleading representation or material omissions.

During the year, the work of the Board of Supervisors was supported by the Shareholders, the Board of Directors and the management. We hereby would like to express our heartfelt gratitude to the Shareholders, the chairman of the Board, the Directors and the management.

By order of the Board of Supervisors
Mr. Zhao Jinlun
Chairman of the Board of Supervisors

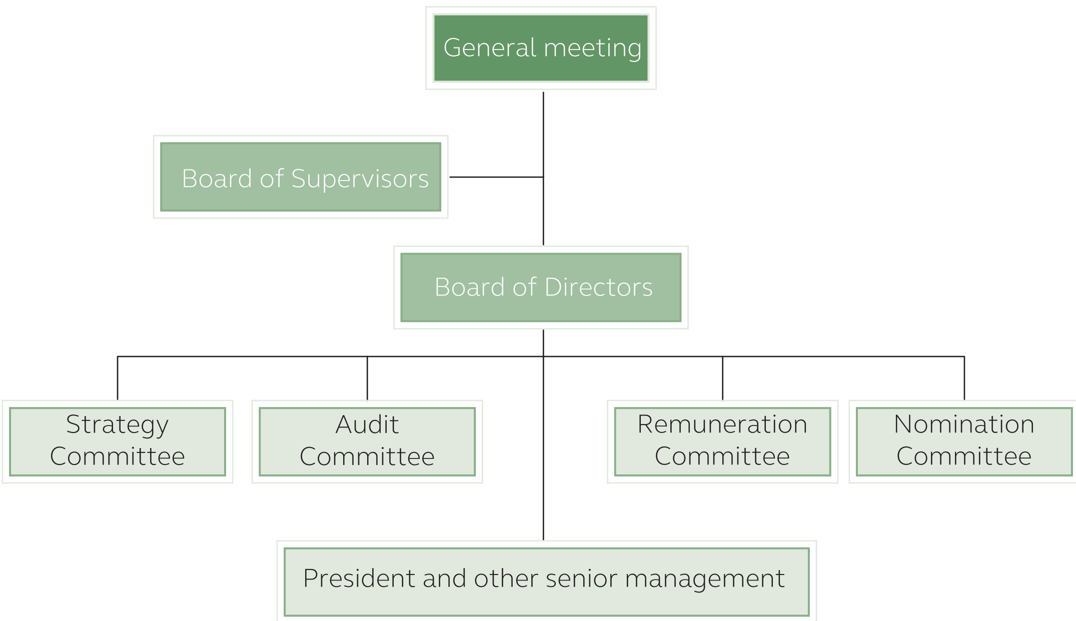
March 28, 2025

Section VIII Corporate Governance Report

CORPORATE GOVERNANCE PRACTICE

The Group is committed to building and maintaining a high level of corporate governance so as to protect the rights and interests of 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, the Strategy Committee, Audit Committee, the Remuneration Committee and the Nomination Committee (the "Special Committees") and the Board of Supervisors, and implemented corporate governance practices in strict accordance with the Articles of Association. The Company has adopted the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules (the "Corporate Governance Code").

The governance structure of the Company is as follows:



In the opinion of all directors of the Company, the Company has complied with all applicable code provisions under the Corporate Governance Code throughout 2024 and the Group has complied with all applicable code provisions under the Corporate Governance Code in all material respects.

GENERAL MEETING

Responsibility

The general meeting is the supreme decision-making body of the Company and is responsible for lawfully exercising its functions and rights and making important decisions.

The annual general meeting or the extraordinary general meeting provides a channel for direct communication between Directors and Shareholders. Therefore, the Company attaches great importance to the general meeting. Notice shall be sent to all the Shareholders to encourage their attendance, at least 20 clear business days before an annual general meeting, or 10 clear business days or 15 days (whichever is longer) before an extraordinary general meeting, requesting that all the Directors, Supervisors and secretary to the Board attend the meetings, while the president and other senior management should be in attendance at the meetings.

In 2024, the Company held seven general meetings, including the 2024 first extraordinary general meeting, the 2024 second extraordinary general meeting, the 2023 annual general meeting, the 2024 first domestic shareholders class meeting, the 2024 first H shareholders class meeting, the 2024 third extraordinary general meeting, and the 2024 fourth extraordinary general meeting. The attendance of Directors at general meetings in 2024 is set out on page 58 of this report.

SUBSTANTIAL SHAREHOLDERS

BAIC Group is the Controlling Shareholder of the Company and as of the Date of Issue of the Report, BAIC Group holds 46.90% of the Shares of the Company. During 2024, BAIC Group did not circumvent the general meeting to make direct or indirect intervention in the Company's decision making and business operation.

For 2024, information on other substantial Shareholders and information on the persons with a voting right of 5.0% or above at the general meeting (classes of Shares by Domestic Share and H Share) are set out in the chapter headed "Report of the Board of Directors" on pages 28 to 49 of this report.

BOARD OF DIRECTORS

Responsibility

Pursuant to the Articles of Association, the Company established the Board of Directors. The Directors are elected at the general meeting for a three-year term of office, and are eligible for re-election and re-appointment upon expiry of the term. The Board of Directors determines key decision plans of the Company, and reviews and monitors the Company's business operation. The Board of Directors has authorized the Company's senior management to oversee the day-to-day management of the Company, with operational authority and responsibility. In order to facilitate the Board of Directors to consider specific matters of the Company, the Board has set up four Special Committees, namely the Strategy Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board of Directors has delegated various responsibilities to the Special Committees within their scope of duties.

All the Directors undertake that they will, in good faith, comply with the applicable laws and regulations and carry out their duties in the interests of the Company and the Shareholders during their term of office.

Composition of the Board of Directors

As of the Date of Issue of the Report, the Board of Directors comprised fifteen members, including two executive Directors, eight non-executive Directors and five independent non-executive Directors, and the biographical details of the Directors are set out in the chapter headed "Directors, Supervisors and Senior Management" on pages 70 to 80 in this report. In 2024, the Board of Directors complied at all time with Rule 3.10(1) and Rule 3.10(2) of the Listing Rules regarding the appointment of at least three independent non-executive Directors (specifically, at least one of the independent non-executive Directors shall possess appropriate professional qualification or expertise relating to accounting or financial management), and Rule 3.10A of the Listing Rules regarding the appointment of one-third of the Board members to be independent non-executive Directors.

All the Directors (including independent non-executive Directors) have brought different valuable work experience and expertise to the Board so as to effectively carry out the duties of the Board of Directors. All the Directors agreed to comply with the provisions as set out in the Corporate Governance Code and disclose to the Company in a timely manner information regarding the number of positions held, nature of the position(s), identity, term of office and other significant undertakings in other listed companies or organizations.

As each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules, the Company considers each of the above persons to be independent. The independent non-executive Directors are invited to serve as members of the Strategy Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee. In 2024, there were no dissenting voices from the independent non-executive Directors on Board resolutions and other non-Board related matters.

All independent non-executive Directors are not involved in day-to-day management. The independent non-executive Directors also provide an independent view of the Board's deliberations to ensure high standards of corporate governance. The Company believes that the Board of Directors can effectively obtain independent views and opinions by combining factors such as the proportion of independent non-executive Directors, their selection and the frequency of participation of each independent non-executive Director in Board meetings.

In 2024, none of the Directors, Supervisors and senior management has any financial, business or family relationships or any relationships in other material aspects with each other or with the Company for which disclosure may be required.

Performance and continuing professional development

All the newly appointed Directors have received the necessary job performance training and relevant materials of the Company to ensure that they have an appropriate understanding of the Company's operation, business and their corresponding responsibilities as required by the relevant regulations, laws, rules and ordinances. The Company also arranges research activities and seminars for the Directors regularly to help them understand the Company's latest business development, and the laws, regulations and latest news at the regulatory level on a timely basis. Meanwhile, the Company also updates the Directors on the Company's business performance, operational situation and market prospect regularly to facilitate the Directors to fulfill their duties.

Training received by all the Directors in 2024 is set out on page 58 of this report.

Appointment, re-election and re-appointment of Directors and Supervisors

The appointment, re-election and re-appointment and removal procedures and requirements of Directors and Supervisors are set forth in the Articles of Association. The Nomination Committee is responsible for reviewing the composition of the Board of Directors and putting forward suggestions on the appointment, re-election and re-appointment and succession plan of Directors. Executive Directors, non-executive Directors and independent non-executive Directors shall serve a term of three years. The employee representative Supervisors are elected democratically by the employee representative's meeting, while non-employee representative Supervisors are elected by the general meeting. The term of office of each Supervisor is three years, renewable upon re-election.

Information on the service contracts with all Directors and Supervisors is set out in the chapter headed "Report of the Board of Directors" on page 34 of this report.

Board meeting

Pursuant to the Articles of Association, the Board of Directors shall hold at least four regular meetings each year, which shall be convened by the chairman of the Board. At least 14-day advance written notice along with materials relating to the issues to be considered shall be served to all Directors, in order to provide the Directors with an opportunity to attend the meetings and help them fully understand all relevant issues to be considered so as to ensure effective decision-making of the Board.

For meetings of the Special Committees, a 3-day advance written notice shall be served to all the committee members. The meeting notice, includes meeting agenda and relevant Board paper to ensure adequate time for the committee members to review and prepare for the meeting. Where the Directors or committee members are not able to attend the meeting in person, the Company will communicate with them well in advance to ensure their rights to thoroughly express opinions and to participate in decision-making for the issues to be considered.

The minutes of the Board meetings and the Special Committees meetings shall record in detail the matters considered and resolutions passed including the questions raised by the Directors. Upon compilation, the draft minutes of the Board meetings and the Special Committees meetings shall be sent to the Directors within a reasonable time in a reasonable manner after the meetings.

During 2024, the Board held 11 meetings. The main matters considered are as follows:

Name of Board Meeting	Date	Main Matters Considered
24th meeting of the fourth session of the Board	January 19, 2024	Resolution on 2024 Annual Investment Plan
25th meeting of the fourth session of the Board	March 6, 2024	Resolution on the Amendments to the Rules of Procedure of the Relevant Specialized Committees of the Board Resolution on the Amendments to the Articles of Association Resolution on the Remuneration of Independent Non-executive Directors of the Fifth Session of the Board of Directors Resolution on the Nomination of Candidates for Election as Directors of the Fifth Session of the Board of Directors of the Company
26th meeting of the fourth session of the Board	March 15, 2024	Resolution on the Signing of the Share Custodian Agreement with BAIC Group

Name of Board Meeting	Date	Main Matters Considered
1st meeting of the fifth session of the Board	March 22, 2024	Resolution on the Appointment of Chairman of the Board of Directors Resolution on the Selection of Members of the Nomination Committee of the Board of Directors Resolution on the Selection of Members of the Strategy and Sustainability Committee of the Board of Directors Resolution on the Selection of Members of the Audit Committee of the Board of Directors Resolution on the Selection of Members of the Remuneration Committee of the Board of Directors Resolution on the Appointment of the President Resolution on the Appointment of the Secretary to the Board of Directors and the Company Secretary Resolution on the Appointment of the relevant Vice President and other Senior Management Personnel Resolution on the Appointment and Authorization of the Chairman to Appoint a Delegate Authorized for Business Purposes as Required by the Regulatory Authorities in Hong Kong Resolution on the Production and Operation Plan for 2024 Resolution on 2023 Final Account Report Resolution on 2023 Profit Distribution Resolution on 2023 Annual Report and Annual Results Announcement Resolution on 2023 Report of the Board of Directors Resolution on 2023 Environmental, Social and Governance Report Resolution on General Mandate for the Issuance of Shares Resolution on General Mandate for the Repurchase of Shares Resolution on 2024 Credit Line Application Resolution on General Mandate for the Issuance of Bond Financing Instruments
2nd meeting of the fifth session of the Board	April 26, 2024	Resolution on the Application for a Ceiling on the Amount of Internal Borrowing for 2024 Resolution on the Appointment of Relevant Senior Management Personnel Resolution on the Financial Statements for the First Quarter of 2024

Name of Board Meeting	Date	Main Matters Considered
3rd meeting of the fifth session of the Board	August 26, 2024	Resolution on 2024 Interim Report and Interim Results Announcement Resolution on the Nomination of Directors and Selection of Members of the Strategy and Sustainability Committee of the Board of Directors
4th meeting of the fifth session of the Board	September 2, 2024	Resolution on Participation in the Subscription of Additional Shares in BJEV
5th meeting of the fifth session of the Board	September 20, 2024	Resolution on Amendments to the Articles of Association, the Rules of Procedures for the Shareholders' Meetings and the Rules of Procedures for the Board
6th meeting of the fifth session of the Board	October 28, 2024	Resolution on the Financial Statements for the Third Quarter of 2024
7th meeting of the fifth session of the Board	November 8, 2024	Resolution on Capital Injection into Beijing Hyundai
8th meeting of the fifth session of the Board	November 26, 2024	Resolution on Provision of Facility Guarantee or Shareholder's Loan for BAIC Hong Kong and its subsidiaries

Attendance of Directors at the meetings of the Board, the Strategy Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee, the general meetings and their training in 2024 are set out as follows:

	Number of meetings attended						
Name of Director	Board meeting	Strategy Committee meeting	Audit Committee meeting	Remuneration Committee meeting	Nomination Committee meeting	General meeting	Training received[Note 1]
Chairman of the Board and Non-executive Director							
Chen Wei	11/11	10/10	—	—	5/5	6/7	A/B/C/D
Executive Director							
Song Wei	11/11	10/10	—	1/1	5/5	7/7	A/B/C/D
Non-executive Directors							
Hu Hanjun	11/11	10/10	4/4	—	—	7/7	A/B/C/D
Chen Hongliang	11/11	10/10	—	—	—	7/7	A/B/C/D
Liu Guanqiao [Note 2]	2/2	2/2	—		—	4/4	A/B/C/D
Peng Jin [Note 3]	3/3	3/3	—		—	1/1	A/B/C/D
Ye Qian	11/11	10/10	—	—	—	6/7	A/B/C/D
Paul Gao [Note 4]	8/8	7/7	—		—	5/6	A/B/C/D
Kevin Walter Binder [Note 5]	8/8	—	—		—	0/6	A/B/C/D
Hubertus Troska [Note 6]	3/3	3/3	—	—	—	0/1	A/B/C/D
Harald Emil Wilhelm [Note 7]	3/3	—	—	—	—	0/1	A/B/C/D
Gu Tiemin	11/11	—	—	1/1	—	7/7	A/B/C/D
Sun Li	11/11	10/10	—	—	—	7/7	A/B/C/D
Independent Non-executive Directors							
Ge Songlin [Note 8]	3/3	3/3	—	—	2/2	0/1	A/B/C/D
Yin Yuanping	11/11	—	—	1/1	5/5	7/7	A/B/C/D
Xu Xiangyang	11/11	10/10	—	—	5/5	7/7	A/B/C/D
Tang Jun	11/11	—	4/4	1/1	—	7/7	A/B/C/D
Edmund Sit	11/11	—	4/4	1/1	—	7/7	A/B/C/D
Ji Xuehong [Note 9]	8/8	7/7	—	—	3/3	6/6	A/B/C/D

Note 1: A: attending seminars and/or meetings and/or forums and/or briefings; B: speaking at seminars and/or meetings and/or forums; C: attending training provided by lawyers or training related to the Group's business; D: reading materials on various topics, including corporate governance, responsibilities of directors, amendments to the Listing Rules and other related regulations.

Note 2: On March 22, 2024, Mr. Liu Guanqiao was appointed as a non-executive Director and a member of the Strategy Committee. On August 22, 2024, he ceased to be a non-executive Director and a member of the Strategy Committee.

Note 3: On October 17, 2024, Mr. Peng Jin was appointed as a non-executive Director and a member of the Strategy Committee.

Note 4: On March 22, 2024, Mr. Paul Gao was appointed as a non-executive Director and a member of the Strategy Committee.

Note 5: On March 22, 2024, Mr. Kevin Walter Binder was appointed as a non-executive Director.

Note 6: On March 22, 2024, Mr. Hubertus Troska ceased to be a non-executive Director and a member of the Strategy Committee.

Note 7: On March 22, 2024, Mr. Harald Emil Wilhelm ceased to be a non-executive Director.

Note 8: On March 22, 2024, Mr. Ge Songlin ceased to be an independent non-executive Director and a member of the Nomination Committee and the Strategy Committee.

Note 9: On March 22, 2024, Mr. Ji Xuehong was appointed as an independent non-executive Director and a member of the Nomination Committee and the Strategy Committee.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct for dealing in securities of the Company by all Directors, Supervisors and senior management of the Company. In response to the Company's enquires, all Directors, Supervisors and senior management have confirmed that they strictly complied with the Model Code during the Reporting Period.

AUTHORIZATION OF THE BOARD OF DIRECTORS

The Board of Directors reserves the right of decision making on all major matters of the Company, including approving and supervising all matters relating to policies, overall strategy, internal control and risk management system, significant transactions (especially transactions involving conflicts of interest), financial data, nomination of Director candidates and other major financial, production and operational matters. The Directors can seek independent and professional opinions when performing their duties, with the expenses borne by the Company. Meanwhile, the Directors are encouraged to make independent consultation from the Company's senior management.

The senior management is authorized to take charge of the Company's day-to-day management, administration and operation, and the Board of Directors will regularly review the performance of the senior management and execution of relevant resolutions. The management shall obtain approval of the Board of Directors before entering into any major transactions.

FUNCTIONS OF CORPORATE GOVERNANCE

The Board of Directors confirmed that corporate governance is the joint responsibility of all Directors, and its function includes the following: formulate and review the Company's policies and practices on corporate governance; review and monitor the training and continuous professional development of the Directors and senior management; review and monitor the Company's policies and practices on compliance with the regulatory requirements; formulate, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and review the Company's compliance with the Corporate Governance Code and disclosure of information in the corporate governance report.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Board of Directors has established the Remuneration Committee with the responsibilities including confirming and reviewing the remuneration policies and proposals of the Directors and senior management. Regarding the specific remuneration packages for Directors and senior management, the Remuneration Committee should consider factors such as remuneration paid by comparable companies, time commitment and duties of the Directors, employment conditions elsewhere in the Company and desirability of performance-based remuneration. In 2024, except for the independent non-executive Directors who received Directors' remuneration from the Company, the remaining Directors and Supervisors did not receive remuneration from the Company as Directors or Supervisors. The executive Directors received the senior management's remuneration in the Company. The remuneration standard of independent non-executive Directors is determined in accordance with the Company's actual situation and with reference to the average market level. The remuneration standard of each independent non-executive Director is RMB120,000 per year (before tax), which shall be calculated starting from the effective date of their terms of office.

Details of remuneration of Directors and Supervisors in 2024 are set out in Note 40 to the consolidated financial statements.

The remuneration paid by the Company to the senior management (including one Director) in 2024 is as follows:

Remuneration Range (RMB)	Number of Personnel
1,500,000 – 2,000,000	1
0 – 1,500,000	7

LIABILITY INSURANCE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Company has liability insurance to protect Directors, Supervisors and senior management in 2024.

CHAIRMAN AND PRESIDENT

According to the requirement of code provision C.2.1 of the Corporate Governance Code, the roles of chairman and president should be separated. In 2024, the Chairman of the Company was Mr. Chen Wei, and the President (Chief Executive Officer) was Mr. Song Wei, respectively. The Company has clearly defined the responsibilities of the chairman and the president and the detailed definitions are provided in the Articles of Association.

SPECIAL COMMITTEES OF THE BOARD OF DIRECTORS

Strategy Committee

The Board of Directors has established the Strategy Committee to operate formally and perform corresponding duties effective from the Listing date of the Company. The Strategy Committee is mainly responsible for carrying out research and making recommendations in respect of the medium- and long-term development strategies of the Company. The written terms of reference of the Strategy Committee can be found on websites of the Stock Exchange and the Company.

As of the end of 2024, the Strategy Committee comprised ten members, namely Mr. Chen Wei (chairman), Mr. Hu Hanjun, Mr. Chen Hongliang, Mr. Song Wei, Mr. Peng Jin, Mr. Ye Qian, Mr. Paul Gao, Mr. Sun Li, Mr. Xu Xiangyang and Mr. Ji Xuehong, of which two were independent non-executive Directors, seven were non-executive Directors and one was executive Director.

Mr. Hubertus Troska and Mr. Ge Songlin ceased to be members of the Strategy Committee with effect from March 22, 2024 and Mr. Liu Guanqiao, Mr. Paul Gao and Mr. Ji Xuehong were appointed as members of the Strategy Committee on the same day. Mr. Liu Guanqiao ceased to be a member of the Strategy Committee with effect from August 22, 2024, and Mr. Peng Jin was appointed as a member of the Strategy Committee on October 17, 2024.

During 2024, the Strategy Committee held a total of 10 meetings. Attendance of the committee members is set out on page 58 of this report.

Audit Committee

The Board of Directors has established the Audit Committee to operate formally and perform corresponding duties effective from the Listing date of the Company. The Audit Committee is mainly responsible for reviewing and monitoring the Company's financial reporting processes, including, among others, proposing the engagement or change of external auditors; monitoring internal audit system of the Company and its implementation; being responsible for the communication of internal auditors and external auditors; reviewing the financial information and its disclosure; reviewing risk management and internal monitoring system of the Company. The specific terms of reference of the Audit Committee can be found on the websites of the Stock Exchange and the Company.

As of the end of 2024, the Audit Committee comprised three members, namely Mr. Edmund Sit (chairman), Mr. Hu Hanjun and Mr. Tang Jun, of which two were independent non-executive Directors and one was a non-executive Director.

During 2024, the Audit Committee held a total of 4 meetings, which reviewed and presented reasonable comments on the financial reporting system, compliance procedures, internal monitoring and control (including adequacy of resources, qualifications, training programs and budget of the employees in the accounting and finance departments of the Company), and risk management system and procedures.

The decisions of the Board of Directors were in line with the recommendation and suggestion made by the Audit Committee on selection, appointment, resignation or removal of external auditors.

Meanwhile, the Audit Committee has reviewed the Group's first and third quarters' financial statements, the interim and annual results for the financial year of 2024, the work plan of external auditors and the relevant auditing arrangements as well as the report prepared by PwC for accounting matters and major discoveries during the audit process.

Attendance of the committee members is set out on page 58 of this report.

Remuneration Committee

The Board of Directors has established the Remuneration Committee to operate formally and perform corresponding duties effective from the Listing date of the Company. The Remuneration Committee is mainly responsible for formulating assessment standards of Directors and senior management and evaluating their performance to confirm and review the remuneration policies and plans of senior management. The written terms of reference of the Remuneration Committee can be found on the websites of the Stock Exchange and the Company.

As of the end of 2024, the Remuneration Committee comprised five members, namely Ms. Yin Yuanping (chairman), Mr. Song Wei, Mr. Gu Tiemin, Mr. Tang Jun and Mr. Edmund Sit, of which three were independent non-executive Directors, one was a non-executive Director and one was an executive Director.

The Remuneration Committee has made recommendations and suggestions to the Board of Directors on the remuneration packages for certain executive Directors and senior management.

During 2024, the Remuneration Committee held 1 meeting, which considered and discussed the remuneration of independent non-executive Directors. Attendance of the committee members at the meeting is set out on page 58 of this report.

Nomination Committee

The Board of Directors has established the Nomination Committee to operate formally and perform corresponding duties effective from the Listing date of the Company. The Nomination Committee is mainly responsible for considering the structure, size and composition of the Board, reviewing the suitable candidates of Directors and senior management and making proposals to the Board. The written terms of reference of the Nomination Committee can be found on the websites of the Stock Exchange and the Company.

As of the end of 2024, the Nomination Committee comprised five members, namely Mr. Chen Wei (chairman), Mr. Song Wei, Mr. Ji Xuehong, Ms. Yin Yuanping and Mr. Xu Xiangyang, of which three were independent non-executive Directors, one was a non-executive Director and one was an executive Director. Mr. Ji Xuehong was appointed on March 22, 2024 as a member of the Nomination Committee. Mr. Ge Songlin ceased to be a member of the Nomination Committee on the same day.

During 2024, the Nomination Committee held a total of 5 meetings, which put forward opinions and suggestions to the Board and the Board of Supervisors on the change of Directors, Supervisors and senior management. Attendance of the committee members at the meetings is set out on page 58 of this report.

DIRECTOR NOMINATION METHOD AND PROCEDURE

A Director may be nominated by Shareholders or the Board.

Any Shareholders holding individually or jointly more than 1% of the total outstanding Shares in the Company with voting rights may propose a candidate for election as a non-employee representative Director at the general meeting in writing, at least 10 business days prior to a general meeting.

The Board may propose a list of Director candidates, according to the number of Directors to be appointed, up to the number specified in the Articles of Association, and submit the same to the Board for review. After the selection of Director candidates, the Board may submit a written proposal to the general meeting. Where there is a need to fill the casual vacancy of Directors, a list of Director candidates shall be proposed by the Board at the general meeting for election or replacement.

Written notices indicating the intent to nominate Director candidates and their acceptance of the nomination, as well as written information on the nominees shall be delivered to the Company at least 10 business days prior to the date of the general meeting. The Board shall provide the Shareholders with biographical details and basic information on the Directors candidates.

Prior to submission to the Board, the list of all Director candidates shall be reviewed by the Nomination Committee, which shall put forward suggestions to the Board and Shareholders. The Nomination Committee shall review the biographical details of candidates and conduct due diligence, and evaluate their educational backgrounds, professional qualifications, industry-related experience, character and integrity, etc., by reference to the "Board Diversity Policy". In the case of independent non-executive Directors, the Nomination Committee shall evaluate the independence of the candidates in accordance with the Corporate Governance Code and the Listing Rules. With regard to Directors who offer themselves for re-election upon the expiry of the term of their office, the Nomination Committee shall review the overall contribution and performance of the candidates during their term of office (including the attendance rates of the candidates at Director Committees meetings, Board meetings and ordinary meetings, their participation and performance in the Board).

DIVIDEND POLICY

The profit distribution policy is summarized as follows:

When distributing its profit after tax for the year, the Company shall set aside 10% of the profit as its statutory reserve fund. After allocation to the statutory reserve fund, subject to the approval by a resolution of the general meeting, the profit after tax may also be appropriated to the discretionary reserve fund. After making up losses and appropriation to reserve funds in accordance with the Articles of Association, balance of the profit after tax shall be distributed in proportion to the shareholdings of the Shareholders, except where non-pro rata distribution is provided pursuant to the Articles of Association.

The Company may distribute dividends in one or both of the following manners:

(I) cash;

(II) shares.

The Company shall maintain consistent and stable profit distribution policies as practicable and shall consider cash dividend as the first priority. The specific ratio of dividend to be distributed shall be resolved by the Shareholders at the general meetings.

The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of Domestic Shares in Renminbi within 3 months after the date of declaration. The Company shall calculate and declare dividends and other amount which are payable to holders of overseas listed foreign shares in Renminbi, and shall pay such amounts in foreign currency within 3 months after the date of declaration. The exchange rate shall be the average central parity rate for the relevant foreign currency announced by the People's Bank of China 5 working days prior to the declaration of the dividend and other amounts. The dividend distribution of the Company shall be implemented by the Board according to the authorization delegated by the general meeting through an ordinary resolution.

BOARD DIVERSITY POLICY

The Nomination Committee has formulated the "Board Diversity Policy" on the nomination and appointment of new Directors, which stipulates that the selection standard of Director candidate includes various factors such as gender, age, cultural and educational background, race, professional experience, skills, knowledge and length of service. The final candidate will be selected based on the comprehensive capability and the contributions that the individual is expected to bring to the Board. The composition of the Board of Directors (including their gender, age and term of office) will be disclosed in the annual report each year.

The Nomination Committee shall consider and adopt the composition of Board of Directors in accordance with the above measurement standard. By taking into account the Directors' skills and experience and their suitability to the Company, the Nomination Committee believes that the Company's existing Board structure in 2024 is reasonable and meets the requirements of "Board Diversity Policy", without the need of adjustment.

Gender diversity has been achieved in the Board level as the Board currently has one female Director. Gender diversity has also been achieved among employees. The Board shall review its Board Diversity Policy on a regular basis to ensure its continuous effectiveness.

Reasons for implementing the diversity policy

The Company firmly believes that diversity is the basis for the effective and successful operation of the Board. In order to achieve sustainable and balanced development, the Company regards increasing diversity at the Board level as one of the key elements to support the achievement of its strategic objectives and its sustainable development. All appointments by the Board are based on the principle of meritocracy, and the benefits of Board diversity are fully taken into account in the selection of candidates, under objective conditions. Gender diversity has been achieved in the Board level as the Board currently has one female Director. Gender diversity has also been achieved among employees. The Board shall review its Board Diversity Policy on a regular basis to ensure its continuous effectiveness.

It helps the Nomination Committee and the Board ensure that the Board has suitable skills, experience and diversified opinions, which are balanced and meet the business requirements of the Company.

In the selection of Director candidates, as an automobile enterprise, the Company has taken into diversified consideration, the industry, economy, management and other related education, as well as experience in the automobile industry.

Measurable objectives

The selection of candidates will be based on a series of diversity criteria, including but not limited to gender, age, cultural and educational background, race, professional experience, skill, knowledge and length of service. The final decision will be based on merit of candidates and the contribution that the candidates are expected to bring to the Board.

Implementation and monitoring

The Nomination Committee shall research into the structure, size and composition (including the skills, knowledge and experience) of the Board once a year, and put forward suggestions on Board changes arising out of change in strategies of the Company, and shall supervise the implementation of the diversity policy by the Board, according to the policy of the committee in relation to Board diversity.

As at the Latest Practicable Date, the composition of the Board at the diversity level is summarized as follows:

1. Gender: There are 15 Directors, consisting of 1 female Director and 14 male Directors;

2. Educational background: There are 15 Directors, consisting of 4 Directors holding a doctoral degree, 9 Directors holding a master's degree and 2 Directors holding a bachelor's degree;

3. Age: There are 15 Directors, consisting of 2 Directors aged at or above 60 and 13 Directors aged below 60;

4. Position: There are 15 Directors, consisting of 2 executive Directors, 8 non-executive Directors and 5 independent non-executive Directors;

5. Nationality: There are 15 Directors, consisting of 14 Chinese Directors and 1 German Director.

RESPONSIBILITY OF DIRECTORS IN RELATION TO THE FINANCIAL STATEMENTS

The Board of Directors shall fulfill its duty to prepare the 2024 financial statements of the Group so as to present a true and fair view of the Group's production and operational condition, and of the business performance and cash flow of the Company.

The management of the Company has provided the Board of Directors with the necessary explanation and data to facilitate the Directors to review the Company's financial statements submitted for the approval by the Board of Directors. The Company has provided all members of the Board of Directors with updated information on the performance and prospects of the Company on a monthly basis.

The Directors are not aware of any significant uncertainties, that are, events or incidents that may cause significant concern on the on-going operation of the Company.

The results of the Company and the Group for the year 2024, and the financial positions of the Company and the Group at the end of 2024 are set out in the audited consolidated financial statements on pages 145 to 234 in this report.

COMPANY SECRETARY

Mr. Wang Jianhui serves as the secretary to the Board (with effect from January 17, 2019) and the company secretary of the Company (with effect from January 29, 2019), responsible for advising the Board of Directors on corporate governance, ensuring compliance with policies and procedures of the Board of Directors, relevant laws and regulations.

On March 28, 2025, Mr. Wang Jianhui resigned as the Company Secretary. On the same day, Ms. Yu Dan has been appointed as the Company Secretary and Ms. Ng Sau Mei has been appointed as the joint Company Secretary.

In 2024, Mr. Wang Jianhui attended no less than 15 hours of relevant professional training respectively, in compliance with the requirement under Rule 3.29 of the Listing Rules.

CONTROL MECHANISM

Board of Supervisors

The fifth session of the Board of Supervisors comprises five Supervisors. The powers and functions of the Board of Supervisors include, but not limited to, reviewing and providing written opinions on the periodic reports prepared by the Board; monitoring the financial activities of the Company; supervising the performance of duties of Directors and senior management, requiring Directors and senior management to submit reports on the performance of their duties and proposing the removal of the Directors and senior management who have acted in breach of the laws, administrative regulations, the Articles of Association or the resolutions passed at the general meeting; requesting that the Directors and senior management to conduct rectification for actions causing damage to the interest of the Company; and proposing that extraordinary general meetings be convened.

In 2024, the Board of Supervisors monitored the financial activities and the legality and compliance of the duties carried out by the Directors and senior management of the Company. 5 meetings were held in total, with attendance rate (including authorizing other Supervisors to attend the meeting) of 100%. The Supervisors also attended the general meetings and Board meetings as non-voting delegates and duly performed the duties of the Board of Supervisors.

INTERNAL CONTROL AND RISK MANAGEMENT

Responsibility of the Board

The Board is responsible for supervising the design, implementation and monitoring of risk management system by the management to ensure the establishment and maintenance of an effective risk management system of the Group. The Board keeps supervising risk management and internal control systems of the Group and reviews the effectiveness of the risk management and internal control systems of the Group at least once annually. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit Committee is responsible for conducting regular or irregular reviews on the operation of the risk management and internal control systems of the Company in order to ensure the effectiveness of their operation. The management should report to the Board in respect of the operation of the risk management and internal control systems at least once annually. The Board and the Audit Committee are all clear that the effective risk management and internal control systems can only minimize the possibility of the occurrence of risks as possible, not to completely eradicate the same. The Board can only take reasonable measures, but cannot absolutely guarantee to eradicate risks.

Risk management and internal control systems

The Company's legal and compliance department and the audit department are responsible for the risk management, internal control, operation maintenance and evaluation functions. Specifically, the legal and compliance department is the leading department for risk management and internal control system construction and system operation of the Company, which is responsible for providing a related working mechanism of risk management and internal control and the generalized risk management and internal control methods and tools and designing relevant operating modes, establishing relevant organizations of risk management, organizing related professional training of risk and internal control together with the human resources department, as well as establishing risk and internal control business processes and incentive and communication mechanisms. The audit department is responsible for organizing self-evaluation of risk management and internal control and entrusting an independent third party to implement the risk management and internal control evaluation.

The Board of Directors has reviewed the effectiveness of risk management and internal control systems of the Group for 2024 and considered that such systems were effective and adequate.

The Company has set up a comprehensive risk management system involving three lines of defense. The first line of defense is the business departments and units of the Company. They will identify, assess, monitor, and give early warnings for risks in their professional areas, research into and develop risk management strategies, and implement risk control measures based on the management needs of their professions and the requirements of laws and regulations and the Company regarding risk management. The second line of defense is the risk management department and joint meetings for integrated management and control, which is responsible for the top-level design of the risk management and control system and the management of significant risk matters reported by departments and units involved in the first line of defense and other channels. The third line of defense is internal supervision departments such as the audit and disciplinary inspection departments who are responsible for monitoring the building and operation of the risk management system, promoting the rectification of problems, and facilitating the continuous improvement of the risk management system. The three lines of defense cooperate with each other in building and continuously improving a risk management model based on unified leadership, levels of responsibility, and classified management.

The risk management and internal control systems of the Company are a set of comprehensive and self-contained risk management system which absorbs the insights from others' strengths. For example, the compilation of the Risk Management and Internal Control Manual learned from the COSO-ERM[5], the Enterprise Risk Management Integration Framework and the Guidelines for Internal Control jointly issued by five ministries; the establishment of a risk database learned from the "Risk Intelligence Map" of a professional risk management organization and the Guidelines for Comprehensive Risk Management issued by State-owned Assets Supervision and Administration Commission of the State Council. The entire risk management and internal control systems have the following features:

1. A comprehensive system. The Company has built a risk prevention and control network involving all staff and full value chains, based on process system, risk database and the Risk Management and Internal Control Manual.

2. Rapid response. The Company actively promotes professional risk management philosophy via professional methods carried out by professionals through risk manager system to implement risk responsibility, from level to level and set up the Risk Management Committee, established a professional risk management team consisting of risk specialists, risk liaison officers and risk internal trainer.

The Group conducts a comprehensive self-evaluation work which covers the relevant year for the comprehensive risk management and internal control system once a year, evaluating by using hundreds of indicators from the two dimensions of the design integrity and the running availability to undertake the system assessment. In 2024, the self-evaluation work for risk and internal control involved a total of 544 indicators, consisting of 212 design integrity indicators and 332 execution availability indicators. In respect of the flawed entries discovered during the evaluation, the Company adopts special rectification work, assigns a person of primary responsibility, clarifies the rectification plans, deliverables and schedule requirements, and completes the rectification work within a time limit.

The procedures of processing and releasing inside information

The Group has established a compliance system of internal monitoring and control information reporting which consists of internal major information contacts, which mainly includes regular material information reporting and temporary material information reporting, for the purpose of ensuring the high efficiency and order of the transmission and usage of the Group's internal information. Meanwhile, the information disclosure management department combines the Group's actual operating environment, changes to regulatory policies and the major concern of capital markets as well as in accordance with the regulatory requirements, proactively acquiring and discriminating the sensitive information which will result in the abnormal fluctuation of the Group's stock price, ensuring the proactively acquiring and discriminating of the Group's inside information and forming a bilateral and two-dimensional compliance system of information monitoring and control with the functions of "reporting proactively" and "monitoring proactively".

The Company has formulated and published systems including the Management System of Information Disclosure and the Measures for the Administration of Major Internal Information Reporting as the internal monitor and control and safeguard measures for processing and releasing inside information procedures and applied them within the Group.

5 COSO is an abbreviation of The Committee of Sponsoring Organizations of the Treadway Commission. In September 2004, it officially published the Enterprise Risk Management-Integrated Framework (COSO-ERM). It started the first amendment to the risk management framework in 2014 and published the updated Enterprise Risk Management Framework (COSO-ERM) in September 2017.

AUDITORS' REMUNERATION

The Company has appointed PwC and PwC Zhong Tian as the auditors of the Company's 2024 annual financial statements prepared under IFRS Accounting Standards and PRC Accounting Standards, respectively. The general meeting authorized the management of the Company to determine its service remuneration.

The remuneration for the year 2024 paid or payable to the above Company's auditors, for audit and audit-related services amounted to RMB7.1 million and there was no non-audit services fee.

COMMUNICATION WITH THE SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes that effective communication with the Shareholders is very important for enhancing investor relations and helping investors to better understand the Company's business, performance and strategies. The Company also firmly believes that timely and non-selective disclosure of the Company's information is very important for Shareholders and investors to make informed investment decisions.

Information disclosure

The Company attaches great importance to fulfilling the legal obligation of information disclosure. It has strictly complied with the related provisions of the Listing Rules and the rules and procedures on the administration of information disclosure to disclose information that may have material impact on the investors' decision-making in a timely, accurate and complete manner, thus ensuring that all Shareholders are equally and fully informed.

In 2024, the Company released a total of 80 announcements in accordance with the Listing Rules. All announcements of the Company were published on the websites of the Stock Exchange and the Company. For details, please visit www.hkexnews.hk and www.baicmotor.com.

Communication with investors

In order to promote effective communication, the Company has adopted the Shareholder Communication Policy to establish good communication channels between the Company and the Shareholders, such as website (www.baicmotor.com), hotlines (tel: +86 10 5676 1958; +852 3188 8333) and e-mail (ir@baicmotor.com) for investors' inquiries. The Company shall publish the latest information on the business operation and development, corporate governance practices and other information on its website for public access.

The general meeting of the Company provides an opportunity for Shareholders and Directors to communicate directly. The chairman of the Board and chairmen of the Special Committees will try their best to attend the annual general meeting to answer queries from the Shareholders, while the Company's external auditors will also attend the above meeting to answer questions thereon.

The Board is responsible for overseeing the implementation and monitoring of the Shareholder Communication Policy to ensure that the Company establishes and maintains an effective Shareholder Communication Policy. The Board oversees the Shareholder Communication Policy of the Company on an ongoing basis and reviews the effectiveness of the Shareholder Communication Policy of the Company at least once a year. The Board has reviewed the effectiveness of the Shareholder Communication Policy in 2024 and considers it to be effective and adequate.

Shareholders' rights

In order to protect the interests and rights of the Shareholders, the Company shall present resolutions in the form of stand-alone resolution to the general meeting for consideration (including the election of individual Directors). The resolutions presented to the general meeting for consideration shall be voted in accordance with the Listing Rules, and the voting results shall be published on the websites of the Company and the Stock Exchange in a timely manner after the meeting.

Pursuant to the Articles of Association, Shareholders individually or collectively holding 10% or more of the Company's issued and outstanding Shares with voting right can make a formal request in writing to the Board of Directors to convene an extraordinary general meeting for specific purposes.

According to the Articles of Association, Shareholders individually or collectively holding more than 1% of the Shares may submit an extraordinary proposal to the Board in writing 10 days before the date of the general meeting. The Board shall notify other Shareholders within two days upon the receipt of the proposal and include it for consideration at the general meeting. The written proposal shall be addressed to the Board. Please visit the Company's website for relevant procedures for nomination of Directors for election. Shareholders who want to make inquiries regarding the Company to the Board of Directors can do so through the abovementioned communication channels.

Articles of Association

On March 22, 2024 and October 17, 2024, certain amendments to the Articles of Association were considered and approved by the Shareholders at the 2024 first extraordinary general meeting of the Company and the 2024 third extraordinary general meeting of the Company, respectively. The revised Articles of Association were uploaded onto the websites of the Stock Exchange and the Company on March 22, 2024 and October 17, 2024 for public access.

As of the Latest Practicable Date, the profiles of Directors, Supervisors and senior management are as follows:

DIRECTORS

Mr. Wang Hao (王昊), born in December 1982, holds a doctorate in economics. He is **currently the Chairman of the Board, an executive Director and secretary of the party committee of the Company** and concurrently a director of BAIC Off-road Vehicle.

Mr. Wang, with 15 years of experience in the automotive industry, has served as a member of the party committee and the deputy general manager of BAIC Group Industrial Investment Co., Ltd.* (北京汽車集團產業投資有限公司), the deputy secretary of the party committee, an executive director and the general manager of BAIC BluePark Information Technology Co., Ltd.* (北汽藍谷信息技術有限公司), the director of the information strategy and system operation department, the party branch secretary and the director of the information center (as known as BAIC BluePark Information Technology Limited), the director of the operation and management department, and the director of the operation and management department/digital safety and management department of BAIC Group, and the deputy secretary of the party committee and the general manager of BAIC ROCAR Automobile Services & Trade Co., Ltd. (北京北汽鵬龍汽車服務貿易股份有限公司).

Mr. Wang has acted as the chairman of the Board and an executive Director of the Company since March 13, 2025.

Mr. Hu Hanjun (胡漢軍), born in October 1971, holds a master's degree in business administration and is a senior economist. He is **currently a non-executive Director of the Company** and concurrently the deputy general manager of BAIC Group. He is also a director of Beijing Benz Automotive Co., Ltd..

Mr. Hu has nearly 30 years of experience in the automotive industry. Since 2009, he has acted successively as an assistant to the general manager and the head of economic operation department of Beijing ROCAR Automobile Services & Trade Co., Ltd. (北京鵬龍汽車服務貿易有限公司), the deputy general manager of BAIC ROCAR Automobile Services & Trade Co., Ltd. (北京北汽鵬龍汽車服務貿易股份有限公司), the head of the asset management department, head of the strategic & investment management department, and assistant to the general manager of BAIC Group, the director of Bohai Automotive Systems Co., Ltd. (渤海汽車系統股份有限公司), the secretary to the board of BAIC Group and other positions.

Mr. Hu has acted as a non-executive Director of the Company since March 24, 2021.

Mr. Chen Hongliang (陳宏良), born in January 1965, holds a master's degree in engineering and is a researcher-level senior engineer. He is **currently a non-executive Director of the Company** and concurrently the senior advisor to chairman of the board of BAIC Group. He is also a director of Beijing Hainachuan Automotive Parts Co., Ltd. (北京海納川汽車部件股份有限公司), a director of BAIC ROCAR Automobile Services & Trade Co., Ltd., and a director of Bohai Automotive Systems Co., Ltd..

Mr. Chen has over 30 years of experience in the automobile industry. Since 1988, he has acted as the deputy workshop director, the workshop director and the deputy factory director of Nanjing Automobile Factory (南京汽車製造廠), the deputy director of the vehicle body plant, the deputy director of the general manager office, the head of the procurement department, the director of the assembly plant, the secretary of the party committee, the deputy general manager and the deputy secretary of the party committee of NAVECO Ltd., the deputy general manager of the passenger vehicle business department of BAIC Group, the deputy head of the operation and production division of the Company, the secretary of the party committee and general manager of Zhuzhou Branch of the Company, a member of the party committee and the vice president of the Company, the secretary of the party committee and the senior executive vice president of Beijing Benz, an executive Director, the president, deputy secretary of the party committee of the Company, and the head of the operation and management department, assistant to the general manager, head of the strategic & investment management department of BAIC Group and other positions.

Mr. Chen has acted as an executive Director of the Company since June 23, 2017, and was re-designated as a non-executive Director of the Company since December 31, 2020.

Mr. Song Wei (宋瑋), born in November 1981, holds a master's degree in engineering, and is a senior engineer and an economist. He is **currently an executive Director, the president, and deputy secretary of the party committee of the Company**. He is also the general manager of BAIC Off-road Vehicle, a director of Beijing Hyundai and a director of BAIC Investment. He is also a member of the 13th Beijing Municipal Committee of the Communist Party of China.

Mr. Song has nearly 20 years of experience in the automotive industry. Since 2007, he has served as a supplier quality control engineer and progress supervisor of parts and components projects of Beijing Benz-Daimler Chrysler Automotive Co., Ltd., a supervisor of exterior purchasing, a supervisor of cost control, and a senior manager of projects and cost control of Beijing Benz and a head of the procurement project control department of the Company's procurement center, a deputy general manager of the off-road vehicle branch of BAIC Group, an assistant to the general manager of the off-road vehicle division of BAIC Group and a deputy director of the procurement center of the Company, a party member and a deputy general manager of BAIC Group Off-road Vehicle, a deputy head of the organizational department of the party committee, and head of the technical and product management department of BAIC Group and other positions.

Mr. Song has acted as a non-executive Director of the Company since June 26, 2023, and was re-designated as an executive Director and the president of the Company since June 30, 2023.

Mr. Peng Jin (彭進), born in September 1977, holds a master's degree in business administration. He is **currently a non-executive Director of the Company** and concurrently the head of operation and management department/digital safety and management department of the BAIC Group.

Mr. Peng has over 20 years of experience in the automobile industry. Since 1999, he has served as the sales manager of the domestic sales department of the Shanghai branch and the Beijing branch of Jiaxing Hantai Tire Sales Joint Stock Co., Ltd. (嘉興韓泰輪胎銷售聯合有限公司), the parts planner of the after-sales services department of the sales headquarters of Beijing Hyundai, the chief of marketing section of Beijing Hyundai Mobis Parts Co., Ltd. (北京現代摩比斯汽車配件有限公司), the deputy general manager and finance director of Beijing Hantai Auto Parts Co., Ltd. (北京韓太汽車部件有限公司), the head of the party and mass work department and the vice chairman of the labour union of BAIC ROCAR Automobile Services & Trade Co., Ltd. (北京北汽鵬龍汽車服務貿易股份有限公司), the assistant to the manager of the office, the deputy director of the office, the director of the group office, the deputy secretary of the party committee of the headquarters, the chairman of the labour union, and the director of the party committee office/group office of BAIC Group and other positions.

Mr. Peng has acted as a non-executive Director of the Company since October 17, 2024.

Mr. Ye Qian (葉芊), born in September 1984, holds a master's degree in business administration. He is **currently a non-executive Director of the Company** and concurrently the person in charge of the equity investment business of Shoucheng Holdings Limited.

Mr. Ye has more than 10 years of investment management experience. Since 2007, he has served as a senior manager of Great Wall Motor Company Limited (長城汽車股份有限公司), a senior manager of the ICC Affairs Office of China Chamber of International Commerce (CCIC), a deputy representative of Hong Kong and Macao Representative Office of China Council of the Promotion of International Trade (中國國際貿易促進協會), a deputy director of the ICC Affairs Office of CCIC (presiding over the work), a deputy director of the PPP Department of Beijing Shougang Funds Co., Ltd. (北京首鋼基金有限公司), the assistant to the general manager of Beijing West Fund Management Co., Ltd., the general manager of Beijing Shouyuan New Energy Investment Management Company Limited (北京首元新能投資管理有限公司), and the deputy general manager of the standing office and the chairman of the board of directors of Beijing West Fund Management Co., Ltd. and other positions.

Mr. Ye has acted as a non-executive Director of the Company since March 24, 2021.

Mr. Paul Gao (高旭), born in October 1968, holds a bachelor's degree in Accounting. He is **currently a non-executive Director of the Company** and concurrently the Chief Strategy Officer of Mercedes-Benz Group.

Mr. Gao has over 30 years of experience in the management consulting and automotive industries. Since 1993, he has successively served as a management consultant and project manager at the PricewaterhouseCoopers (PwC) offices in San Francisco and Shanghai; a management consultant, senior project manager, partner, senior partner and the head of the automotive industry consulting practice in the Asia-Pacific region of McKinsey & Consulting Company Inc, Shanghai. He also participated in the founding of Guanzhi Automotive Company Limited (觀致汽車有限公司) as its chief financial officer.

Mr. Gao has acted as a non-executive Director of the Company since March 22, 2024.

Mr. Kevin Walter Binder, born in November 1968, holds a bachelor's degree in business administration and economics. He is **currently a non-executive Director of the Company** and concurrently the chief financial officer of Mercedes-Benz (China) Investment Co., Ltd. (梅賽德斯–奔馳(中國)投資有限公司).

Mr. Kevin Walter Binder has more than 30 years of experience in the automotive industry. Since 1993, he has held various positions as staff of the human resources department, the group business department and finance department of Mercedes-Benz Group AG (formerly Daimler AG), senior manager of the group business department, revenue and pricing management, plant financial control and product control of Mercedes-Benz Group AG, chief financial officer of Mercedes-Benz Italy S.p.A. 梅賽德斯－奔馳意大利有限公司), director of passenger vehicle sales control in Europe of Mercedes-Benz Group AG., and chief executive officer in charge of commercial vehicles of Mercedes-Benz Group AG.

Mr. Kevin Walter Binder has acted as a non-executive Director of the Company since March 22, 2024.

Mr. Gu Tiemin (顧鐵民), born in May 1968, holds a master's degree in law, and is a senior economist and lawyer. He **currently serves as a non-executive Director of the Company** and concurrently an expatriate full-time director of Beijing State-owned Capital Operation and Management Co., Ltd. (北京國有資本運營管理有限公司), and serves as a non-executive director of BBMG Corporation (北京金隅集團股份有限公司).

Mr. Gu has more than 30 years of experience in government and corporate management. Since 1991, he has served as a section member, chief section member and deputy director of the Supervision and Guidance Division of the Legal Office of Beijing Municipal's Government (北京市人民政府法制辦), investigator and deputy director of the Legal Affairs Office of the Beijing Municipal Government's Xuanwu District, deputy director and director of the Law Department of the Beijing Foreign Trade and Economic Cooperation Commission, director of the Legal and Fair Trade Department of Beijing Municipal Bureau of Commerce, director of the Department of Circulation Order of Beijing Municipal Business Commission (北京市商務委員會), deputy general manager of Beijing Capital Agricultural Group Co., Ltd. (北京首都農業集團有限公司), deputy director, deputy secretary of the party committee, party secretary and chairman of the board of directors of the Beijing Technology Exchange and Training Center (Beijing International Technology Exchange and Cooperation Center) (北京技術交流培訓中心(北京國際技術合作中心)) and other positions.

Mr. Gu has acted as a non-executive Director of the Company since June 18, 2021.

Mr. Sun Li (孫力), born in August 1965, hold a master's degree in business administration, and is a senior economist. He is **currently a non-executive Director of the Company** and concurrently a full-time investment director of investment enterprises of Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司), a director of BEH-PROPERTY Co., Ltd. (京能置業股份有限公司) and a director of Beijing Haohua Energy Resource Co., Ltd. (北京昊華能源股份有限公司).

Mr. Sun has more than 30 years' experience in corporate management. Since 1988, he successively served as a cadre of the Economic Information Department of China Public Relations Association, a cadre of the News Department of the General Office of the Ministry of Water Resources, a senior staff member of the News Department, a principal staff member of the News Department, the deputy director of the News Department of the General Office, a cadre of the Office of Preparation for Water Resources Dispatch Building of the Ministry of Water Resources, the head of general manager office of Beijing International Power Development and Investment Corporation, the head of the office of board of directors, manager of human resources department, party branch secretary, and head of the general manager office of Beijing Energy Investment Holding Co., Ltd. (北京能源投資(集團)有限公司), the head of the general manager office, head of human resources department of Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司), and the secretary of party committee and executive director of Beijing Yuanshen Energy Saving Technology Co., Ltd. (北京源深節能技術有限責任公司) and other positions.

Mr. Sun has acted as a non-executive Director of the Company since March 24, 2021.

Ms. Yin Yuanping (尹援平), born in March 1956, holds a bachelor's degree in economics. She is **currently an independent non-executive Director of the Company**.

Ms. Yin has more than 30 years of experience in enterprise management. Since 1989, she has served as a cadre at Materials Bureau of Fangshan County, Beijing, a deputy president and deputy editor-in-chief, president and editor-in-chief of the enterprise management publishing house of the China Enterprise Confederation/China Enterprise Directors Association, and vice president, executive vice president as well as secretary of the party committee and executive vice president of the China Enterprise Confederation/China Enterprise Directors Association, and president at the foundation of China Enterprise Management Science Foundation (中國企業管理科學基金會) and vice president of the China Enterprise Confederation/China Enterprise Directors Association and other positions.

Ms. Yin has acted as an independent non-executive Director of the Company since March 24, 2021.

Mr. Xu Xiangyang (徐向陽), born in May 1965, holds a doctoral degree in engineering. He is **currently an independent non-executive Director of the Company** and concurrently a professor in School of Transportation Science and Engineering (交通科學與工程學院), and a doctoral tutor of Beihang University (北京航空航天大學), as well as a fellow of the China Society of Automotive Engineers, the deputy director of Automotive Advanced Powertrain Branch of the China Society of Automotive Engineers, and a standing deputy director of the National Engineering Research Center for Passenger Car Automatic Transmission. He is an independent non-executive director of Cheshi Technology Inc. (車市科技有限公司), an independent director of Zhejiang Zomax Transmission Co., Ltd. (浙江中馬傳動股份有限公司), and an independent director of Wuxi Lintai Cris New Materials Technology Co., Ltd. (無錫林泰克斯新材料科技股份有限公司).

Mr. Xu has more than 30 years of experience in automotive industry. Since 1990, he has acted successively as an assistant lecturer, lecturer, associate professor and professor in School of Automotive Engineering (汽車工程學院) of Harbin Institute of Technology (哈爾濱工業大學), a visiting scholar in Daimler AG, a professor and deputy director in Faculty of Automotive Engineering (汽車工程系) as well as a professor and vice president in School of Transportation Science and Engineering of Beihang University and other positions.

Mr. Xu has acted as an independent non-executive Director of the Company since March 24, 2021.

Mr. Tang Jun (唐鈞), born in March 1978, holds a doctoral degree in management. He is **currently an independent non-executive Director of the Company** and concurrently a deputy director of the Institute of Public Governance and a professor and doctoral tutor in the School of Public Administration and Policy of Renmin University of China. He is also a member of the urban safety expert group of the State Council Security Commission Office, deputy director of the National Risk Management and Standardized Technique Committee (全國風險管理標準化技術委員會) (SAC/TC310), a special researcher of the National Fire and Rescue Administration, an expert of the news media centre of the Ministry of Public Security's www.cpd.com.cn (中國警察網) for the public opinion think tank, the deputy director of the School Security Professional Committee of China Society of Emergency Management (中國應急管理學會校園安全專業委員會), a director of Chinese Public Administration Society and of the China Institute of Organization Establishment and Management (中國機構編製管理研究會), an editorial board member of the press of the China Institute of Organization Establishment (《中國機構編製》), and a consultant of the press of China Fire (《中國消防》).

Mr. Tang has over 20 years of experience in risk management and security management, and has served as a lecturer, associate professor, professor and doctoral supervisor at the School of Public Administration of Renmin University of China since 2005.

Mr. Tang has served as an independent non-executive Director of the Company since March 24, 2021.

Mr. Edmund Sit (薛立品), born in November 1963, holds a master's degree in business administration and is a fellow of the Association of Chartered Certified Accountants in the United Kingdom and a fellow of the Hong Kong Institute of Certified Public Accountants. He is **currently an independent non-executive Director of the Company** and concurrently serves as an independent non-executive director in First Tractor Company Limited.

Mr. Sit has more than 30 years of experience in auditing, finance, management accounting, personnel management, financing, company secretary and listing, etc. He worked for KPMG, Ernst & Young, System Pro Uarco Business Forms Ltd, Logo S.A., Xiang Lu Industries Ltd, Chubb Hong Kong Ltd, Johnson Controls Hong Kong Ltd, C&C Joint Printing Co., (HK) Ltd, Sino Fame International Group (譽中國際集團) and Wanyu Group (萬裕集團). He also worked for a number of listed companies as senior management.

Mr. Sit has acted as an independent non-executive Director of the Company since March 24, 2021.

Mr. Ji Xuehong (紀雪洪), born in January 1978, holds a doctor's degree in management. He is **currently an independent non-executive Director of the Company** and concurrently serves as a professor at the School of Economics and Management, director of the Institute of Automobile Enterprise Management and Innovation, director of the MBA Education Center of North China University of Technology (北方工業大學), a member of the Automotive Economic Development Research Branch of China Society of Automotive Engineering (中國汽車工程學會), a member of the Electric Vehicle Specialized Committee of Chinese Institute of Electronics (中國電子學會), an industry expert in high-quality development of China Taxicab and Livery Association (中國出租汽車暨汽車租賃協會), a special recruited expert of the Beijing Municipal Industrial Economy Research Center (北京市產業經濟研究中心). In addition, he is an independent non-executive director of Beijing SinoHytec Co., Ltd. (北京億華通科技股份有限公司), a board member of the Urban Transportation Branch of the China Highway & Transportation Society (中國公路學會), a jury of the CAPA Awards (鈴軒獎), a member of the Standing Committee of the CPPCC of Shijingshan District (石景山區政協), the Vice-Chairman of the Work Committee of the China Democratic League of Shijingshan District (民盟石景山區工委).

Mr. Ji has nearly 20 years of experience in corporate management and automotive industry development research. Since 2005, he has worked in the post-doctoral work station jointly established by the China Automotive Technology Research Center (中國汽車技術研究中心) and Tianjin University (天津大學), and since 2008, he has served as a lecturer, associate professor and professor at the School of Economics and Management of North China University of Technology.

Mr. Ji has acted as an independent non-executive Director of the Company since March 22, 2024.

SUPERVISORS

Mr. Zhao Jinlun (趙錦倫), born in April 1976, holds a master's degree in business administration and is a senior engineer and senior political engineer. He is **currently the chairman of the Board of Supervisors and an employee representative Supervisor**, as well as the deputy party secretary and the chairman of the labor union of the Company.

Mr. Zhao has more than 20 years of experience in the automotive industry. Since 2000, he has successively served as a technician, the secretary of the youth league committee, the director of the publicity department and the director of the party committee office of Beinei Group Corporation (北內集團總公司), the director of the general office (the party union working department) of Beijing Automotive Asset Operation and Management Co., Ltd. (北京汽車資產經營管理有限公司), the deputy party secretary, the secretary of the disciplinary committee and the chairman of the labor union of Beijing Automotive Industry Holding Co., Ltd. Powertrain Company (北京汽車工業控股有限責任公司動力總成分公司), the deputy party secretary, the secretary of the discipline committee and the chairman of the labor union of Beijing Motor Sales Co., Ltd. (北京汽車銷售有限公司), the deputy party secretary and the secretary of the discipline committee of the automobile research institute of the Company, the deputy party secretary, the secretary of the discipline committee and the chairman of the labor union of Powertrain, the vice chairman of the labor union and the director of the work department of the labor union of BAIC Group, the deputy party secretary, the executive deputy general manager and the chairman of the labor union of Beijing Beiqi Hengsheng Real Estate Co., Ltd. (北京北汽恒盛置業有限公司), the deputy party secretary, the secretary of the discipline committee and the chairman of the labor union of BAIC BluePark New Energy Technology Co., Ltd. (北汽藍谷新能源科技股份有限公司), the deputy secretary of the information center of BAIC Group and the deputy general manager and the chairman of the labor union of BAIC BluePark Information Technology Co., Ltd. (北汽藍谷信息技術有限公司), the deputy secretary and the vice president of the digital research institute of Beijing Automotive Research Institute Co., Ltd. (北京汽車研究總院有限公司) and other positions.

Mr. Zhao has acted as an employee representative Supervisor of the Company since October 28, 2024.

Ms. Jiao Feng (焦楓), born in December 1976, holds a master's degree in public administration and is a senior auditor. She **currently serves as a non-employee representative Supervisor of the Company** and concurrently serves as the head of the audit department, and the secretary of the discipline committee of the headquarters of BAIC Group.

Ms. Jiao has more than 20 years of experience in financial auditing. Since 1999, she has successively served as an officer in the industrial and transportation branch, an officer, a deputy head officer, a deputy head of level 2 and a deputy officer, a head officer and a deputy officer of the general department, a head of the general department of the economic and trading branch of the Beijing Municipal Audit Bureau. She has also served as a senior supervisor and an assistant to the director of the audit department of Beijing Automotive Group Co., Ltd., and a deputy secretary of the party committee, a secretary of the disciplinary committee and a chairperson of the labor union of the BAIC Group Industrial Investment Co., Ltd. (北京汽車集團產業投資有限公司), and the deputy head of the organization department of the party committee, a head of the audit department, and the head of the party committee's inspection office of BAIC Group, and other positions.

Ms. Jiao has acted as a non-employee representative Supervisor of the Company since June 26, 2023.

Mr. Xia Peng, born in October 1978, holds a master's degree in business administration and is a certified public accountant and **currently serves as a non-employee representative Supervisor of the Company** and concurrently the deputy director of the finance department of BAIC Group.

Mr. Xia, with nearly 25 years of experience in the automotive industry, has served as the financial supervisor of the group finance department of BAIC Group, the director of the finance and control department of Beijing ROCAR Automotive Trading Co., Ltd.* (北京鵬龍行汽車貿易有限公司), the director of the finance and accounting department of the finance center of BAIC ROCAR Automobile Services & Trade Co., Ltd., the deputy general manager and the chief financial officer of ROCAR Automobile Technology Development (Tianjin) Co., Ltd.* (鵬龍汽車科技發展(天津)有限公司), and the deputy director of the finance department of Beijing Hyundai Mobis Parts Co., Ltd.* (北京現代摩比斯汽車配件有限公司).

Ms. Xia has acted as a non-employee representative Supervisor of the Company since March 13, 2025.

Mr. Deng Yishuai (鄧懌帥), born in August 1982, holds a master's degree in financial management. He is **currently a non-employee representative Supervisor of the Company**, and concurrently the director and general manager of Beijing Shougang Funds Co., Ltd. (北京首鋼基金有限公司) and general manager of Beijing Shougang Industrial Investment Private Fund Management Co., Ltd. (北京首鋼產業投資私募基金管理有限公司).

Mr. Deng has nearly 20 years of experience in financial management. Since 2007, he has served as a staff member of China Life Pension Company Limited and a staff member of Happy Life Insurance Co., Ltd. He has held various positions in the National Council for Social Security Funds (全國社會保障基金理事會), including serving as a cadre and a chief clerk of the finance department of the fund finance division, and a chief clerk and a deputy director of the accounting department of the fund finance division, a director of the accounting department of the pension accounting division, a director of the fund allocation department of the pension management division, a director of the equity investment department of the equity assets department (the industrial investment department), and a director of the funds department of the fund finance division.

Mr. Deng has acted as a non-employee representative Supervisor of the Company since March 22, 2024.

Ms. Jiang Yumei (姜玉梅), born in November 1982, holds a master's degree in management and is **currently an employee representative Supervisor of the Company** and concurrently the head of audit department of the Company.

Ms. Jiang has nearly 20 years of experience in auditing and finance management. Since 2005, she has served as an auditor of PricewaterhouseCoopers Zhong Tian LLP, Beijing Branch, senior consulting consultant of PricewaterhouseCoopers Consultancy (Shanghai) Limited, Beijing branch, a staff member of the audit department, the head of the responsibility audit department of the Company, senior manager of responsibility audit management and the deputy head of the legal and compliance department of the Company, and the deputy head of audit department of the Company.

Ms. Jiang has acted as an employee representative Supervisor of the Company since March 19, 2024.

SENIOR MANAGEMENT

See “DIRECTORS” of this section for the profile of **Mr. Song Wei**.

Mr. Li Deren (李德仁), born in October 1966, holds an MBA degree and is a senior accountant. He **currently serves as the vice president of the Company**.

Mr. Li has more than 30 years of experience in finance, audit and business management. He worked as the deputy secretary of the youth league committee of Hebei Chengde School of Economics and Finance (承德財經學校), the deputy chief accountant of Hebei Chengde Iron & Steel Group (承德鋼鐵集團), the financial officer of Hebei Chengde Xinxin Vanadium and Titanium Co., Ltd. (承德新新釩鈦股份有限公司), the chief financial officer and the audit director of Beijing Jianlong Steel Group (北京建龍鋼鐵集團), the chief financial officer of Beijing Baiduoan Technology Co., Ltd. (北京百多安科技有限公司), the general manager of Shandong Branch of such company, the deputy leader of the project construction team and the deputy general manager of the Beijing Branch of the Company, the deputy director of the finance and economics center of the Company, the head of the research and development and finance department of the center, a member of the party committee, the chief financial officer and the head of the financial management department of Powertrain, the assistant to president of the Company, and the director of the finance and economics center and the investment planning center of the Company.

Mr. Li has acted as the vice president of the Company since June 15, 2017.

Mr. Yang Xueguang (楊學光), born in September 1972, holds a master’s degree in business administration and is a senior engineer. He **currently serves as the vice president of the Company**.

Mr. Yang has more than 20 years of experience in the automotive industry, and has served as an employee of Beijing Light Automobile Co., Ltd., a technical support engineer of Beijing Beizhao Olympus Optical Co., Ltd. (北京北照奧林巴斯光學有限公司), the director of the processing center of the Institute of Electronics, Chinese Academy of Sciences, an employee of the assembly shop in the vehicle factory of Beijing Hyundai, the head of the No. 2 assembly inspection section of the quality department of Beijing Hyundai, the head of the quality department of Beijing Branch of the Company, the head of the quality control department of Beijing Branch of the quality center in the Company, the deputy director of the quality center, the head of the quality control department of Beijing Branch, the deputy director of the procurement center and the head of the parts purchase department of the Company, and the head of the quality center and the management center of the Company.

Mr. Yang has acted as the vice president of the Company since January 22, 2018.

Mr. Zhang Kai (張凱), born in September 1978, holds a master’s degree, and is a professor level senior engineer. He **currently serves as the vice president of the Company** and concurrently the director of the product creation center of the Company.

Mr. Zhang, has over 20 years of experience in vehicle research and development, as well as product creation and management, has served as the director of research and development projects of SAIC-Passenger Automobile (上汽集團乘用車公司), the head of project management department of the passenger vehicle business unit of the Company, the heads of the project management department, engineering quality and product support department, vehicle integration and CAE department, deputy director and director of Beijing Automotive Technology Center Co., Ltd. (北京汽車研究總院有限公司), the project director, procurement director, vice president, and assistant to the general manager of BJEV, and assistant to the president of the Company.

Mr. Zhang has acted as the vice president of the Company since March 8, 2024.

Ms. Zhu Yan (朱雁), born in December 1986, holds a master's degree in business administration and is a senior accountant. She **currently serves as the vice president of the Company**, and concurrently a director of Fujian Benz, a director of BH Leasing, chairman of the board of supervisors of Beijing Benz, a supervisor of Benz Sales, and a supervisor of Beijing Hyundai.

Ms. Zhu has more than 10 years of experience in financial auditing. Since 2009, she has successively served as a senior auditor of Ernst & Young Hua Ming LLP, the deputy head of the financial department of BAIC Group, a supervisor of the Company, and other positions.

Ms. Zhu has acted as the vice president of the Company since January 3, 2025.

Mr. Li Jian (李健), born in December 1978, holds a master's degree in business administration. He **currently serves as the vice president of the Company** and concurrently the head of the brand management department of BAIC Group, and the secretary of the party committee and director of Beijing Motor Sales Co., Ltd..

Mr. Li has over 20 years of experience in brand management and communication and marketing, successively served as director of the design and creative department, deputy general manager, and executive deputy general manager of Beijing Xingshangxing Advertising Co., Ltd. (北京行上行廣告有限責任公司), vice brand director, brand director, director of market and brand, deputy head of planning and marketing management department, senior vice president, press spokesperson of Beiqi Foton Motor Co., Ltd., vice president of business, executive vice president of TOANO business unit, and general manager of marketing company of Beiqi Foton Motor Co., Ltd..

Mr. Li has acted as the vice president of the Company since February 21, 2025.

Ms. Yu Dan (于丹), born in February 1986, holds a master's degree of laws, is a company lawyer. She is **currently the secretary to the Board and company secretary of the Company**, and concurrently the head of the strategic & investment department, the head of the office of board of directors of the Company, a director of Beijing Shougang Cold-Rolled Sheet Co., Ltd. and a supervisor of Fujian Benz.

Ms. Yu has over 12 years of experience in the automotive industry. She was a manager and a senior manager of the legal and compliance department, and the assistant to the director of the capital operation department of BAIC Group.

Ms. Yu has acted as the secretary to the Board and company secretary of the Company since March 28, 2025.

Mr. Zhang Zuyuan (張祖原), born in December 1976, holds a master's degree of laws, corporate lawyer, second-level corporate legal advisor. He is **currently the general counsel** (chief compliance officer) and head of the legal and compliance department **of the Company**, and also serves as a supervisor of Beijing Motor Sales Co., Ltd., a supervisor of Powertrain, a supervisor of BAIC International, a supervisor of Beijing Hyundai Leasing, and a supervisor of Shenzhen Benyuan Jinghong Fund Management Co., Ltd..

Mr. Zhang has over 20 years of experience in legal compliance management. He has served as the secretary and deputy director of the secretariat of the Beijing Arbitration Commission, deputy director of the legal affairs department of Beijing Automotive Industry Holding Co., Ltd., and deputy director of the legal affairs department of BAIC Group.

Mr. Zhang has acted as the general counsel of the Company since May 20, 2016.

The terms of office of the above senior management until the expiration of the term of office for the fifth session of the Board of Directors.

NOTES ON REPORT

This report is based on relevant policies, philosophies and objectives of the Group, and describes the overall environmental and social efforts and performance of the Group in 2024. This report should be read together with the section entitled "Corporate Governance Report" on pages 52 to 69 of this annual report to fully understand the environmental, social and governance performance of the Group.

This report has been prepared in accordance with the "Environmental, Social and Governance Reporting Guide" (the "ESG Guide") in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to the "Global Reporting Initiative's Sustainability Reporting Standards" (GRI Standards) published by the Global Sustainability Standards Board (GSSB).

Financial data in this report are derived from this annual report and other data cover the Company and its subsidiaries, unless otherwise specified. All the monetary amounts in this report are denominated in Renminbi (RMB), unless otherwise specified.

ESG REPORTING PRINCIPLES

Materiality: The materiality of our ESG issues is determined by the Board and stakeholder communication, the process for identifying material issue and the material issue matrix are disclosed in this report.

Quantitative: The statistical criteria, methods, assumptions and/or calculation tools for the quantitative KPIs in this report, and the sources of conversion factors, are described in the explanatory notes of this report.

Balance: This report presents the Company's performance for the Reporting Period in an unbiased manner so as not to unduly influence the decisions or judgments of its readers.

Consistency: The statistical methods used to disclose information in this report are consistent.

ESG GOVERNANCE STATEMENT BY THE BOARD

The Board, as the highest decision-making body on ESG matters of the Company, attaches great importance to works related to Environmental, Social and Governance ("ESG"), taking full responsibility for the Company's ESG strategy, reporting and monitoring. It is committed to integrating ESG into the Company's day-to-day management and business operations, providing guidance for the Company's overall ESG objectives and implementation plans, and ensuring that an appropriate and effective ESG risk management and internal control system is in place. The Board is also responsible for the integration of sustainable development philosophy of "innovation, coordination, greenness, openness, and sharing" with corporate strategies. The Company keeps improving its ESG governance structure, promoting the development of its ESG framework and has established the Strategy and Sustainability Committee under the Board, which is responsible for overseeing, reviewing and making recommendations on the achievement of sustainable development goals.

This report provides information on the progress and effectiveness of the Company's ESG efforts in 2024 and will be approved by the Board prior to disclosure.

Focusing on Low-carbon Transformation and Contributing to Global Climate Action

The Group actively responds to the national "dual carbon" strategy. By adhering to the development philosophy of "innovation, coordination, green, openness, and sharing" and following the guiding principles of "top-down coordination" and "scientific carbon reduction", the Group analyses and formulates a dual carbon target implementation plan, continuously promotes actions for "product carbon reduction, technology carbon reduction, manufacturing carbon reduction, low-carbon ecology, supply chain and logistics carbon reduction, and management carbon reduction", and gradually establishes an internal "carbon trading" mechanism at BAIC Motor, thereby exploring solutions for a comprehensive low-carbon transformation.

TCFD Disclosure

The Company attaches great importance to the impact of climate change on business as well as operations. We formulate and continuously advance energy conservation and emission reduction initiatives, which have achieved tangible results. We refer to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to disclose information related to addressing climate change in four dimensions, that is, governance, strategy, risk management, and indicators and targets as follows:

Governance

The Board is the highest-level responsible and decision-making body for ESG matters of the Company and is responsible for integrating ESG into the Company's day-to-day management and business operations. It monitors ESG-related matters that may affect the Company's business or operations as well as shareholders and other stakeholders' rights and interests. The Strategy and Sustainability Committee under the Board is responsible for studying, overseeing, reviewing and making recommendations on significant ESG matters, risk management and achievement of goals.

Strategy

The Company pays close attention to changes in domestic and international policies related to climate change, and examines and sums up the transformation and response strategies prevailing in the automotive industry. We will also adopt a multi-pronged approach to launch energy-saving and carbon reduction initiatives in the full process of production, use and recycling of vehicles so as to promote further reduction of carbon emissions throughout the whole life cycle. Meanwhile, we will proactively start mapping carbon emissions at all stages of raw materials, production, processing and use, and gradually realise the management of the carbon footprint of automotive products.

Carbon reduction in production	Carbon reduction in use	Carbon reduction in recycling
• In terms of green production, we are actively reducing energy consumption by improving our energy consumption management system, upgrading and renovating equipment, etc.; • In terms of green office, we are actively promoting water and electricity conservation among all staff members and running a paperless office.	• Through technological innovation, the engine thermal efficiency will further increase; • In the area of hybridisation, we will implement a two-motor hybrid system and an extended range hybrid system to save fuel; • For the electric drive system, the integrated efficiency will be further improved through technologies such as silicon carbide MOS, break-away speed reducer and flat wire oil cooling.	• Selecting green and environmentally-friendly raw materials to further increase the proportion of using green materials; • Improving the overall utilisation rate of resources, standardised recycling rate and utilisation rate of key recycled materials, and reducing resource waste through recycling.

Risk Management

The Company has established a comprehensive risk management framework and related risk management policies, which cover climate change-related risks. By formulating earmarked risk management policies and internal control processes, the management oversees each business unit to strictly implement daily risk monitoring and report identified material risks on a regular basis.

According to the classification of the TCFD, there are two main types of risk associated with climate change: physical risks due to extreme weather events or rising temperatures; and transition risks due to market, regulatory and policy changes in response to climate change.

Risks Associated with Climate Change

Climate-related risks	Risk category	Potential impact	Countermeasures
Transition risk	Policy and regulatory risks	The market has become increasingly aware of the risks posed by climate change and is pushing the implementation of climate change-related regulatory and disclosure requirements. The Company needs to meet additional compliance requirements to develop its global business, which include the EU's Carbon Border Adjustment Mechanism (CBAM), the new EU New Battery Regulation, and the EU's Corporate Sustainability Reporting Directive (CSRD). Changes in policies and regulations may bring negative effects such as business loss or business closure.	The Company will actively keep abreast of policy changes and track the developments in domestic and overseas laws and regulations, enhance the level of ESG information disclosure, ensure operations comply with the latest regulations, and incorporate climate change responses into its long-term plan.
	Market risk	Climate change causes uncertainty in market supply and demand, leading to fluctuations in receivables. The scarcity of non-renewable resources including energy is expected to increase the uncertainty of product costs and selling prices, and the electric vehicle industry may face market acceptance and consumer choice risks in the medium to long term.	The Company will strengthen efforts on low-carbon production and products, and actively develop and utilise clean energy, and meet customer demands in the context of climate change.
	Reputational risk	In the context of the "carbon peak and neutrality" policy, the Company's reputation may be damaged if it fails to take proactive and effective climate actions and disclose information in a timely manner to respond to the needs of external stakeholders.	It will actively respond to the "carbon peak and neutrality" policy to build itself into a resource-saving and environmentally-friendly enterprise, continuously improve its low-carbon performance, reduce emissions of pollutants, and protect the ecology and the environment to the greatest extent.

Climate-related risks	Risk category	Potential impact	Countermeasures
Physical risk	Acute risk	The occurrence of extreme weather, such as floods and typhoons, causes damage to assets, loss of personnel, interruption of business activities, etc.	The Company will actively cope with the risks arising from climate change and invest more resources in the analysis and identification of related risks to prevent and tackle them. Emergency plans will be laid down to strengthen the investigation into potential hazards. Efforts will be made to eliminate or minimise the impact of such risks on the Company.
	Chronic risk	Disruption of normal operations or increased operating costs due to rising temperatures.	The Company will continuously monitor the evolving trends of chronic risks. The comprehensive climate risk management strategies will be formulated to fully integrate climate risk considerations into the Company's overall strategy. The cost pressures will be alleviated by optimizing resource utilization and enhancing efficiency.

Opportunities Associated with Climate Change

The climate change also creates more opportunities and room for development of the Company. Under its pressure, the Company vigorously develops low-carbon and climate change-resilient products and industry chains. This will push the Company to make more attempts and innovations in its products and businesses.

Committed to the concept of green and low-carbon development, the Company actively implements a number of energy-saving and emission reduction projects. Through energy-efficient and carbon reduction technical upgrades and measures, throughout 2024, we saved 4,573,600 kWh of electricity, saved 910.84 tonnes of standard coal and reduced 4,011.76 tonnes of carbon dioxide emissions. Our green electricity consumption amounted to 71.71 million kWh and we saved 33,755 tonnes of water.

At the same time, the Group has been actively explored low-carbon transformation paths for its products. In 2024, we launched Beijing Brand's first hybrid product of BJ30, the BJ60 Magic Core Electric Drive Edition, the all-new BJ40e REEV and other series of products, as well as Beijing Benz's new EQA and EQB pure electric SUV, the all-new long-wheel base E-Class E350e L plug-in hybrid and GLC 350e L plug-in hybrid version. The Group has continued to deepen its cooperation with Mercedes-Benz Group and Hyundai Motor, and jointly promoted the implementation of the new energy platform, to lead the green revolution and contribute to global climate action.

General goals of factories

By 2025, the energy consumption of a single vehicle (manufacturing) will decrease by 18% as compared with 2020

By 2025, the use of green electricity will account for 12%

Case: Beijing Benz green factory has been comprehensively upgraded

The zero-carbon technology laboratory of Beijing Benz combines clean energy utilization technologies such as solar energy, wind energy and air energy, and has become a role model for green development practice.

Solar photovoltaic covers a roof area of approximately 210,000 square meters, with an annual power generation capacity of 40,000 megawatt-hours.

In 2024, Beijing Benz purchased over 300 million kWh of green electricity, and it is expected that by 2026, the purchased green electricity will reach 400 million kWh, which will reduce carbon emission by more than 240,000 tonnes.

The "zero-carbon logistics" project of Beijing Benz used hydrogen trucks, each of which can reduce emissions of carbon dioxide by nearly 200 kilograms every day, equivalent to the carbon dioxide absorbed by about 4,000 trees in one day.

Zero-carbon technology laboratory of Beijing Benz

Case: Beijing Hyundai was rated as a national "Green Supply Chain Management Enterprise"

Beijing Hyundai has always adhered to the principle of "green management and sustainable development". In recent years, through a series of technical transformation for energy saving and emission reduction, a total of 260 tonnes of VOC emissions and 2,070 tonnes of CO_2 emissions have been reduced.

On the basis that both Yangzhen and Renhe plants were rated as national green factories, Beijing Hyundai further deepened green supply chain management and required all first-tier suppliers to pass the ISO14001 environmental management system certification. At the same time, it actively encouraged its suppliers to build green manufacturing enterprises to facilitate the entire supply chain to continuously progress towards the green and low-carbon goals.

Beijing Hyundai green factory

DEEPEN DIVERSIFIED EMPOWERMENT AND PROMOTE REGIONAL SUSTAINABLE DEVELOPMENT

In 2024, the Group implemented the "Internationalisation" strategy and the "Capacity Going Global" strategy in an all-round way to develop international business and sought international opportunities, reach out to more stakeholders, and provide diversified products for the international market, in the hopes of continuously accelerating the internationalisation process.

Promote the Release of Vitality in Global Market

The Group is always committed to meeting the diversified needs of the international market, promoting efficient utilization of resources and balanced economic development. In 2024, by taking the growth of export sales as the engine, the further diversification of products as the driving force, and the expansion of sales areas as the direction, the Group actively promoted the release of vitality in global market, so as to contribute to the coordinated development of the global industrial chain.

Meeting the diversified needs

In 2024, the Group continued to create value for the international market by adhering to customer-centric and market-oriented approach. The Group achieved an annual export sales of 120,000 vehicles. Beijing Brand's BJ30 was launched overseas, and BJ60 Thunder was unveiled in the international market. Apart from Sonata, Elantra and MUFASA, Beijing Hyundai has added models such as Tucson and Santa Fe. With continuously increased export sales and constantly improved product matrix, the Group was able to adapt to the cultural and habit differences in different countries and regions to meet the diverse needs of global consumers.

Expanding sales channel

In 2024, the Group continued to innovate its operating models and build a differentiated brand image. By implementing business policies, service training and the opening of new outlets, the Group carried out integrated marketing with local characteristics, expanded sales areas, deepened cooperative relations, and completed the development and renewal of 22 channels, and the development and upgrade of 90 networks.

BAIC Motor won the 12th Topdigital Snapchat AR Innovation Marketing Award

In-depth Participation in Local Industry Development

BAIC Automobile SA Plant takes “production and sales linkage, steady operation, strengthening capabilities, and innovative breakthroughs” as its business policy to continuously optimize its operating model and deeply participate in the development of the automotive industry in South Africa. In 2024, the factory developed 54 dealer pipelines, basically covering major regional markets in South Africa. It organized activities such as South Africa Automotive Festival, Factory Open Days and Customer Experience Days, and reached cooperation with local banks to introduce exclusive preferential policies for South Africa. The market spare parts order fulfillment rate reached 98%. Additionally, the factory completed the internal audits for ISO 14001 and ISO 45001 systems, reaching the international advanced standards in environmental protection and occupational health and safety management.

Contributing to the Sustainable Development of the Western Region

“Glorious Moments, Always BAIC®” (榮耀時刻總有北京®) is the steadfast responsibility and commitment upheld by BAIC Motor. In 2024, BAIC Motor actively responded to the call of the Western Development Strategy by launching the “Western Region Off-road Vehicles” plan, which aims to integrate the enterprise’s strengths and product advantages with the consumer demands of the western regions: The all-new BJ40 has escorted the multi-disciplinary scientific expedition in the Kunlun-Hotan section, contributing to the construction of a beautiful Hotan; The all-new BJ40 City Hunter edition has provided full support for the “Venture into the Sharhili Uninhabited Area” (走進夏爾西裏無人區) comprehensive scientific expedition field mission in the Alatau Mountains of Xinjiang; Together with partners, the fourth session of “Exploring the Silk Road: A Self-Drive Adventure in Gansu” (蜂遊絲路•自駕甘肅) event has been initiated; The all-new BJ40 and BJ60 have joined hands with the “Travel China by Bus” (乘著大巴看中國) initiative, delving deep into Tibet to explore the mysterious snow-covered regions; Exclusive and preferential policies were provided to the western market to stimulate the vitality of the local market. Efforts were made from five dimensions of products, policies, experience, services and ecology to promote the enhancement of its brand capability, and start from the western region to continuously provide support for global sustainable development.

1. ESG GOVERNANCE

1.1 ESG Strategy and Governance Structure

ESG Strategy

The Company upholds and practices the environmental concept and policy of "green operation for sustainable development", integrates sustainable development into the stage of product design, research and development, and production. Being committed to achieving "green operation for sustainable development", the Company aims to become a practitioner of the "Dual Carbon" strategy. The Company actively addresses climate change, adheres to green and low-carbon development and upholds the core values of "customer-centredness, craftsmanship, hard work and operation transition", to "become a respected leader in the automotive industry".

Environmental protection	The Company focuses on reducing the carbon footprint of automotive production and enhancing energy efficiency, reducing pollution through the adoption of new technologies and renewable energy sources, and improving environmental management to spot opportunities for green and sustainable development.
Social responsibility	The Company is committed to building a safe and healthy working environment, enhancing employee well-being and processional ability cultivation, supporting the coordinated development of communities, and promoting the implementation of the social responsibility standards for the entire chain of "R&D, production, supply".
Corporate governance	The Company deepens a professional, standardised and transparent governance mechanism and enhances an internal control and risk management system with a view to building a solid foundation of credibility for sustainable operation.

ESG Governance Structure

The Company always attaches great importance to ESG development, actively fulfils its ESG responsibilities, and endeavours to achieve the unity of social and economic benefits. We strictly follow the ESG guidelines, integrate ESG management into our management and decision-making processes, establish an ESG governance structure based on our development objectives and actual conditions, and lead, decide and implement relevant work to move towards the goal of high-quality and sustainable development.

As the highest responsible and decision-making body for ESG matters of the Company, the Board takes full responsibility for the Company's ESG strategy, performance and reporting.

The Strategy Committee under the Board conducts research and makes recommendations on the ESG strategy, policies and matters, reviews and submits ESG-related reports of the Company to the Board, and ensures that the Company's stance and performance in relation to global ESG issues are in line with the times and international standards. Directors and Supervisors of the Company are entitled to make comments and suggestions on the Company's fulfilment of its ESG duties.

An ESG working group under the Strategy Committee gets specific ESG work done properly, continuously improves a set of ESG indicators applicable to the Company, defines the responsible departments and the ESG information reporting process to ensure timely, efficient and high-quality disclosure of ESG information, and makes reports to the Board on a regular basis.

1.2 Stakeholders

Stakeholders Communication

Stakeholders	Communication mechanism	Stakeholders' appeals	Response of the Group
Government and regulators	Policies and guidelines Daily communication	Driving economic development Tax payment according to law Honest and legitimate operation Creation of job opportunities Reducing energy consumption and carbon emissions Coping with climate change	Active response to national strategies Good operation Compliant operation Creation of jobs Raising environmental awareness Energy saving technical upgrades Strengthening the construction of safety and environmental systems Green operation
Investors and shareholders	General meeting of shareholders Daily communication of the Board	Value enhancement Regulation of corporate governance Transparent operation	Good operating results Continuous improvement in the corporate governance structures Comprehensive, timely, accurate information disclosure
Customers	Company's website WeChat official account and Weibo official account Vehicle owner activities Customer satisfaction survey	Good cost performance Safety guarantee Provision of high-quality services	Satisfaction of diversified needs of customers Improvement in the product quality management system Vehicle owner activities Customer satisfaction survey
Employees	Communication with employees Labour Union Employee Representative Congress President's communication meeting Bulletin	Sound remuneration and welfare system Smooth career development path Comfortable working environment	Safeguarding of legitimate rights and interests of employees Continuous reinforcement of safety and health management Diverse training Staff care activities

Stakeholders	Communication mechanism	Stakeholders' appeals	Response of the Group
Suppliers and partners	Regular communication Business cooperation and exchange Training	Fair and equitable cooperation Cooperation and mutual benefit Supply chain environmental and social risk management	Improvement in supplier management Strengthening of internal procurement management Conducting supplier training Preferred environmental protection products and services
Dealers	Sales activities Training and exchange Business guidance	Model supply Business help	Strengthening of instruction and helping dealers in sales activities Sharing of market information Conducting dealer training
Public, media and community	Information disclosure of media Philanthropic events Understanding community needs Development of an action plan	Open, transparent information disclosure Comprehensive, effective performance of corporate citizen responsibilities Common community development Harmonious community relations	Timely and objective information disclosure Supporting for development of sports Participation in volunteer activities Earnest efforts for public welfare

Material Issue Management

The Company endeavours to maintaining good communication with stakeholders. We have established an efficient feedback mechanism to hear and understand the views and expectations of various stakeholders on us, so as to enhance our ESG performance in a targeted manner and respond to the needs of various parties effectively. Following the ESG guiding principles and making reference to the internationally prevailing ESG initiatives and standards and the general ESG issues of concern to the industry, we have identified and screened ESG issues relevant to the Company through different forms of communication and exchanges with various stakeholders and formed a matrix of material issues for the Group as the basis for managing and disclosing ESG information.

Identification Process of Material Issues

Stakeholder Identification

The Company identifies stakeholders who have decision-making power and influence over the Company based on its scope of business and the nature of its production operations.

Issue Identification

The Company conducts in-depth analysis of industry development trends and its sustainability strategies, with reference to regulatory disclosure requirements, international reporting disclosure standards, industry policies and development trends, and capital market rating priorities, the Company conducted interviews with senior management and specialised surveys and identified 33 potential material issues that may directly or indirectly affect its business.

Assessment of Issue

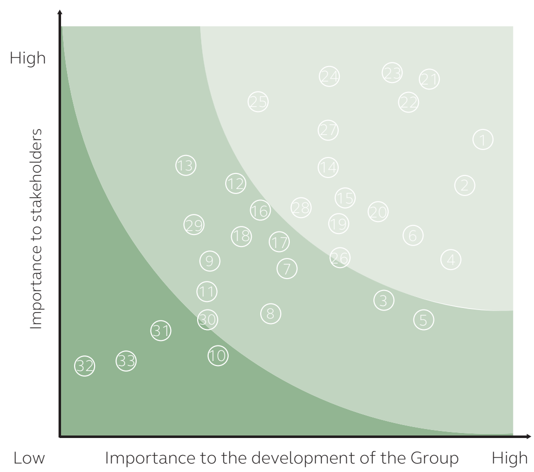
A questionnaire survey was conducted to understand the importance of the issues of concern to each stakeholder, and a matrix of material issues was derived through ranking and preliminary assessment.

A questionnaire survey was conducted to quantitatively analyse the importance of the issues to each stakeholder, and a matrix of material issues was derived through preliminary assessment from two dimensions: "Importance to Stakeholders" and "Importance to the Company".

Analysis and Validation of Issues

A comprehensive verification was applied on the initially screened issues to finalise the priority ranking of the material issues, and a complete matrix of material issues was developed and used as the basis for preparing this report and optimising operations.

Matrix of ESG Core Material Issues for 2024



1. Good operating results
2. Compliance operation
3. ESG management structure and communication mechanisms
4. Risk management
5. ESG incentive policy
6. Anti-corruption and anti-bribery
7. Energy and resource management
8. Pollutant and waste management
9. Setting up carbon emissions targets
10. Coping with climate change
11. Driving emission reduction along the value chain
12. Green technology and products
13. Marking products more eco-friendly
14. Equity procurement
15. Supplier management
16. Supply chain cooperation and co-building
17. Supplier chain-related environmental and social risk management
18. Sourcing green products and services
19. Dealer management
20. Driving industry development
21. Product quality and safety
22. Production safety
23. Product innovation and R&D
24. Customer service quality
25. Customer rights and interests protection
26. Equal employment
27. Occupational health and safety
28. Protecting rights and interest of employees
29. Employee training and development
30. Employee care and assistance
31. Public welfare and charity
32. Employee volunteer activities
33. Supporting rural revitalisation

1.3 Compliance Operation

Anti-corruption

The Company and its employees carry out their work in strict compliance with the pertinent laws and regulations in China, including the "Constitution of the People's Republic of China", the "Criminal Law of the People's Republic of China", the "Supervision Law of the People's Republic of China", the "Law on Administrative Discipline for Public Officials". Meanwhile, we have established and implemented a number of in-house rules and policies, such as the "Measures for Implementing the Party Conduct and Clean Governance Responsibility System", the "Code of Conduct" and the "Compliance Reporting Management Measures". Besides, we resolutely eradicate any kind of illegal acts such as bribery and benefit transfer through establishing and constantly optimising a long-term anti-corruption mechanism, carrying out warning education on a regular basis in our routine management and smoothing whistle-blowing channels both online and offline to promote a culture of integrity and frugality. During the Reporting Period, the Group is not aware of any lawsuits arising from the violation of anti-corruption and other laws and regulations in the places of operation.

Smoothing Whistle-blowing Channels

There are many whistle-blowing channels at the Company, such as complaint email address, tip-off hotline, complaint box, letter and visit, and leader phone number and email address receiving complaints. During the inspection of reported cases, the "Interim Measures of BAIC Motor Corporation Limited on Real-name Whistleblowing" and other relevant rules will be strictly implemented to protect the rights, interests and safety of whistleblowers.

Anti-corruption Assessment and Training

The Company has deepened the construction of its anti-corruption and integrity education system by compiling and issuing 11 editions of Analysis of the Regulations in Typical Cases, which thoroughly analysed 70 typical disciplinary violation cases. Through the "Case-Based Discipline Interpretation" methodology, the core principles of the Regulations are explained in detail. Additionally, the Company formulated the "Negative List of Six Disciplines" to help party members and cadres accurately understand the characteristics of disciplinary violations and strengthen daily self-examination. Simultaneously, the Company has standardized its warning education efforts by introducing the "BAIC Motor Warning Education Work Standards", which clarify educational scenarios and implementation criteria. Throughout the year, we distributed 56 thematic videos and other warning materials, produced six editions of long images of integrity tips for executives before major holidays and festivals, and notified 24 typical cases against the spirit of Eight-point Decision of the Central Committee and the disguised variations of the Four Forms of Decadence. Below are key performance indicators (KPIs) of the Company in terms of anti-corruption training during the Reporting Period:

Indicator	Unit	2024
Total number of anti-corruption training sessions	No.	37
Number of anti-corruption training sessions for employees	No.	1
Number of anti-corruption training sessions for directors	No.	36
Total number of participants in anti-corruption training sessions	Participants	3,746
Number of employees participating in anti-corruption training sessions	Participants	3,745
Number of directors participating in anti-corruption training sessions	Participants	2
Total hours of anti-corruption training sessions	Hours	5,490
Training hours per person of anti-corruption training sessions	Hours/participant	1.47

Construction of Integrity Awareness

During the Reporting Period, the Group organised integrity education training sessions related to duty performance to standardise the duty performance of staff and enhance their awareness of integrity.

Anti-corruption training	We carried out the "Learn Discipline, Know Discipline, Understand Discipline, and Uphold Discipline" thematic Party conduct and integrity education campaign, and compiled and distributed 30 educational materials and long images, as well as a list of 100 essential knowledge points on the Regulations around the "Regulations on Disciplinary Actions of the Communist Party of China" and the "Regulations on Disciplinary Actions for Management Personnel of State-Owned Enterprise"; We established a "Party Discipline Learning and Education" column on the BAIC Cloud Learning Platform; A warning education conference was convened to cite typical cases of internal violations of discipline and laws, audit issues and management issues as deterrents for employees, achieving the effect of reporting one case to educate many; We carried out the "Delivering the Regulations to the Grassroots" integrity education training in key areas such as production and procurement, as well as grassroots Party branches, and organized an online knowledge quiz activity titled "Learning the Regulations, Upholding Party Discipline, and Strengthening Party Spirit", covering all Party members, leading cadres, and Party activists within the Company, and a total of 2,500 participants have engaged in the quiz during the year; We integrated the content of the Regulations into the integrity test question bank of the Company, and organized 13 pre-appointment integrity exams for cadres, with a total of 25 participants. By using exams to promote learning, the initiative aims to comprehensively assess the achievements of discipline and law education. We explored grassroots integrity stories, and collected 220 cultural works and family stories related to integrity from employees. We organized the "Inheriting Good Family Teachings with Clean Messages, Sharing Good Family Traditions through Integrity Letters" employee integrity letters and teachings exhibition, with an aim to strengthen the "backup force" of family integrity.

2. PRODUCT RESPONSIBILITY

2.1 Strengthening Quality Control

The Company has always regarded quality and service as the foundation of its development, and has established a comprehensive quality management framework covering the entire chain of "product design, production and manufacturing, and after-sales service". By continuously deepening transformation, development, reform and innovation, the Company focuses on the quality of new products and manufacturing quality, ensuring product quality, optimizing customer response mechanisms, and continuously enhancing product competitiveness and customer satisfaction.

Case: The quality of products under Beijing Brand was recognized by the market

In 2024, the all-new BJ40 ranked first in customer satisfaction for hardcore SUVs in the China Automotive Customer Satisfaction Index (CACSI) list for fuel vehicles, while the BJ30 and BJ60 won the Arab Automobile of the Year Award.

Product Quality Assurance

In 2024, the Company focused on the effective operation of its systems and emphasized facts, closed-loop processes, and principles by taking sustainable value creation for users as guideline. The Company comprehensively carried out quality improvement efforts around system restructuring and product assurance.

As we focused on the quality control of "3+1" model, the quality performance of new vehicles continues to improve. Test models are rectified before they are launched, quality problems are identified through internal testing and are properly repaired before they are launched. Final inspections before vehicle delivery serve as the last checkpoint. Through rigorous quality control processes, we aim to ensure that issues at every stage are systematically resolved.

We deepened our efforts in managing component maturity and risk predictability to ensure that the indicators for all components meet market standards. We have established the "Supplier Quality Assurance Capability Evaluation Standards" and are progressively advancing the unification and control of component quality management across the Group.

We conducted targeted surveys on major customers, collected and initiated improvements for issues related to physical quality and perceived quality, advanced the resolution of identified issues and batch-related problems, while implementing targeted solutions for complaints raised by major customers.

Quality Management System

In 2024, the Company continuously maturated its system by solidifying its quality management system through initiatives such as quantitative audits and the new energy safety system, promoting system upgrades and enhancing its suitability, effectiveness and completeness.

The Company also strengthened the construction of a quality system suitable for the international market by making comprehensive upgrades in terms of process and system development, information system establishment, human resource allocation, and quality management system standardization, and gradually enhanced the service capacity of the system.

The Company progressively improved its digital maturity by leveraging three major digital platforms of BQMS, Feishu and intelligent digital robots to continuously advance the digital quality transformation. The proportion of online business operations continued to rise, improving work efficiency by 40%. Through the combined application of BQMS and intelligent digital robots, the work efficiency of responding to national third-level alarm information increased by 12 times compared to manual work, achieving a 60% response rate of national third-level alarm information and effectively reducing operational risks.

Quality Management System Certification

With IATF16949 quality management system certification at its core, the Company has comprehensively driven its system upgrades. In strict compliance with the pertinent laws and regulations including the "Product Quality Law of the People's Republic of China" and the "Provisions on the Administration of Compulsory Product Certification", precisely aligning with the "IATF 16949:2016" and "GB/T19001-2016/ISO9001:2015" standards, and a number of in-house documents such as the "Quality Manual", the Company constantly identified opportunities for improving the quality system through internal audits, stratified audits, special audits and quantitative evaluations of the quality system to avoid process risks, improve the capabilities of the quality system, continuously meet the needs of consumers and stakeholders, enhance the full-process quality management system, thus achieving IATF16949 quality management system certification.

IATF16949 quality management system certification	By comprehensively sorting out the Company's quality management system certification history, thoroughly analyzing certification standards, and evaluating the current operation status of the system, the Company conducted detailed inspections of key areas such as design and development, manufacturing, and system planning. Through internal and external audits, the Company reviewed the compliance of all processes, identified systemic issues in depth, and further clarified the division of process and support functions, refined the input/output requirements for processes, strengthened process performance control, and solidified quality management.

Continuing quality management standardisation

The quality control standards were upgraded by revising the "Product Development Quality Gate Process of BAIC Motor" (BPQG 4.1). These standards provided an institutional basis for quality cultivation and control activities throughout the process from data assessment, re-development prevention and proposal assessment at the project development stage, to physical quality assurance process and deliverables at the product and production maturity stage.

The Company continuously leveraged internal and external audits to drive system upgrades, improve system documentation and enhance personnel system management capabilities. Throughout the year, the Company conducted four audits, including internal system audits, new energy safety system audits, and specialized audits for quantitative quality maturity evaluations. The Company revised and established 53 process systems within the quality system. All measures for improvement were implemented effectively. These efforts strengthened process quality execution and enhanced the physical quality of products.

The "Quality Manual" was comprehensively revised to examine process and support functions table, process identification checklists, process relationship matrix, quality system process analysis and risk management by taking into account the evolution and integration of the organisational structure and new standards requirements. During the year, the Company revised or improved 105 relevant processes and documents.

The Company continued to pushed forward the improvement of system management capability, carried out quantitative evaluations and self-assessments of quality maturity, and combined with on-site counselling on process issues to enhance the self-improvement capability of the process.

Optimising quality and cost management

On the basis of safeguarding the quality of products, with the idea of "promoting continuous optimisation of the quality and cost system, strengthening data accumulation and analysis, and realising PDCA management (budgeting + accounting + analysis + improvement)", the Company improved the comprehensive quality and cost management system, coordinated and took into account both quality and cost requirements, and promoted the continuous quality and cost management covering all employees, the whole process and the entire value chain.

Several subordinates have passed the review for IATF16949:2016 quality management system certification

Improving Product Recall Management

The Company strictly follows the requirements of the "Regulation on the Recall of Defective Vehicle Products" and the "Implementation Measures of the Regulation on the Recall of Defective Vehicle Products" and has filed all defective vehicle products with the State Administration of Market Supervision. Vehicles covered by the recall will be upgraded with a free programme or replaced with improved parts free of charge to eliminate safety hazards. During the recall period, the users concerned will be notified by registered mail, telephone and SMS, or they can call our service hotline 400-810-8100 (24 hours a day, Monday to Sunday) for inquiries.

Indicator	Unit	2024
Percentage of the total number of products sold or shipped that have to be recalled for safety and health reasons	(%)	0

Quality Assurance Management

New Car Quality Control

In terms of implementing quality review testing and consistency verification, the Company has jointly carried out various businesses and comprehensively optimized work flows based on actual work conditions, revised relevant standards, calibrated review capabilities, and made digital transformation, which were conducted simultaneously for new and mass-produced cars, and strengthened front-end quality control to identify and verify every possible problem, a prerequisite for effectively ensuring the quality of both new cars and whole vehicles.

Parts Quality Control

In terms of software quality, we have enhanced the software quality control system, and planned software quality control activities based on the "Quality Control Procedures for New Product of BAIC Motor", and carried out capability improvement and innovation activities.

In terms of quality control over parts and components of battery, motor and electric control systems/hybrids, the Company has continued to enhance its control capabilities of relevant parts and components. We have invited leading industry suppliers to collaborate with the research institute in conducting professional capability training. At the same time, we focus on risk identification and prevention at supplier and sub-supplier sites, established a market rapid response team to quickly resolve end-user complaints, contributing to the continuous improvement of product reputation.

Manufacturing Quality Management

In terms of the operation and continuous improvement of manufacturing quality control system, the Company has pursued an approach to front-end process quality control, specialised process auditing and systemic product auditing, further improved the quality management process and regulations of manufacturing process, and carried out process auditing in accordance with the new version of VDA6.3 to improve manufacturing quality capabilities.

Quality Assurance Training

The Company has continuously enhanced its product quality assurance capabilities. According to the Company's strategy and the updates to relevant quality standards, training efforts primarily focus on updating and improving the knowledge of system standards as well as battery, motor and electronic control systems, intelligence and hybrids, with an aim to improve the quality management and technical capabilities of all employees and ensure robust product quality.

During the year, a total of 33 training sessions were conducted, including 14 external training sessions, with a total of 2,715 participants. Training on system standards and quality tools accounted for 46%, and there were 11 training sessions on battery, motor and electronic control systems, intelligent networking and hybrids, accounting for 33%. Other business-related training accounted for 21%. These trainings enabled the quality team to transit from traditional manufacturing to a comprehensive adaptation for the intelligent and electrified era, building a talent foundation to ensure product compliance and technical reliability.

Product Safety Guarantee

The Company firmly adheres to its original intention of building cars for users. We carry out whole-value-chain quality assurance activities such as vehicle evaluation, quality assurance test and consistency verification of physical vehicles from pre-research and development to product launch.

For off-road vehicle models, the Company comprehensively reviews evaluation standards, optimizes evaluation content and methods, refines work directions, identifies key evaluation points, calibrates review perspectives, and emphasizes on-site evaluations in special terrains, strengthens off-road performance verification, intensifies the identification of unique issues, and strictly controls all verification processes to ensure high-quality vehicle delivery to users. Taking the BJ30 as an example, in terms of safety, the BJ30 is equipped with a variety of safety configurations and active safety warnings, including a low-speed mobile object alert system, 540-degree panoramic imaging and chassis perspective function, high-strength steel and advanced body structure design, six airbags and a number of active safety warning systems.

2.2 R&D of Innovative Technologies

The direct-injection hybrid engine A156E2 has achieved a maximum thermal efficiency of 46.6%, and obtained the authoritative certification from TÜV Rheinland.

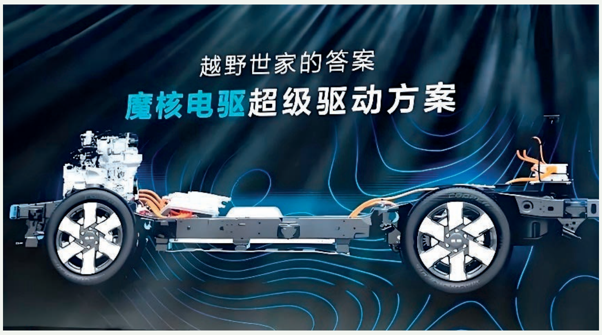
BAIC Motor Off-Road Magic Core Electric Drive System has received the high-quality electric drive certification from CATARC.

The “Development and Application of Key Technologies for the A156T2 High-Efficiency Engine Platform” was awarded the Second Prize for Scientific and Technological Progress in the 2024 “Science and Technology Awards” by the Chinese Society for Internal Combustion Engines.

The Company regards technological innovation as the core driver of development and proactively engages in technological innovation and research and development through formulating and implementing the “Management Measures for Government-backed Science and Technology Projects of BAIC Motor Research Institute”, the “Management Measures for Government-backed Science and Technology Project Funds of BAIC Motor Research Institute” and the “Management Measures for Intellectual Property Rights of BAIC Motor Research Institute” to create a relaxed environment for scientific and technological R&D, encourage research personnel to participate in STI activities, explore market development opportunities, provide higher-quality products and services to customers, and facilitate industry development and the application of technology.

Case: Magic core electric drive super driving solution

In 2024, the Company released the “Magic Core Electric Drive Super Driving Solution”, which innovatively adopts the Taiji flexible off-road chassis, an intelligent all-weather temperature control system, etc., ensuring battery safety and vehicle performance, and achieves an extended driving range and an optimized driving experience through an efficient energy replenishment unit, a high-performance off-road electric drive system as well as an intelligent off-road assistance system.



Cooperation on Innovation and R&D

The Company focuses on hybrid technology, off-road vehicle technology, autonomous driving technology, and smart cockpit technology. In 2024, the Company completed 10 technical projects, including the development of a dedicated hybrid engine and the integrated development of a cloud platform of the Internet of Vehicles. At the same time, we initiated core technical projects such as the NVH improvement and collaborative optimization of hybrid powertrains, pre-research on core technologies for pure electric off-road vehicles, SOA-based software development for smart cockpits, and the development of autonomous driving systems based on domestically produced chips. The outcomes of these projects will be gradually applied to product development.

Case: Collaborative development of a pre-research project on hydrogen-ammonia internal combustion engines

The Company has established an industry-university-research collaboration with Beijing University of Technology to jointly develop a pre-research project on hydrogen-ammonia internal combustion engines. Through a collaborative platform and joint research, the partnership aims to advance the design, simulation and experimental development of hydrogen-ammonia internal combustion engines, resolve the testing resources problems of hydrogen-ammonia engines, achieve resource sharing, and enhance the market competitiveness of the Company.

Promotion of Digital Construction

At the 10th International Intelligent Manufacturing (Wuhan) Forum, the Company was successfully listed among the "2024 Top 50 Leading Enterprises in the Second China Industrial Digital Transformation" for its in-depth exploration of digital marketing, digital manufacturing, digital operation and business model transformation, as well as its continuous efforts in advancing intelligent manufacturing scenarios.

In terms of digital manufacturing, the Company has leveraged advanced digital technologies such as IOT, the Internet of Things, and portable wearable devices to achieve transparent and lean production process and build a comprehensive digital manufacturing system. Among them, off-road vehicle companies have won many awards, including Beijing Intelligent Factory in 2022, Excellent Scenes of Intelligent Manufacturing by the MIIT in 2023, China's Outstanding Application for Intelligent Production in 2023, and China's Outstanding Application for Intelligent Logistics and Supply.

Protection of Intellectual Property Rights (IPRs)

The Company manages intellectual property in accordance with its intellectual property rights management system to maintain its core competitiveness. In accordance with the "Requirements for Corporate Intellectual Property Rights Compliance Management System (GB/T 29490-2023)", the Company has formulated and implemented the "Measures of BAIC Motor for Management of Intellectual Property Rights", the "Management Measures of Intellectual Property Rights Incentives of BAIC Motor" and the "Patent Management Measures of BAIC Motor", to strengthen intellectual property management, improve the acquisition, maintenance, application and protection of IPRs and provide strong support for innovation and project management.

Indicator	Unit	Quantity
Number of patent applications in 2024	(No.)	261
Number of patents granted in 2024	(No.)	108
of which: number of invention patents granted	(No.)	44
Total number of patents granted	(No.)	7,326
of which: total number of invention patents granted	(No.)	626
R&D investment in 2024	(RMB1 million)	4,292.4

2.3 Enhancing Customer Services

Upgrading Service Levels

As per the "customer-centric" principle, the Company enhances its service standards by strengthening dealership management, improving sales satisfaction, intensifying after-sales service, and optimising complaint handling procedures.

Strengthening Dealership Management

The Company has established a "quality-oriented" service provider evaluation system, conducts quarterly after-sales service evaluations to assess the service capacity and quality of dealers from multiple dimensions, and takes measures for improvement accordingly. We have formulated the new "Dealership Operation Standard" (DOS) on the basis of the "Dealership Service Staffing Rules" and the "Special Management Rules on the Use of After-sales Service Management System" to provide guidance for and regulate how dealers operate.

Improving Sales Satisfaction

The Company formulates and implements the "Management Measures for Product and Service Quality Satisfaction Surveys of BAIC Motor", and continues to advance the service satisfaction management, including "system optimisation", "rectification of weaknesses" and "continuous monitoring", which forms a closed loop to improve and enhance sales services continuously.

System optimisation	With reference to the latest industry evaluation indexes and benchmarking against competing enterprises, the Company optimised the design of service satisfaction evaluation indexes with a combination of business concerns and key points of user experience. We enriched the satisfaction survey models, carried out more in-depth user visits, and precisely figured out the pain points of customer experience. Combined with the adjusted evaluation indicators, the Company deployed the satisfaction BI dashboards, and continued to progress the closed-loop management based on the satisfaction platform.
Rectification of weak links	The Company set up a satisfaction debriefing mechanism, selected dealers with key issues on a quarterly basis to conduct the special debriefing and analyses of the weaknesses and causes, and formulated rectification plans. We also conducted the dual-line rectification for the dealers and business department through the special tasks of the users' satisfaction of their experience of the platform and business improvement, and followed up the implementation to form a closed-loop, so as to improve the satisfaction results.
Continuous monitoring	The service satisfaction results are subject to monthly rolling reviews, and low-scoring ad hoc warnings are issued peer-to-peer at the beginning of each month in the system's early warning centre. The Company helps dealers to identify and correct problems in a timely manner and address problems to constantly monitor feedbacks.

Intensifying After-sales Service

An after-sales satisfaction reporting mechanism has been established, in which major problematic dealers are asked to give special reports on a quarterly basis, analyse weak links and causes thereof, formulate rectification plans, and follow up on the implementation of corrective measures in a closed loop, thus helping them raise the level of sales satisfaction. At the same time, a satisfaction management platform has been built to support multi-dimensional and multi-level online viewing of satisfaction data, while promoting closed-loop management of service satisfaction.

Optimising Complaint Handling Procedures

By strictly complying with the "Management Measures for Customer Complaints of BAIC Motor", the Company refines the dealer complaint assessment regulations, conducts monthly review meetings for dealers, and optimises the complaint escalation specifications in the call centre. We coordinate business departments or dealers to handle customer complaints quickly with multiple methods, with a view to reducing customer complaints and improving the level of customer satisfaction.

Optimising complaint handling standard	The Company revised 12 complaint escalation standards, added 10 new complaint categories for power exchange issues, and streamlined the process of handling public opinion crises, successfully guiding customers to withdraw 152 negative public opinions and winning praises from customers in 1 case.
Organising dealer reviews	Meetings for dealer complaint were convened on a monthly basis and communication meetings for the business department were convened on a weekly basis to make the business department swiftly handle complaints and improve the service quality of dealers. We held 18 meetings for dealer complaint review, reviewed 67 cases and promoted dealer to complete the improvement of 162 items.
Optimising the complaint response system	The Company built a three-tier risk warning mechanism and a collaborative feedback mechanism for customers. By optimising the call-back process of the customer service centre and the dedicated line answering mechanism for media VIPs, we are deeply connected with dealers to help them deal with complaints.

Improving Communication Mechanism

The Company is dedicated to establishing efficient and unimpeded comprehensive communication channels with customers. We actively carry out two-way communication activities with customers, so as to fully understand their appeals and expectations and enhance their satisfaction substantially.

400 call centre platforms	The Company continues to optimize and perfect the mechanism and matters of services. We optimised the distribution of IVR buttons on the 400 hotlines, arranged dedicated personnel to monitor on an 8-hours-a-day-7-days-a-week basis 16 public opinion platforms, including 12365auto.com, qctsw.com and 12345 hotline to swiftly respond to and deal with customers' needs so as to enhance their satisfaction and strengthen their loyalty as well.
User surveys	In accordance with the time line research mode of the launching period, the Company adopted a combination of rapid independent research and special verification projects after the launching. By carrying out research methods in advance and actively building alliance, we obtained users' portraits and needs for products in a timely manner.
Communication channels	We have opened up a number of unimpeded channels such as official accounts on social media network platforms, the BAIC Motor APP, and the Off Road APP, to collect customer feedback, draw them closer to us, and enhance customer stickiness.
Dealership communication platform	The Company has built a dealership community via WeChat to achieve efficient communication and connection with dealers. A total of 28,398 WeChat groups for customer service were created to ensure rapid response and vertical communication, providing end customers with all-around services.

Below are key data of the Company on customer communications during the Reporting Period:

Indicator	2024
Total number of customer complaints	2,580
Customer complaint reduction rate	15.0%
Sales satisfaction	96.6%
After-sales service satisfaction	96.8%

Protection of Customer Rights and Interests

The Company is committed to providing customers with reliable services while continuously improving product safety performance. In accordance with laws and regulations including the "Law of the People's Republic of China on the Protection of Consumer Rights and Interests" and the "Advertisement Law of the People's Republic of China", we make efforts to safeguard the rights and interests of our customers and maintain network & information security.

Information Security Management

The Company actively practices its customer-centric values and implements the management and security protection of internal data and information, and has formulated the "IT Information Security Management Manual of BAIC Motor" with reference to the ISO27001 system to protect the security of information assets and the business continuity of information systems, and create a sound internal information security environment.

In 2024, during the Two Sessions, the Third Plenary Session of the 20th Central Committee, and the National Day period, the Company conducted information security protection work, with no information security incidents occurred, carried out self-inspections for information system security compliance and completed the rectification of security vulnerabilities in information systems. The Company also implemented information system classified protection and filed records for Internet of Vehicles information systems, completed annual classified protection assessments for 6 information systems and filed records for 2 Internet of Vehicles systems.

Data Privacy Protection

While dealing with the personal data of users and vehicle data in the vehicle system and the vehicle APP/software, the Company strictly complies with the laws and regulations on personal information protection in China. We are committed to protecting the personal information provided by customers. To cope with the risks possibly arising from personal information leakage, tampering and loss, the Company brings personal information under categorised management and provides the internal management policies and operating procedures for the disposal of personal information security incidents. In response to security incidents, the Company takes appropriate encryption, de-identification and other security technology measures. Additionally, we assign dedicated personnel to respond to and manage such incidents, implement effective security plans for different security incidents, formulate and take loss mitigation and remedial measures in a timely manner, and actively collaborate with relevant government departments to work together.

Safeguarding Network Security

The Company has issued a number of internal documents such as the "Network Management System of BAIC Motor", the "Information Security Base Line of BAIC Motor", the "Management Measures on the Use of Development, Operation and Maintenance Resources by Suppliers of BAIC Motor" and the "Employee Information Security Manual of BAIC Motor" to conduct network security management, exercise rigid control over access to intranet, and create a secure and stable internal office environment.

Customer Privacy Protection

For the personal data of users and vehicle data in the vehicle system and the vehicle APP/software, information gathering notification will be shown during the initial set-up, and information will be collected only after obtaining the user's consent and authorization. At the same time, in terms of data privacy protection, the Company adopts necessary information security measures to protect data security, in order to provide better and more intelligent services to users.

Responsible Marketing

The content, materials and themes of the advertisements are checked three times as per the review standards to ensure that the advertisements are reasonable, do not violate relevant requirements of the Advertising Law and is out of compliance risks through the triple check of "professional third-party supplier team-business implementation personnel-department head. The Company also regularly organizes the marketing team to proactively learn about risk cases in the industry to enhance their awareness of risk prevention and compliance.

2.4 Sustainable Supply Chain

Supply Chain Management

With the goal of putting in place a more secure and controllable supply chain system that is suitable for its development needs, the Company has formulated and dynamically optimised a number of internal management policies that cover the entire life cycle of parts and components, including the "Management Measures for Parts Supplier Access Control", the "Parts Supplier Development Process", and the "Management Measures for Performance Evaluation of Parts Suppliers". To tap into supplier resources, we actively establish partnerships with world-leading parts suppliers with leading technology and stable quality, and step up efforts to cultivate key parts suppliers, thus shaping a high-quality and sustainable supply chain assurance system.

Management and Evaluation	Supplier selection	Based on the Company's product planning, technology upgrade and development, changes in market demand and supplier cooperation performance, we have established a mechanism for planning, selecting, cultivating and eliminating suppliers, and have assembled a complete catalogue of parts suppliers to ensure the selection of suppliers to work with is in line with the Company's development needs.
	Supplier inspection	We strictly implement all access standards, screen prospective suppliers and examine their environmental management system certifications and pollutant discharge permit. We spot-audit and score qualified potential suppliers to ensure that suppliers meet the Company's requirements in terms of quality, technology, delivery, cost, management and other aspects.
	Supplier audit	A regular supplier review mechanism has been established, under which during the parts development and mass production phases, suppliers are regularly subject to process audits, to comprehensively assess their quality assurance ability, carry out regular supplier risk screening and promote their self-improvement and upgrading.
	Compliance and rectification	The Company reviews the implementation of environmental management by suppliers on a regular basis and incorporates their compliance with environmental performance as one of the indicators in the annual supplier performance evaluation. For suppliers who violate national or local environmental laws and regulations and fail to rectify such breaches effectively, assessments and penalties will be imposed as required so as to ensure that all partnered suppliers are environmentally compliant and effectively managed.
Cooperation and Communication	Strengthening multi-party cooperation	We keep cementing partnerships with top-notch automotive parts suppliers to create highly integrated, intelligent products connected to the Internet.
	Conducting supplier training	The Company conducts specialized training sessions, including VDA6.3 process audit training and the "BAIC Motor Supplier Capability Standards (BPCS)", to guide suppliers in proactively enhancing their systematic capabilities, organizes software development certification training to promote capability improvements in software development among key suppliers, continuously strengthening the overall competitiveness of the supply chain.

Indicator	Unit	2024
Total number of suppliers	(No.)	370
Of which: total number of suppliers in Eastern China	(No.)	183
Of which: total number of suppliers in Southern China	(No.)	43
Of which: total number of suppliers in Central China	(No.)	66
Of which: total number of suppliers in Northern China	(No.)	49
Of which: total number of suppliers in Northwestern China	(No.)	1
Of which: total number of suppliers in Southwestern China	(No.)	11
Of which: total number of suppliers in Northeastern China	(No.)	17
Total number of suppliers in well-established, long-term cooperation	(No.)	370
Of which: total number of suppliers in Eastern China	(No.)	183
Of which: total number of suppliers in Southern China	(No.)	43
Of which: total number of suppliers in Central China	(No.)	66
Of which: total number of suppliers in Northern China	(No.)	49
Of which: total number of suppliers in Northwestern China	(No.)	1
Of which: total number of suppliers in Southwestern China	(No.)	11
Of which: total number of suppliers in Northeastern China	(No.)	17
Number of suppliers to whom the practice was enforced	(No.)	370
Supplier review coverage rate	(%)	100

Responsible Supply Chain

The Company incorporates environmental and social risks into its supplier management system and requires all suppliers to comply with the national laws and regulations, including the "Environmental Protection Law of the People's Republic of China", the "Regulations for the Administration of Pollutant Discharge Permits", the "Classified Administration Catalogue of Fixed Source Pollutant Permits", and the "Work Safety Law of the People's Republic of China". Meanwhile, the Company has formulated the "Administrative Measures of BAIC Motor on the Recycling of Hazardous Substances Contained in Automotive Products" to promote the environmental compliance of suppliers.

Preferred selection of eco-friendly products and services

The Company has established the "Management Measures on Access Control for Parts Suppliers of BAIC Motor" and "Green Supply Chain Control Measures of BAIC Motor", which stipulate that when selecting suppliers, priority will be given to those with compliant environmental protection, and requires suppliers to obtain environmental management system certifications, and if such certifications are not yet obtained, they should develop corresponding plans to achieve them. Meanwhile, we forward the requirements of relevant regulations and standards on the management and recycling of hazardous substances to the suppliers, promote the concept of green production and prompt them to adopt clean production practices for reducing energy consumption.

Full-life-cycle control over environmental implementation of suppliers

Supplier access control	The Company comprehensively assesses the environmental performance of the suppliers to be admitted, confirming the validity of their certificates and discharge permits. Besides, PSA on-site audits are conducted on suppliers to check the whole production process of parts and components, ensuring that their products meet technical and environmental requirements.
Stage of new product development	The Company clearly states that priority should be given to the use of eco-friendly and energy-saving materials to ensure that the content of hazardous substances and recyclability meet the requirements of national regulations and standards for hazardous substances, RRR and material labelling. The design change involved in new developments or changes of materials shall be inspected and the "Hazardous Substances Testing Report" needs to be submitted. At the stage of product development approval and mass production approval, the Company requires suppliers to submit test certificates that meet the technical requirements for environmental protection.
Mass-produced products	The Company monitors the product quality through annual verification, punishes the suppliers who do not meet the technical requirements accordingly and orders to make rectifications. The supplier qualifications will be cancelled in serious cases.

Case: Beijing Benz green supply chain management strategy

Beijing Benz established its strategic goal of green supply chain management in 2017, endeavouring to enhance its green supply chain management system and implement green supplier management, green production, green recycling, and green information platform construction.

Supplier commitment: all suppliers are required to sign the 2039 Carbon Neutrality Letter of Intent, explicitly making the "Supplier Carbon Neutrality Commitment" a prerequisite for cooperation. As of the end of 2024, the vast majority of production suppliers have signed this Letter of Intent.

Low-carbon production materials: carbon dioxide emission reduction targets have been set for raw materials with significant impacts, such as steel, aluminum, copper, plastics, and battery cell materials, and these have been incorporated into the supplier selection process for new projects. Meanwhile, close collaboration is maintained with steel and aluminum suppliers to actively evaluate the technical feasibility and application potential of low-carbon materials in vehicle production. In addition, Beijing Benz is exploring cooperation with glass and copper suppliers to introduce more low-carbon materials throughout the entire vehicle value chain.

Supplier training: through the "Drive Sustainability" platform, two sustainability-related training sessions are provided to suppliers each year, covering topics such as life cycle assessment, carbon emission management, and the "Carbon Border Adjustment Mechanism", reaching hundreds of suppliers across the value chain and effectively enhancing their environmental awareness and sustainable development capabilities.

3. GREEN DEVELOPMENT

3.1 Environmental Management System

Committed to philosophy of "green operation and sustainable development", the Company integrates the applicable industry standards and requirements to implement an integrated environmental management system. The management is responsible for establishing and optimising the system, while relevant departments identify environmental factors, carry out legal assessments, formulate and improve environmental standards, conduct environmental inspections and audits, organise training and publicity sessions, and control environmental risks to ensure that the production and operation activities of the Company comply with the manuals and procedures in the environmental management system. The Company analyzes the environmental impact factors throughout each stage of production to fully explore energy-saving potential and enhance resource efficiency, while simultaneously strengthening employees' environmental awareness and implementing green office measures. The Company obtained environmental management system certification for the first time in 2012 and passed the supervision audit of environmental management system in 2024, with the system currently operating effectively.

In addition, the Company sets up annual environmental targets and follows up the completion of environmental targets of different units on a monthly basis to avoid incidents of non-compliance. During the Reporting Period, the Company did not have any major environmental accidents and any environmental litigation cases caused by violation of emission regulations.

Environmental Management System	Internal management system	The Company formulated and implemented management systems such as the "Environmental Management Manual of BAIC Motor", the "Environmental Protection Management Measures of BAIC Motor" and the "Water Pollutant Management Control Procedures of BAIC Motor", and other in-house policies. Each branch has formulated a series of supporting environmental protection management systems to simultaneously strengthen the management of pollutant discharges and ensure that environmental compliance requirements are met.
	Environmental management certification	We have passed the ISO14001 environmental management system certification and conduct internal reviews and annual supervisory reviews of the environmental management system to ensure its adaptability and effectiveness.

Safety and environmental emergency management	We have established a safety and environmental emergency management mechanism and adopted graded response measures. We have also developed an annual environmental emergency drill plan and conducted environmental risk emergency drills. We have developed a series of environmental emergency response plans to ensure that emergencies are handled in a quick, orderly and effective manner to reduce relevant losses.
Creating a green supply chain	The Company has actively organised all units to create a "green supply chain". Zhuzhou Branch evaluated third-party enterprises under the green supply chain management from major dimensions, that is, green supply chain management strategy, green procurement and supplier management, green production, green sales and recycling, green information platform building and information disclosure.
Implementing green logistics	The Company actively promotes green logistics, optimizes packaging materials, implements smart logistics, and, reduces the use of logistics vehicles within workshops through optimizing layout, thereby conserving transportation energy.

Case: Beijing Benz establishes a modern green logistics system

Beijing Benz optimizes packaging materials and implements a smart logistics strategy, comprehensively establishing a modern green logistics system to contribute to building a waste-free city in the capital.

In terms of packaging optimization, green packaging using recyclable materials serves as the primary approach, striving to minimize the use of single-use packaging materials and reduce solid waste generation from the source. Currently, the proportion of recyclable packaging has been increased to 95%, effectively controlling solid single-use waste.

In terms of smart logistics, a 100% pick-by-light system has been implemented, achieving paperless operations and AMS paperless office. Meanwhile, regular evaluations are conducted on the sustainable development level of the automotive industry's logistics, proactively seeking cleaner and more energy-efficient transportation models and exploring in-factory transportation alternatives.

3.2 Green Operation

Emissions Management

In strict compliance with the emissions management requirements of laws, regulations and standards, including the "Environmental Protection Law of the People's Republic of China", the "Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution", the "Law of the People's Republic of China on Prevention and Control of Water Pollution" and the "Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste", the Company has formulated and implemented a number of in-house documents such as the "Solid Waste Control Procedures", the "Hazardous Waste Management Policy", the "Solid Waste Discharge Management Measures", the "Air Pollutant Control and Management Measures", the "Water Pollutant Control and Management Measures" and the "Energy-saving and Eco-friendly Management Procedures for Product Design of BAIC Motor" to establish a sound environmental management system for regulating its full-cycle environmental efforts. Guided by "source control, process optimisation and end-to-end treatment", the Company set up a collaborative control network to improve production process efficiency, intelligent emission monitoring and waste resource conversion to realise precise graded control of pollutants and closed-loop regeneration of wastes, cutting the adverse impact on the environment.

Led by green technology, the Company actively implements pollution reduction initiatives, intensifies environmental governance efforts, cuts down pollution loads, and develops eco-friendly production processes, further exploring the possibility of emissions reduction. At the same time, we take a number of measures to meet wastewater and exhaust gas discharge standards, which include installing online surveillance equipment at the main discharge outlets, regularly inspecting third-party manufacturers in cooperation, and handing over hazardous waste to qualified agencies for proper disposal after being collected.

Emissions Management Targets for 2021 to 2025

Further reduce wastewater, exhaust gas and solid waste through instantaneously monitoring, upgrading of environmental protection equipment, etc.

Dispose of 100% of hazardous waste in a compliant manner.

Set up an indicator for allocating bonus points to single-vehicle hazardous waste reduction. Specifically, hazardous waste density reduction if meeting the standard will be assigned with bonus points in the safety and environmental performance appraisal.

Wastewater treatment	A high-performance wastewater treatment station is built and regularly upgraded to improve the efficiency of wastewater treatment at the stations and reduce the moisture content of sludge, which includes adding air flotation technology and disinfection tank process, as well as adding sludge drying equipment to reduce the moisture content of sludge and treated through chemical, biological and other methods, so as to ensure that the treated production wastewater could meet the discharge standards of government departments. Fujian Benz plans to build a new domestic sewage treatment pool and carry out supporting renovation designs for the chemical dosing system of phosphating wastewater to enhance wastewater treatment efficiency.
Real-time monitoring	In accordance with the requirements of national and local environmental protection departments, online surveillance equipment for monitoring COD, ammonia nitrogen, total phosphorus and total nickel is installed and the online monitoring data are connected to the data platforms of local environmental protection departments, which will be subject to supervision by the government and the public. It will also be connected to the environmental management platform of the Company and the Group.
Recycling	After treatment, some wastewater is reused for landscape irrigation, greening, industrial production and many other purposes. Meanwhile, a domestic wastewater treatment station has been built along with the steam recovery programme to reduce the consumption of water resources.

Exhaust gas management

Categorised management	Priority is given to the use of raw and auxiliary materials with low VOC content to improve the processing efficiency of environmentally friendly equipment and reduce VOC emissions. At the same time, filter cotton + activated carbon adsorption devices are added to the areas such as the paint mixing room and the small repair workshop to improve the VOC removal efficiency and reduce the volatility of VOC to ensure that all types of exhaust pollutants meet the emission standards for atmospheric pollutants. Guangzhou Branch has launched a project for electrophoretic exhaust gas treatment in the painting workshop, specifically targeting the treatment of electrophoretic exhaust gas. To reduce VOC emissions, under the premise of using water-based paint for spraying, Fujian Benz has planned a project for the treatment of VOC in the painting workshop to further treat VOC emissions, which can make the NMHC (non-methane hydrocarbon) emission concentration lower than the standard of 20 mg/m^3.
Real-time monitoring	In accordance with the requirements of national and local environmental protection departments, online surveillance equipment for monitoring VOC, nitrogen oxide, and other air pollutants is installed and the online monitoring data are connected to the data platforms of local environmental protection departments in real time.

Solid waste management

Principles of waste treatment	Priority is given to waste recycling for reuse, and explore the recycling value of waste for reuse. For waste that cannot be recycled, non-hazardous treatment is adopted. During the classification process, physical isolation measures are strictly enforced to avoid cross-contamination of different categories of waste, and to ensure the safety and effectiveness of subsequent treatment processes.
Categorised management	Waste is managed in accordance with the principles of waste treatment and is divided into different categories by hazardousness and recyclability, that is, hazardous waste, recyclable waste and non-recyclable waste. A hierarchical management mechanism is established, such as sealed storage of hazardous waste, pre-treatment and sorting of recyclable waste, etc., to ensure clear and controllable disposal paths.
Equipment upgrading	A sludge drying equipment is installed to dry sludge before it's disposed of, thereby reducing the volume of sludge generated. By introducing paint residue drying equipment, the moisture content of paint residue is reduced, achieving a reduction in volume. The average weight reduction rate of paint residue exceeds 50%. During the year, Yangzhen Plant has reduced paint residue by 41.8 tonnes.
Compliance disposal	Recyclable waste is handed over to qualified waste recycling agencies for disposal, with simultaneous recording of their weight, type, and destination to form a tracking ledger. Non-recyclable waste is strictly handed over to the municipal sanitation system for centralized treatment. Hazardous waste is subject to full-process supervision through a joint bill, and are linked to joint bill from generation, transportation to terminal disposal, ensuring that the treatment process complies with regulatory requirements and is traceable.
Recycling	As per the main principle of using recycled materials for green packaging, with focus on promoting green packaging alternatives, a recycling packaging management system has been developed and put into operation, which requires suppliers of parts and components to use recyclable containers as the outer packaging of parts and components to reduce the use of packaging materials such as wood and cardboard. Digital systems are used to monitor and record the operation of packaging, reducing the use of disposable packaging materials and cutting the amount of solid waste at source.

Noise management

Identification and control	The Company proactively identifies and analyses noise sources during operation and production, including presses, air pressure stations, paint equipment generators, boiler rooms and paint shop fans. Vibration and noise reduction, sound insulation and acoustic absorption measures are adopted to ensure the noise level meets regulatory limits and it does not affect the daily life of the surrounding communities.

Case: Beijing Benz continues to deepen hazardous waste management

Beijing Benz focuses on green production, and continuously promotes the reduction, recycling and harmless treatment of solid waste. In terms of hazardous waste management, Beijing Benz actively explores new technologies and consistently implements technical reduction measures and daily lean management to minimize waste generation.

Since 2021, the company has introduced a sludge drying project, utilizing low-temperature heat pump drying technology to reduce the moisture content of sludge generated during production, which can directly decrease the moisture content of sludge from 80% to below 30%, thereby reducing the emissions of hazardous waste, minimizing the environmental pollution of the company and save energy consumption of equipment. During the year, through the sludge drying project, Beijing Benz reduced sludge disposal by nearly 1,000 tonnes.

In addition, the company actively explores new technologies to address high-concentration organic wastewater generated from painting. By introducing innovative technology and adopting the "coagulation filtration – multi-stage cyclic adsorption and regeneration – pyrolysis incineration treatment" process, the solvents can be separated from the water by using activated carbon to adsorb solvents from the wastewater. Such technology can achieve the reuse of activated carbon and the recovery of waste heat from exhaust gases, ultimately reducing high-concentration organic wastewater by nearly 90%.

All hazardous waste generated by the company is ultimately processed through resource utilization methods such as co-processing in cement kilns, which achieves zero landfill of hazardous waste and contributes to the sustainable development of the company.

Indicator	Unit	2024 Note 1	2023	2022
Scope 1: Direct GHG emissions	tCO_2e	**168,636.09**	196,551.16	210,962.63
Scope 2: Indirect GHG emissions	tCO_2e	**201,565.89**	401,846.20	569,541.35
Total GHG emissions Note 2	tCO_2e	**370,738.05**	598,397.36	780,503.97
GHG emissions per vehicle	tCO_2e per vehicle	**0.39**	0.57	0.84
Total wastewater discharge Note 3	Tonne	**2,027,784.66**	1,095,852.55	2,123,285.00
Total COD emissions	Tonne	**123.83**	82.92	139.64
Total ammonia nitrogen emissions	Tonne	**9.85**	6.88	8.05
Total VOC emissions	Tonne	**428.61**	217.81	630.93
Total SO_2 emissions	Tonne	**3.91**	5.15	5.24
Total production of hazardous wastes	Tonne	**12,561.05**	12,072.51	14,175.88
Hazardous wastes generation intensity	Kg per vehicle	**13.28**	11.59	15.03
Total production of non-hazardous wastes	Tonne	**129,743.73**	113,196.74	140,054.05
of which: metal	Tonne	**86,906.28**	71,106.50	99,652.57
of which: paper	Tonne	**10,069.55**	9,156.76	10,050.46
of which: timber	Tonne	**11,652.14**	11,317.28	9,230.79
of which: others	Tonne	**21,115.77**	21,616.21	21,120.23
Non-hazardous waste generation intensity	Kg per vehicle	**137.21**	108.63	148.54

Note 1: Based on the materiality of production and operation to the business of the Group and the environmental influence, the discharge data of the Group for 2024 cover the Company, Zhuzhou Branch, Powertrain, BAIC Guangzhou, Beinei Parts and Components, BAIC Off-road Vehicle, Beijing Hyundai, BAIC Motor Research Institute, Fujian Benz and Beijing Benz.

Note 2: GHG emissions are calculated with reference to the "GHG Protocol Corporate Accounting and Reporting Standard 2012 (Revised Edition)" published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the "Fifth Assessment Report" issued by the Intergovernmental Panel on Climate Change (IPCC). The emission factor used for calculating indirect emission sources refers to the "Announcement on the Release of the 2022 Electricity Carbon Dioxide Emission Factor", published by the Ministry of Ecology and Environment of the People's Republic of China in December 2024, adopting a national average electricity CO_2 emission factor of 0.5366 $kgCO_2$/kWh.

Note 3: Due to technical upgrade initiatives, wastewater discharge has increased for the year.

Reducing Resource Consumption

The Company always upholds the energy policy of "energy conservation, efficiency enhancement, and green operation". According to the "GB/T 23331-2020/ISO 50001:2018 Energy Management System: Requirements with Guidance for Use", we have formulated and implemented the "Energy Management Manual of BAIC Motor", the "Energy Management Measures of BAIC Motor" and other relevant energy management policies. By integrating "management-based energy conservation" with "technology-based energy conservation" and through the strategic implementation plan of "efficient energy use, self-produced green energy, externally purchased green energy, and carbon offset", per-vehicle carbon emission intensity in 2024 reduced by 8% compared with 2023.

Energy consumption targets: further reduce the consumption of water and energy resources such as electricity and heat through energy-saving management, energy-saving technology, photovoltaic and geothermal energy, etc. in the production process. Reduce energy and water consumption through green office initiatives such as water and electricity conservation in the office operation.

Green production	**Energy monitoring:** a platform is established to monitor energy source data across different time periods for key energy-consuming equipment, tracking core parameters such as current intensity and fluid flow rates during equipment operation, providing managers with visualized dynamic energy consumption charts to enhance energy efficiency. **Equipment management:** multidimensional energy-saving technical solutions are promoted, including a comprehensive upgrade to LED lighting systems, deployment of high-efficiency motor drive systems and torque intelligent control modules, and deeper application of energy-saving manufacturing technologies. These measures encompass the assembly-related electronic process sheet display system, mid-frequency welders/integrated welding clamps, welding self-adjustment technology, and entry into the state of dormancy by frequency converters, establishing an energy-efficient management network covering the entire production chain. Engine cold testing is introduced by using motor-driven simulation of engine conditions without fuel combustion, resulting in significantly lower operational energy consumption compared to hot testing, thus reducing energy use from the source. **Water conservation initiatives:** we implement the requirements of the national and local water conservation action programmes, set out the annual water consumption targets to continuously promote efficient water resource utilization. Through measures such as water balance tests, leak detection and repair of water supply networks, efficient water use practices, and spot checks and maintenance of water supply system equipment, the water consumption of equipment per unit is effectively reduced, achieving a 17% year-on-year decrease in water consumption of equipment per unit during the year.
Green office	We implement energy-saving management by posting signs on electricity conservation, water conservation, air-conditioning temperature control, etc., assign responsible persons to oversee the use of office equipment such as computers, printers and air-conditioners, and replace old office appliances with energy-saving ones to reduce energy wastage. We promote the transformation of a modern office environment. Modern furniture can save more materials, offer a longer service life, reduce the frequency of replacements, allow for recycling, which is more energy-efficient and environmentally friendly. We advocate running a paperless office, where all office work is signed off electronically, double-sided printing is required, and refillable ink cartridges are provided to use less paper and generate less waste.
Environmental protection awareness and training	We spread the concepts of ecological progress through energy-saving and low-carbon operation. By taking World Environment Day and Energy Conservation Awareness Month as opportunities, we vigorously promote energy conservation and environmental protection laws and regulations, and enhance the energy-saving and eco-friendly awareness among executives and employees. Environmental knowledge quizzes are organised to inform employees of the basic knowledge and the latest national situation in respect of energy conservation and environmental protection. Meanwhile, we also produce and display excellent cases in energy conservation and environmental protection and participate in green research to convey advanced green concepts and technologies.

Indicator	Unit	2024	2023
Number of environmental training sessions	(Number)	**65.00**	74.00
Attendees of environmental training sessions	(Person-time)	**40,076.00**	27,767.00
Funds for environmental training sessions	(RMB10,000)	**11.02**	9.50
Funds for eco-friendly technical upgrade projects	(RMB10,000)	**3,576.55**	4,231.52

Case: The "water-driven carbon reduction" energy-saving project through steam boiler concentration ratio enhancement at Shunyi Factory (順義工廠)

The steam boilers at the Shunyi Factory consume significant quantities of natural gas, and there is substantial potential for improvement in the boiler water system. Through the application of high-temperature oxidation-reduction technology to monitor the dissolved oxygen content in the boiler water, the timely addition of fluorescent tracer agents, and adherence to the instructions provided by chemical monitoring and corrosion stress monitoring equipment, stable levels of agents within the system are ensured, thereby reducing safety risks and unplanned downtime, curbing water and natural gas consumption, and lowering maintenance costs.

The energy-saving project through steam boiler concentration ratio enhancement at Shunyi Factory was commissioned in November 2024. Additional feedwater and make-up water quality monitoring systems have been installed in the boiler room, and water treatment agents and services have been employed to increase the system's concentration ratio. This approach prevents scaling and mitigates corrosion, ensures the heat exchange efficiency of the system, and thereby achieves both natural gas and water savings. The project is expected to save the Company 21,500 tonnes of fresh water and 200,000 m^3 of natural gas per annum.

Case: Fujian Benz launched pilot project for the hierarchical utilization of power batteries

During the Reporting Period, Mercedes-Benz, in collaboration with Jiangsu Huayou Energy Technology Co., Ltd. (江蘇華友能源科技有限公司), jointly launched a pilot project for the hierarchical utilization of power batteries (the ESS Project: Energy Storage System) at Fujian Benz. This project integrates solar photovoltaic panels, charging stations and an energy storage system with retired power batteries, creating a renewable energy ecosystem that combines power generation, energy storage and usage. Fujian Benz has deployed an 00kWh energy storage system (100kwh PV + 400kwh ESS) and eight intelligent charging piles, which store electricity generated by photovoltaics and during off-peak hours of the grid, providing partial power support for R&D buildings and charging infrastructure, while also reducing electricity costs for the plant.

Case: Beijing Benz lighthouse project – low-carbon training centre

Beijing Benz has successively introduced a series of low-carbon transformation initiatives, continuously expanding "zero-carbon" application scenarios so as to accumulate valuable experience for the Company's subsequent development of larger-scale low-carbon eco-parks, and provide the industry with demonstrative green solutions.

Through an integrated service approach driven by technological innovation, this project establishes a low-carbon building for the Beijing Benz Training Centre. It leverages distributed photovoltaic power generation technology, new BIPV (Building-Integrated Photovoltaic) technology, high-efficiency air-source heat pump technology, molten salt phase-change heat storage technology combined with high-efficiency water-based cool storage technology to establish a new low-carbon energy system. By applying charging piles, green lighting and intelligent platform technology, it creates a demonstration project for a green, low-carbon and intelligent building.

Through employing digital twin technology, the project decomposes each scenario into an energy flow diagram and utilizes the autonomous learning capability of digital models to analyze and accumulate energy-related data for each energy consumption scenario. Based on such analysis, it accurately forecasts energy loads on the user side. Combined with an optimization algorithm, this ultimately realizes intelligent control of the integrated energy system, while simultaneously assisting the energy management team in making energy management decisions.

Indicator	Unit	2024[Note 1]	2023	2022
Total electricity consumption[Note 2]	kWh	**360,964,817.82**	923,252,004.44	1,009,127,197.32
Total gasoline consumption	L	**995,311.58**	1,891,604.13	1,042,573.08
Total diesel consumption	L	**40,717.99**	57,343.21	39,580.83
Natural gas consumption	m^3	**76,261,256.23**	88,716,013.59	96,259,419.54
Total purchased heat	million kJ	**71,565.16**	67,501.07	73,285.20
Total comprehensive energy[Note 3]	TCE	**146,912.60**	229,866.37	248,672.83
Production energy consumption intensity	TCE per vehicle	**0.16**	0.22	0.26
Total water consumption[Note 4]	Tonne	**4,804,196.67**	5,764,546.10	5,502,414.40
Water consumption intensity	Tonne per vehicle	**5.08**	5.53	5.84
Total recycled and reused water	Tonne	**109,427,245.20**	93,318,162.80	64,307,511.00
Percentage of recycled and reused water	%	**96**	95	92

Note 1: Based on the materiality of production and operation to the business of the Group and the environmental influence, the discharge data of the Group for 2024 cover the Company, Zhuzhou Branch, Powertrain, BAIC Guangzhou, Beinei Parts and Components, BAIC Off-road Vehicle, Beijing Hyundai, BAIC Motor Research Institute, Fujian Benz and Beijing Benz.

Note 2: During the year, the Company made great efforts to promote green power, resulting in a decrease in total electricity consumption as compared to the previous year.

Note 3: The total comprehensive energy consumption is based on electricity and fuel consumption, and relevant conversion factors specified in the "General Principles for Calculation of the Comprehensive Energy Consumption (GBT2589-2020)" of the People's Republic of China, including electricity, gasoline, diesel, natural gas and purchased heat.

Note 4: In 2024, the Company did not have problems in sourcing suitable water resources.

3.3 Environmental Public Welfare Activity

Case: "Green Benz" Employee Tree-Planting Event

Beijing Benz places a high priority on green development. Since 2014, the labor union of the enterprise has initiated a call to all employees to jointly build a green home, launched the "Green Benz" Employee Tree-Planting Event, mobilizing all employees to "create a better home together" and achieve the comprehensive goal of "three coverage and one improvement", namely "full coverage of planting areas, full coverage of participation branches, full coverage of green plant species" and "improvement of planting benefits". To date, Beijing Benz has planted a total of 128 types of green plants, which can absorb approximately 160 tonnes of carbon dioxide annually, contributing to Beijing Benz's efforts toward low-carbon development.

In April 2024, Beijing Benz held the 10th Employee Tree-Planting Event under the theme of "Green Benz, Low Carbon Starts from Me". The event featured both online and offline activities. There were a variety of wonderful online activities, including green knowledge quizzes, low-carbon creative idea submissions, employee children's painting collection, and photography collection. Offline activities, such as planting trees, the Path to Excellence initiative, and low-carbon awareness lectures, saw the active and passionate participation of employees. The event not only promoted low-carbon life from multiple dimensions but also showcased the outstanding achievement and spirit of employees of Beijing Benz in practicing green and low-carbon concept.

4. EMPLOYEE RIGHTS AND INTERESTS

4.1 Equal Employment

Adhering to the talent philosophy of "people-oriented, realizing the full potential of staff, and promising to achieve win-win situation", the Company formulates and implements the "Recruitment Management Policy of BAIC Motor in accordance with the "Labour Law of the People's Republic of China" and other pertinent laws and regulations. Through social recruitment, campus recruitment and other multi-channel special recruitment, the Company continues to introduce outstanding talent, optimises the personnel structure, and enhances the effectiveness of human resources.

In the process of recruitment, we follow the principle of equality and never discriminate against any candidate on the basis of gender, ethnicity, religious faith, etc. Committed to building a diverse team, the Company constantly enhance the team's cultural inclusiveness and cohesiveness. We strictly implement the pre-qualification mechanism for compliance before the release of recruitment information to ensure the accuracy of the content and non-discriminatory expression of norms. Moreover, we also set up the dual-channel of daily and summer internship programmes for fresh graduates from universities. In particular, we provide a platform for those from a minority ethnic group to advance the integration of industry and education and the support for career development.

By the end of 2024, the total number of employees at the Company as well as its subsidiaries and joint ventures was 31,705, with 100% of them signing an employment contract. In the year, 2 labour complaints were filed, handled and resolved through the formal grievance mechanism.

Indicator	Unit	2024
Percentage of full-time employees	(%)	100.00%
Number of production workers	(person)	22,900
Number of technical staff	(person)	4,610
Number of sales personnel	(person)	1,875
Number of other personnel	(person)	2,320
Percentage of male employees	(%)	83.32%
Percentage of female employees	(%)	16.68%
Percentage of employees aged below 30	(%)	26.04%
Percentage of employees aged 30 and between 30 and 50	(%)	68.65%
Percentage of employees aged equal to and above 50	(%)	5.31%
Percentage of employees in Eastern China	(%)	11.12%
Percentage of employees in Southern China	(%)	3.10%
Percentage of employees in Central China	(%)	10.54%
Percentage of employees in Northern China	(%)	73.91%
Percentage of employees in Southwestern China	(%)	0.88%
Percentage of employees overseas	(%)	0.46%
Percentage of employees from ethnic minorities	(%)	6.67%
Percentage of foreign employees	(%)	1.28%
Percentage of female management	(%)	12.50%
Annual turnover rate of employees	(%)	3.33%
Annual turnover rate of male employees	(%)	3.02%
Annual turnover rate of female employees	(%)	0.31%
Annual turnover rate of employees aged below 30	(%)	1.90%
Annual turnover rate of employees aged 30 and between 30 and 50	(%)	1.40%
Annual turnover rate of employees aged equal to and above 50	(%)	0.03%
Annual turnover rate of production workers	(%)	2.61%
Annual turnover rate of technical staff	(%)	0.37%
Annual turnover rate of sales staff	(%)	0.10%
Annual turnover rate of other staff	(%)	0.26%
Annual employee turnover rate in Eastern China	(%)	0.51%
Annual employee turnover rate in Southern China	(%)	0.32%

4.2 Employee Rights and Interests

The Company always respects the basic rights and interests of employees, and strictly complies with and implement the "Labour Law of the People's Republic of China", the "Labour Contract Law of the People's Republic of China", the "Provisions on the Prohibition of Using Child Labour" and other relevant laws and regulations, building a full-process management system. We implement a child labour screening system and labour inspection procedures, and strictly eliminate the employment of child labour and forced labour. During the Reporting Period, the Company did not violate any international, national and local standards and rules in relation to child and forced labour. Committed to safeguarding the legislative rights and interests of employees, we effectively guarantee their interests to provide a comprehensive benefits package. We also encourage employees to get involved in decision-making to grow with us together. Meanwhile, the labour union and the Company have signed a Collective Contract by way of the mechanism of collective negotiation to protect the rights and interests of employees.

Reasonable working time	According to internal rules and policies including the "Collective Contract" and the "Measures of BAIC Motor for Attendance Management", the Company has adopted a standard working hour system of 5 days a week and 8 hours a day. Positions involving the comprehensive working hour system should go through the prescribed application and approval procedures stringently; We strictly control overtime work, implement approval procedures for it, and fully protect the rest time of employees; We strictly implement the leave arrangements for national statutory holidays, and pay employees wages in full during their annual leave, marriage leave, funeral leave, public holidays, etc.
Employee remuneration system	The Company has implemented various regulations such as the "Measures of BAIC Motor for Attendance Management", "Measures of BAIC Motor for Management of Employee Remuneration" and "Measures of BAIC Motor for the Management of Employee Incentives and Disincentives". The Company has established a salary and benefits system that is centred on the value of the position and guided by the performance and ability of its employees; We ensure that the salary competitiveness matches the business growth needs in accordance with the demands of the Company's development stage, position ranking system, salary and benefits structure and benefit plan for fresh graduates; We have promoted a Special Plan for Human Resource Management to streamline the management procedures for the research and development team. We have implemented special support policies in terms of performance incentive and resource allocation, ensuring the effective advancement of major projects.
Workplace democracy	The Company actively fulfils the democratic procedures and notification obligations in respect of rules and policies that affect the vital interests of employees to seek for democratic opinions and perform democratic procedures. The labour union signs the Collective Contract with the Company through the collective negotiating mechanism and gets it registered with the Human Resources and Social Security Bureau of Shunyi District, Beijing, so as to fully protect the rights and interests of employees.

4.3 Safety and Health

In strict accordance with the requirements of various occupational health laws and regulations such as the "Law of the People's Republic of China on Work Safety" and the "Law on Prevention and Treatment of Occupational Diseases of the People's Republic of China", the Company has formulated several occupational safety management policies such as the "Performance Appraisal, Accountability and Incentive Policy for Work Safety and Environmental Protection of the Headquarters", the "Environmental, Occupational Health, Safety and Energy Management Procedures for Construction Projects of the Headquarters" and the "Occupational Disease Prevention and Control Management Measures of the Headquarters", so as to build the occupational health protection system, working all out to protect the occupational health of employees. The Company and certain subordinate units have got certified by ISO 45001, and the Occupational Health and Safety Management System GB/T45001 Certification. During the Reporting Period, there were no litigation cases for the health and safety of employees.

This year, BAIC won three awards, namely, the "2024 Beijing Extraordinary Employer of the Year", "2024 China Preferred Employer of the Year" and "2025 Outstanding Employer" for its outstanding performance in terms of the recruitment system and social responsibility.

A safety and health management system:

The Company has set up sound safety management organisations, clarified duties and charters, and continued to perfect the work safety responsibility system covering all its employees. We formulate safe production and occupational health targets/indicators every year, which are signed with a target responsibility letter at each level.

The Company prioritises ensuring intrinsic safety and meeting requirements for work safety, fire safety and occupational health at the same time, reinforcing the intrinsic safety foundation.

A safety risk classification control system, a dynamic hidden danger screening and management system, and an emergency management system are established as three lines of defence for safety and health, to minimise the occurrence of accidents and injuries.

The Company conducts annual review, and establishes and improves the mechanism by the certification of work safety standardisation and occupational health & safety management systems.

The Company has developed a safety incentive and accountability system, as well as certain information exchange mechanisms such as the safe meeting system to effectively maintain the quality of the system's operation.

The Company builds a culture of safety and conducts regular safety education and culture publicity activities, guiding all employees to know about and act on safety requirements.

Compliance Evaluation for Safety Management

The Company strictly abides by the requirements of the national and local laws, regulations, rules and standards, and occupational health and safety management system in combination of the requirement of the compliance management of the Company. The Company conducts compliance evaluations, analyses the internal and external requirements identified therefrom and implements such requirements by adjusting internal documents every year. Meanwhile, we maintain the efficient operation of the safety management system through the establishment of organisations, allocation of responsibilities and establishment of mechanisms, with sound results achieved therefrom. During the Reporting Period, the Company sustained the title of "Beijing Safety Culture Demonstration Enterprise (Group)".

Management measures for safety and health

The Company has taken a number of initiatives to further protect the health of employees, including the use of safety equipment and low-risk materials, the distribution of labour protection supplies, the risk prevention, the employee health check-ups, and the health training.

Use of safety equipment and low-risk materials	The Company gives priority to non-toxic, harmless and eco-friendly materials at the product design stage to protect the health of customers and employees, ensure environmental friendliness and implement the safety acceptance of new equipment.
Distribution of labour protection supplies	The Company formulates the "Measures on the Management of Labour Protection Supplies", which clarifies the standards for personal protective equipment allocation, and strictly enforce them to ensure that the labour protection supplies provided for each position meets the required needs; The Company establishes a ledger for the distribution of labour protection supplies, builds a special warehouse to store such supplies, and ensures the implementation of its distribution to reduce the risk of employees being exposed to occupational hazards; The Company provides targeted labor protection supplies for employees working in positions with occupational hazards to ensure their personal safety during work.
Risk and hidden danger investigation	The Company improves the hazard identification and management system by developing inspection checklists and self-inspection and patrol work flows; The Company assigns personnel for emergency duty and conducts regular risk and hazard inspections, and strictly implements rectification within a specified timeframe to establish an effective closed-loop working mechanism.
Employee health check-ups	The Company offers health check-up packages with a variety of optional items for employees of different ages and genders. For employees working in hazardous positions, occupational health check-up is strictly implemented for employees before, during and after they leave their jobs, and the results of the health check-up are communicated to them in a timely manner. Those with abnormal results will be transferred away from their positions.
Health and safety training	The Company organizes activities such as "Safety Month", "Fire Safety Month", and "Traffic Safety Month", sets up publicity columns to display posters, and hosts online quizzes and short video competitions to foster a culture of safety; The Company conducts comprehensive safety and health education training for all employees, covering specialized safety technical training, safety awareness enhancement training, and training for special operations personnel, with an aim to improve employees' awareness of occupational health and safety.

Workplace wellness activities	The Company upgrades the cultural and sports facilities and equipment in the staff activity centre and the on-site facilities of the workers' homes, and opens the sports ground and gym to employees. We keep employees cool during summer by replenishing the drugs for heatstroke prevention at the production site. For new employees who were nervous and anxious, the Company organised doctors of the medical office to conduct psychological guidance and assistance. Meanwhile, we visited the site to watch the status of the employees so as to promptly learn about their adaptation.

Case: Beijing Benz conducts incentive assessment for safety officers

Beijing Benz has established the "Assessment and Incentive Management System for Safety Officers", strictly setting the safety competency and qualification requirements for newly appointed safety officers. 32-hour online access courses are combined with offline exams. In 2024, a total of 23 new safety officers gained access.

By the end of 2024, 97 safety officers participated in quarterly assessment. 411 persons received financial incentives, significantly boosting the enthusiasm and sense of responsibility of safety management personnel. Indicators such as the number of safety activities, and the quality of hazard identification have significantly improved compared to the previous year.

Case: Beijing Hyundai "Emergency Capability – REMIX" Competition

On June 19, 2024, Beijing Hyundai held its first "Emergency Capability – REMIX" competition. By incorporating elements of randomness and fun, the event required each participant to master the use of AED (Automated External Defibrillator) devices, CPR (Cardiopulmonary Resuscitation) techniques, basic emergency knowledge, the usage of firefighting equipment, and basic fire safety knowledge, which tested the skills of every participant in a comprehensive approach. A total of 8 teams, comprising 32 members, participated in the event, and the top three teams were awarded for their outstanding performance.

Indicator	Unit	2024	2023	2022
Number of work-related deaths	(person)	0	1	0
Work-related death rate	(%)	0	0.0038%	0
Lost days due to work injury	(day)	742	683	764

4.4 Growth & Development

The Company has always regarded talent as the most valuable resource, and is committed to recruiting, nurturing, appreciating and valuing talents, opening up career promotion channels for employees, and building a diverse training system. We consistently take identifying high-potential talent and cultivating versatile skills as a core strategy, and continuously optimizing the ecosystem for employees' professional growth.

Staff promotion

Adhering to the principle of fairness and impartiality, with quality and knowledge as the basis and ability and experience as the criteria for promotion, the Group closely integrates talent development system with the development strategy of the Company. We have set up a dual-track promotion mode for management and occupational development, so as to open up career pathways for employees, and establish a talent development system guided by "post value", vertical promotion, horizontal expansion and career ladders. We regularly conduct job-fit assessments to optimize the alignment between employees and positions, and implement excellent talent programs to strengthen the talent reserves in key positions. In the future, we will continue to follow "dual-track planning" as the guide, and use job qualifications as criteria to provide targeted training for promising and outstanding employees at different levels and sequences.

Staff training

The Group focuses on the in-depth and refined development of core talents and has formulated the "Training Management Measures of BAIC Motor", developing targeted and scientifically effective training strategies based on the characteristics and development needs of different types of cadres and talents:

New cadres training	To help new cadres shift their mindset, broaden their perspective, achieve management elevation and business breakthroughs, and quickly adapt to their new roles, we have meticulously designed and implemented the "New Cadres Development Program – Bamboo Plan" (新任幹部培養項目－新竹計劃), and invite internal and external experts to give lectures and facilitate exchanges, complemented by a wealth of online learning courses, providing systematic training to help newly appointed and rotating cadres in successfully transitioning and excelling in their roles.
In-service cadres training	We confront the pain points head-on, break the deadlock in reform, and anchor industry development trends and the development needs of the Company. For in-service cadres, we implement the "Poplar Forest Plan" (胡楊林計劃), offering offline thematic training on new media marketing, digital transformation, and in-depth analysis of domestic and international market opportunities in 2024-2025, to continuously enhance the reform combat effectiveness of the cadres.
Staff training	To enhance the work efficiency of employee, we launch the digital talent development program of "Wutong Plan" (梧桐計劃), pursuant to which, we offer training in various forms including online self-learning, offline practical exercises and task-based challenges.

Indicator	2024
Percentage of trained employees (%)	100.0%
Of which: percentage of male employees completing the training (%)	100.0%
Of which: percentage of female employees completing the training (%)	100.0%
Of which: percentage of senior management members completing the training (%)	100.0%
Of which: percentage of middle management members completing the training (%)	100.0%
Total hours of employee training (hour)	837,491.9
Average completed training hours per employee (hour/person)	26.4
Of which: average completed training hours per male employee (hour/person)	26.4
Of which: average completed training hours per female employee (hour/person)	26.4
Of which: average completed training hours per senior management employee (hour/person)	110.0
Of which: average completed training hours per middle management employee (hour/person)	35
Training expenses (RMB100 million)	0.21

4.5 Staff Care

The Company makes the main channel of the Staff Congress available, actively responds to the demands of employees, implements various activities of staff care, sets up special funds to help the employees in need, enhances the sense of belonging of the employees, and practices the commitment and care for the well-being of employees with practical actions.

Listening to staff's demands

The Company resolutely safeguards the rights of employees, including the rights of being informed, participating, expressing themselves and supervising. We regularly convene the employee representative congress to listen to the democratic appraisal of employee representatives as well as the comments and suggestions of staff members. During the year, a number of employee representative congresses were held to hear the work report on operation, annual assessment results, annual employee incentive plans, and other significant matters of the Company. We also hear the reports on production safety, usage of business entertainment expenses, inspection rectification progress, and issue resolution. We also completed the democratic appraisal of the leadership team and the election and by-election of employee supervisors for the fifth session of the Board of Supervisors. We simultaneously carried out annual commendations of advanced collectives and advanced individuals, along with the collection and feedback on employee proposals, and has established a comprehensive employee supervision system covering strategic decision-making to daily management.

Staff care

Rich cultural and sports activities	We support the construction of cultural and sports facilities for grassroots employees, and built a new employee cultural and sports activity base for off-road vehicle branches; We launched a series of sports events under the theme of "Fitness-for-All" Keep activity, and organized the Dragon Boat Race, to practice BAIC Motor's spirit of striving hard, unity and collaboration, facing challenges head-on, and determination to succeed, jointly creating the championship culture of BAIC Motor; We held the "Independent Cup" employee badminton competition, the Group's New Year series activities, walkathons, the first session of football competition, workplace exercise competition, the 12th annual celebrations, and the 5th Sports Meet, striving to extend various cultural and sports activities to the grassroots and maximize the vitality of the grassroots level.
Enhancing staff's well-being	The Company launched the 11th "Fitness-for-All" sports event with over 9,000 people enrolled and more than 90% of them competing. The Company organised the first Dragon Boat Race/Customer Marketing campaign. The Company organised a series of cultural and sports activities such as walkathons, table tennis competitions, basketball matches, and annual celebrations to inspire team spirit and spirit of competition among employees.
Paying visits to employees along with various supplies	We conducted paying visits with the theme of "Happy BAIC, Spreading Love", the delivering coolness activity with the theme of "Delivering Coolness in Summer, Preventing Heatstroke and Ensuring Productivity", which were attended by the members of the leading group to the production front line and homes of the employees for care and solicitude. Furthermore, we warmly prepared two sets of materials for delivering coolness to employees to choose on demand.
Special solicitude activities	The Company paid consolatory visits to employees in temporary difficulties, flood disaster relief, model workers and advanced individuals, overseas employees, small and medium-sized investment enterprises, Beijing Auto Show, and the decisive fourth quarter, covering more than 2,000 people.
Caring for female employees	We held the "Read and See All Things, We Walk Together" female employee commendation activity to celebrate the International Women's Day, and carried out activities such as the "Fragrance of Books and Roses" event, psychological guidance, and youth friendship activities; We continuously promoted the physical construction of maternal and infant care rooms, and upgraded and reconstructed 7 maternal and infant care rooms in total, including 2 five-star maternal and infant care rooms and 5 four-star ones of the BAIC Group. We focused on the selection of advanced models for female workers; We organised free medical examinations for female migrant workers.

5. COMMUNITY SERVICES

5.1 Charity

Spearheaded by the values of "openness and sharing", the Group implements in the combination of business responsibility and social responsibility. Given its characteristics and advantages, it actively responds to the needs of the society and participate in charitable activities to jointly create a better future.

Case: Beijing Automotive One-on-One Education Assistance

BAIC Motor organised employees to carry out one-on-one education and deeply cares for the children in poor areas such as Xinjiang, Xizang and Sichuan, with a total donation of RMB67,000, which helped 28 students with financial difficulties to attend school.

Case: BAIC Motor Rushed to Aid Shigatse Earthquake

Natural disasters are merciless, but our love for fellow human beings will make these hardships bearable. After the Shigatse Earthquake, BAIC Motor gave all out to rush to aid the earthquake area, demonstrating its limitless compassion. It launched the emergency rescue plan as soon as possible and dispatched several BJ60 to Shigatse to provide more powerful assistance for rescuing the people in the earthquake area.

Case: "Silk Road with Love" Education Assistance of BAIC International

BAIC International continued to carry out the "Silk Road with Love" one-on-one caring education assistance for 11 consecutive years in the border area of Yunnan Province, helping 10 middle school students with financial difficulties, with a bursary of RMB20,000.

Case: Fujian Benz "Morning Star Project"

Fujian Benz continued to deepen the "Morning Star Project" of its corporate public welfare brand. During the Reporting Period, it donated 5 V-class trial-produced vehicles to College of Mechanical and Electrical Engineering of Fujian Agriculture and Forestry University and Putian Vocational and Technical School. It donated RMB300,000 used for the infrastructure renovation project of Yanghe Middle School in Longde County, Guyuan City, Ningxia Hui Autonomous Region. It donated RMB300,000 used for the construction of the smart campus of Changying Primary School in Ninghua County, Sanming City, Fujian Province. It donated RMB50,000 used to support the "Outstanding Case Selection of Women's Social Organizations in Fuzhou City" and the "Spread Love" themed public welfare event for China Charity Day. It also donated RMB300,000 used to support the cross-strait youth artificial intelligence exchange activities.

5.2 Volunteer Activities

Employees of the Group actively participate in various youth volunteer activities at the national and corporate levels, to serve the community and help disadvantaged groups, cultivate team spirit and sense of social responsibility, and practise CSRs to shape a good corporate image and give back to society with practical actions.

Case: Providing Volunteer Services as a Socially Responsible Enterprise

The Youth League Committee of Beijing Benz continued to carry out volunteer service activities of all sorts at important points in time such as the Lei Feng Day (5 March of each year) and the inauguration of key projects in Beijing, the economic development zone, and the Company, to stimulate the vitality of the league, and vigorously promote various activities of the Communist Youth League. A total of 150 young employees took part in these activities to serve 20,000 people.

Indicator	2024	2023	2022
Terms of volunteer activities (term)	**56**	53	375
Number of participants in employee volunteer activities (person)	**787**	796	8,230
Hours of volunteer activities during the Reporting Period (hour)	**469**	424	13,240
Number of beneficiaries in volunteer activities during the Reporting Period (person)	**8,100**	7,129	19,315

5.3 Response to Rural Revitalisation

The Company has continued to facilitate the rural revitalisation drive on all fronts, and prepared the "Implementation Plan and Work Plan of BAIC Motor for 2024 to Help Promote Rural Revitalisation in a Comprehensive Manner" according to the annual rural revitalization work deployment and in combination with the actual situation of the Company to coordinate various units to provide assistance in employment and consumption.

Assistance in the form of employment	BAIC Motor actively promotes employment assistance by giving priority to recruiting people from the areas lifted out of poverty for appropriate jobs, and creating access to employment. During the Reporting Period, BAIC Motor assisted a total of 193 people in the form of employment, including 105 from the targeted areas, and recruited 162 rural population, with 98 coming from the targeted areas.
Assistance in the form of consumption	BAIC Motor actively promotes consumption assistance by organizing matching and exchange events and distributing product catalogs. When purchasing agricultural and sideline products, cafeterias and labor unions reserve a portion of their procurement for assistance-targeted products. During the Reporting Period, the labor unions provided RMB1.47 million of assistance in the form of consumption, of which RMB885,800 was spent on purchasing assistance-targeted products from authorized regions, and the cafeterias provided RMB345,300 of assistance.

ESG INDICATOR INDEX

Aspects	Description	Page
A1 Emissions	General Disclosure Information relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	111-117
	A1.1 The types of emissions and respective emissions data.	117
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where applicable, intensity (e.g. per unit of production volume, per facility).	117
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	117
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	117
	A1.5 Description of the emission target(s) set and steps taken to achieve them.	85-86, 113-115
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	113-115
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	117
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	121
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	121
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	117-120
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	117-118
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable, this indicator is not a significant ESG-related issue of the Company

Aspects	Description	Page
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	111
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	111-112
A4 Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact the issuer.	82-85
	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	82-85
B1 Employment	General Disclosure Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	122-124
	B1.1 Total workforce by gender, employment type (e.g. full or part-time), age group and geographical region.	123
	B1.2 Employee turnover rate by gender, age group and geographical region.	123
B2 Health and Safety	General Disclosure Information relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	125-126
	B2.1 Number and rate of work-related fatalities that occurred in each of the past three years including the reporting year.	127
	B2.2 Lost days due to work injury.	127
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	126-127

Aspects	Description	Page
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	128
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	129
	B3.2 The average training hours completed per employee by gender and employee category.	129
B4 Labour Standards	General Disclosure Information relating to preventing child and forced labour: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	124
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	124
	B4.2 Description of steps taken to eliminate violations when discovered.	124
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	107-108
	B5.1 Number of suppliers by geographical region.	109
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	108-109
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	108-110
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	109-110

Aspects	Description	Page
B6 Product Responsibility	General Disclosure Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	97-99, 106
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	99
	B6.2 Number of products and service related complaints received and how they are dealt with.	104-105
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	102-103
	B6.4 Description of quality assurance process and recall procedures.	99-100
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	106-107
B7 Anti-corruption	General Disclosure Information relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	94
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	94
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	94
	B7.3 Description of anti-corruption training provided to directors and staff.	94-95
B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	131-132
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	131-132
	B8.2 Resources contributed (e.g. money or time) to the focus area.	131-132

pwc

羅兵咸永道

TO THE SHAREHOLDERS OF BAIC MOTOR CORPORATION LIMITED
(incorporated in the People's Republic of China with limited liability)

OPINION

What we have audited

The consolidated financial statements of BAIC Motor Corporation Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 145 to 234 comprise:

- the consolidated balance sheet as at December 31, 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarized as follows:

- Capitalization of development costs
- Impairment assessment of the property, plant and equipment, land use rights and the intangible assets related to the Beijing Brand passenger vehicle business
- Provision for warranties

Key Audit Matter

Capitalization of development costs

Refer to Note 4 (Critical accounting estimates and judgements) and Note 8 (Intangible assets) of the consolidated financial statements.

The Group launches new vehicle models which require expenditures on research and development. Management capitalizes the development costs of the projects when the criteria set out in the accounting standard for capitalization of such costs have been met. RMB3,031 million of development costs have been capitalized and recorded as addition to intangible assets for the year ended December 31, 2024.

We focused on this area due to the higher inherent risk in relation to the capitalization of development costs and significant judgements involved in assessing whether the criteria set out in the accounting standard for capitalization of expenditure on the internal research and development projects have been met, particularly:

- The timing to start capitalization;
- The technical feasibility of the projects; and
- The likelihood of the projects' sufficient future economic benefits.

How our audit addressed the Key Audit Matter

We have understood and evaluated the design of the controls identified by the management regarding the capitalization of development costs and subsequent measurement which we considered key. We have also assessed the inherent risk of material misstatements by considering their complexity and susceptibility to management bias or fraud.

We tested such controls and performed substantive test of details on the projects with significant expenditures on development as follows:

- We obtained the bases of considerations from management to determine the projects considered under development stage, in terms of how the specific requirements of the relevant accounting standards were met and whether it is appropriate to start capitalizing the costs attributable to the projects.
- We also conducted interviews with individual project development managers responsible for the projects selected to obtain corroborative evidence such as project progress reports to support management explanations.
- We tested, on a sampling basis, the costs incurred by selecting individual projects, by understanding and assessing the nature and necessity of the costs and to evaluate the proper costs allocation to the projects.

Based on the above, the judgement applied by management in assessing the criteria for capitalization of development costs was reasonable and consistent with our understanding.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of property, plant and equipment, land use rights and intangible assets related to Beijing Brand passenger vehicle business Refer to Note 4 (Critical accounting estimates and judgements), Note 6 (Property, plant and equipment), Note 7 (Land use rights) and Note 8 (Intangible assets) of the consolidated financial statements. The Group has material balances of property, plant and equipment, land use rights and intangible assets related to Beijing Brand passenger vehicle business, a separate cash generating unit ("CGU") with operating losses for the year ended December 31, 2024. Management has engaged an independent valuer to determine the recoverable amount of this CGU, which is the higher of the fair value less costs of disposal and the value in use ("VIU"). Such assessment involved judgements and assumptions, such as future cash flow projections using revenue, gross margin and other operating costs forecasts, long-term growth rate of revenue and discount rate. Based on the above management's assessment, the VIU of this CGU is greater than its net carrying value as of December 31, 2024. We focused on this area due to the material balances of those long-lived assets related to Beijing Brand passenger vehicle business, and the fact that judgement and assumptions involved in determining the recoverable amount of this CGU are subject to a high degree of estimation uncertainty. The inherent risk is considered significant due to the complexity of the valuation model and subjectivity of the assumptions used.	We obtained an understanding of management's internal control and assessment process of recoverable amounts and assessed the inherent risk of material misstatements by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity and subjectivity. The recoverable amount of the Beijing Brand passenger business was determined based on the higher of the fair value less costs of disposal and the value in use, which is the present value of the future cash flows expected to be derived from this CGU, and we performed the following major audit procedures: 1. We assessed the competence, independence and integrity of the valuer. We read the valuer's report and assessed the valuation methodology. 2. We assessed management's identification of the CGU and the allocation of assets to the CGU for the purpose of impairment assessment. 3. We tested the consistency and assessed the reasonableness of the data used and evaluated the management's key assumptions adopted in the discounted cash flow projections, mainly in relation to: • the budgeted sales, gross margin and other operating costs, by comparing them with actual performance and historical financial data of this CGU. For the budgeted sales, we also compared to the Group's strategic plan; and • discount rate, by comparing it with the cost of capital of comparable companies and historical weighted average cost of capital, as well as considering territory-specific factors. 4. We involved our internal valuation experts to assess the appropriateness of the valuation methodologies used to determine the fair value less costs of disposal and benchmarked the P/B rates applied to other comparable companies in the same industry. Based on the above procedures, the data used and the key assumptions adopted in management's discounted cash flow projection were reasonable.

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision for warranties Refer to Note 4 (Critical accounting estimates and judgements) and Note 23 (Provisions) of the consolidated financial statements. The Group recognizes estimated warranty costs for vehicles sold principally at the time of sale of the vehicles or when it is determined that such obligations are probable and can be reasonably estimated. As disclosed in Note 23, the Group's warranties provision balance is RMB7,053 million as at December 31, 2024. The key judgement adopted by management as part of this process includes determining the estimated warranty cost per unit of vehicle sold. We focused on this area given the higher inherent risk as estimates are adjusted from time to time with the actual outcome of claims subject to high estimation uncertainty.	In assessing the inherent risk of material misstatements by estimation uncertainty in the provision for warranties, we obtained an understanding on the management's control and process to identify and quantify the provisions and tested related controls. We also tested the provision for warranties attributable to vehicles with significant sales volume as follows: • We tested the mathematical accuracy of the management's calculation of the provision for warranties which is based on the cost-per-unit and sales volume, and traced the volume data in the current period to related sales records for each type of vehicle. • We assessed the reasonableness of the cost-per-unit provision estimates of vehicles sold in the year with the Group's data sources that reported warranty costs in the past. • In respect of the provision for warranties previously recorded and subsequently settled during the year, we compared the provision amount with the settlement amount and investigated if significant variance exists and the reasonableness of the reassessment of the adequacy of the provision for warranties previously made by the management. We also discussed with management the existence of any indicators of significant product defect occurring during the year and subsequent to the year-end that would significantly affect the estimates of the year-end warranty provision. The assumptions adopted and the judgement applied by management were reasonable.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is NG Tsun.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, March 28, 2025

Consolidated Balance Sheet

行有道·達天下
Your Wish · Our Ways

As at December 31, 2024

	Note	As at December 31, 2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	**45,583,570**	47,086,248
Land use rights	7	**6,380,199**	6,606,030
Investment properties		**222,138**	227,093
Intangible assets	8	**13,097,743**	10,938,512
Investments accounted for using equity method	10,11	**8,073,048**	9,304,861
Financial assets at fair value through other comprehensive income	12	**8,312,628**	5,400,973
Deferred income tax assets	13	**7,863,476**	7,763,960
Other receivables and prepayments	17	**825,231**	504,678
		90,358,033	87,832,355
Current assets			
Inventories	14	**27,912,590**	23,867,358
Accounts receivable	15	**16,800,277**	21,026,946
Advances to suppliers	16	**154,247**	97,269
Other receivables and prepayments	17	**2,177,563**	2,761,952
Restricted cash and term deposits with initial term of over three months	18	**1,043,203**	2,013,044
Cash and cash equivalents	19	**33,598,355**	31,124,229
		81,686,235	80,890,798
Total assets		**172,044,268**	168,723,153
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	20	**8,015,338**	8,015,338
Other reserves	21	**22,947,878**	22,556,124
Retained earnings		**26,351,602**	26,437,757
		57,314,818	57,009,219
Non-controlling interests		**21,166,655**	22,374,399
Total equity		**78,481,473**	79,383,618

Consolidated Balance Sheet

As at December 31, 2024

	Note	As at December 31, 2024 RMB'000	2023 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	22	**2,271,010**	6,539,268
Lease liabilities	6(b)(i)	**262,337**	61,511
Deferred income tax liabilities	13	**329,156**	12,524
Provisions	23	**4,217,521**	3,787,350
Deferred income	24	**2,193,034**	2,485,420
		9,273,058	12,886,073
Current liabilities			
Accounts payable	25	**39,308,419**	35,847,709
Contract liabilities	26	**1,403,687**	889,385
Other payables and accruals	27	**32,858,935**	29,913,089
Current income tax liabilities		**1,469,893**	95,071
Borrowings	22	**6,318,369**	6,735,673
Lease liabilities	6(b)(i)	**94,953**	108,315
Provisions	23	**2,835,481**	2,864,220
		84,289,737	76,453,462
Total liabilities		**93,562,795**	89,339,535
Total equity and liabilities		**172,044,268**	168,723,153

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 145 to 234 were approved by the Board of Directors on March 28, 2025 and were signed on its behalf.

Wang Hao, Director

Song Wei, Director

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2024

	Note	For the year ended December 31, 2024 RMB'000	2023 RMB'000
Revenue	5	**192,495,606**	197,949,177
Cost of sales	2(b),29	**(161,608,557)**	(159,650,617)
Gross profit		**30,887,049**	38,298,560
Selling and distribution expenses	2(b),29	**(8,568,867)**	(10,068,287)
General and administrative expenses	29	**(4,935,786)**	(5,112,859)
Net impairment losses on financial assets		**(96,833)**	(565,224)
Other (losses)/gains, net	28	**(104,580)**	16,923
Operating profit		**17,180,983**	22,569,113
Finance income	31	**372,608**	525,834
Finance costs	31	**(323,036)**	(495,079)
Finance income, net		**49,572**	30,755
Share of loss of investments accounted for using equity method		**(1,253,839)**	(1,599,907)
Profit before income tax		**15,976,716**	20,999,961
Income tax expense	32	**(6,143,857)**	(7,373,652)
Profit for the year		**9,832,859**	13,626,309
Profit attributable to:			
Equity holders of the Company		**955,839**	3,030,346
Non-controlling interests		**8,877,020**	10,595,963
		9,832,859	13,626,309
Profit attributable to equity holders of the Company arises from:			
Continuing operations		**955,839**	3,030,346
Earnings per share for profit attributable to ordinary shareholders of the Company for the year (expressed in RMB)			
Basic and diluted	33	**0.12**	0.38

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2024

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

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

For the year ended December 31, 2024

	Attributable to equity holders of the Company					
	Share capital RMB'000 (Note 20)	Other reserves RMB'000 (Note 21)	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance at January 1, 2024	8,015,338	22,556,124	26,437,757	57,009,219	22,374,399	79,383,618
Profit for the year	–	–	955,839	955,839	8,877,020	9,832,859
Other comprehensive income/(loss)	–	391,754	–	391,754	(149,749)	242,005
Total comprehensive income for the year	–	391,754	955,839	1,347,593	8,727,271	10,074,864
Transactions with owners						
2023 final dividends (Note 34)	–	–	(1,041,994)	(1,041,994)	–	(1,041,994)
Dividends to non-controlling interest holders of a subsidiary (Note 9(a))	–	–	–	–	(9,947,000)	(9,947,000)
Contribution from non-controlling interest holder of a subsidiary	–	–	–	–	11,985	11,985
	–	–	(1,041,994)	(1,041,994)	(9,935,015)	(10,977,009)
Balance at December 31, 2024	8,015,338	22,947,878	26,351,602	57,314,818	21,166,655	78,481,473

Consolidated Statement of Changes in Equity

For the year ended December 31, 2024

	Attributable to equity holders of the Company					
	Share capital RMB'000 (Note 20)	Other reserves RMB'000 (Note 21)	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance at January 1, 2023	8,015,338	21,711,410	24,770,018	54,496,766	24,440,339	78,937,105
Profit for the year	–	–	3,030,346	3,030,346	10,595,963	13,626,309
Other comprehensive income/(loss)	–	844,714	–	844,714	(17,339)	827,375
Total comprehensive income for the year	–	844,714	3,030,346	3,875,060	10,578,624	14,453,684
Transactions with owners						
2022 final dividends	–	–	(1,362,607)	(1,362,607)	–	(1,362,607)
Dividends to non-controlling interest holders of a subsidiary (Note 9(a))	–	–	–	–	(12,789,000)	(12,789,000)
Contribution from non-controlling interest holder of a subsidiary	–	–	–	–	144,436	144,436
	–	–	(1,362,607)	(1,362,607)	(12,644,564)	(14,007,171)
Balance at December 31, 2023	8,015,338	22,556,124	26,437,757	57,009,219	22,374,399	79,383,618

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended December 31, 2024

	Note	For the year ended December 31, 2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Cash generated from operations	35(a)	**33,685,658**	32,332,262
Interest paid		**(216,954)**	(338,660)
Interest received		**461,948**	412,596
Income tax paid		**(4,782,186)**	(8,157,337)
Net cash generated from operating activities		**29,148,466**	24,248,861
Cash flows from investing activities			
Purchases of property, plant and equipment		**(5,647,023)**	(6,101,806)
Addition of intangible assets		**(4,343,832)**	(2,715,699)
Payments for financial assets at fair value through other comprehensive income		**(2,000,000)**	(2,878,883)
Receipt of government grants for capital expenditures		**5,251**	67,120
Proceeds from disposals of property, plant and equipment, and land use rights	35(b)	**58,828**	56,087
Proceeds from disposal of investments accounted for using equity method		**–**	22,107
Dividends received from financial assets		**74**	–
Dividends received from investments accounted for using equity method		**938,485**	2,185,862
Net cash used in investing activities		**(10,988,217)**	(9,365,212)
Cash flows from financing activities			
Proceeds from borrowings		**3,527,255**	7,620,371
Repayments of borrowings		**(8,032,117)**	(14,680,187)
Repayments of loans form a fellow subsidiary		**(22,524)**	(109,243)
Repayments of loans from immediate parent company		**(20,010)**	–
Contribution from non-controlling interest holder of a subsidiary		**11,985**	144,436
Principal elements of lease payments		**(102,779)**	(104,775)
Dividends paid by the Company		**(1,041,994)**	(1,362,607)
Dividends paid to non-controlling interest holders of a subsidiary		**(9,947,000)**	(12,789,000)
Net cash used in financing activities		**(15,627,184)**	(21,281,005)
Net increase/(decrease) in cash and cash equivalents		**2,533,065**	(6,397,356)
Cash and cash equivalents at January 1		**31,124,229**	37,227,015
Exchange differences on cash and cash equivalents		**(58,939)**	294,570
Cash and cash equivalents at December 31		**33,598,355**	31,124,229

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 GENERAL INFORMATION

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

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

The Company was incorporated in the PRC on September 20, 2010 as a joint stock company with limited liability under the Company Law of the PRC. The immediate parent company of the Company is Beijing Automotive Group Co., Ltd. ("BAIC Group"), which is beneficially owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality ("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.

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

2 BASIS OF PREPARATION

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

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

(a) Going concern

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

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

Based on the above considerations, the directors of the Company are of the opinion that the Group has sufficient available financial resources to meet or refinance its working capital requirements as and when they fall due. As a result, these financial statements have been prepared on a going concern basis.

2 BASIS OF PREPARATION (CONTINUED)

(b) New standards, amendments to standards and interpretations

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

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

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

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

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

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

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

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

2 BASIS OF PREPARATION (CONTINUED)

(b) New standards, amendments to standards and interpretations (Continued)

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

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

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

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

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

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

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

2 BASIS OF PREPARATION (CONTINUED)

(b) New standards, amendments to standards and interpretations (Continued)

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

  – management-defined performance measures;

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

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

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

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group's risk management and treasury department focuses on minimizing potential adverse effects on the Group's financial performance.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk

(i) Foreign exchange risk

The Group has international purchase transactions and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in RMB, was as follows:

	As at December 31,			
	2024		2023	
	Euro RMB'000	Other foreign currencies RMB'000	Euro RMB'000	Other foreign currencies RMB'000
Accounts receivable	**762,735**	**179,338**	647,346	129,656
Other receivables and prepayments	**–**	**47,449**	293,276	64,986
Cash and cash equivalents	**2,131,500**	**274,513**	1,876,864	190,647
Accounts payable	**4,014,842**	**23,035**	5,378,132	4,649
Other payables and accruals	**3,168,685**	**234,846**	3,174,336	105,991

To manage the impact of exchange rate fluctuations, the Group continually assesses its exposure to foreign exchange risks, and a portion of those risks will be mitigated by using derivative financial instruments when management considers necessary.

Management has set up a policy to manage their foreign exchange risk against their functional currency. The Group uses forward foreign exchange contracts to hedge anticipate cash flows (mainly purchase of inventories) in major foreign currencies for the subsequent periods.

As at December 31, 2024, the liability carrying value of the forward foreign exchange contracts was RMB181,813,000 (Note 27) (December 31, 2023: asset of RMB293,276,000 (Note 17(a))). The foreign exchange forwards are denominated in the same currency as the highly probable future inventory purchases (both in Euro) and therefore the hedge ratio is 1: 1.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

As at each year end, if Euro weakened by 10% against RMB with all other variables held constant, the post-tax profit and other comprehensive income for each year would have changed mainly as a result of foreign exchange differences on translation of Euro denominated assets and liabilities as well as forward foreign exchange contracts:

	For the year ended December 31,	
	2024	**2023**
	RMB'000	**RMB'000**
Increase in profit after income tax for the year	**96,940**	177,406
Decrease in other comprehensive income	**375,635**	434,532

A weakening of the RMB against the Euro would have had equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk

The Group's interest rate risk arises from Cash and cash equivalents, Restricted cash and term deposits with initial term of over three months and Borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

As at December 31, 2024, if the interest rates on borrowings had been 100 basis points higher/lower than the prevailing rate, with all other variables held constant, net profit for the year ended December 31, 2024 would have been approximately RMB37,612,000 (2023: RMB40,474,000) lower/higher respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

(i) Risk management

As at December 31, 2024, 100% (December 31, 2023: 100%) of the Group's restricted cash, short-term deposits and cash at banks are held in reputable local joint-stock commercial banks, state-owned banks, other financial institutions and world-wide reputable banks, which management believes are of high credit quality. Management does not expect any losses from non-performance by these counterparties.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk management (Continued)

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. Normally, the Group does not require collaterals from trade debtors. Management makes periodic collective assessment as well as individual assessment on the recoverability of accounts and other receivables based on historical payment records, the length of the ageing period, the financial strength of the debtors and whether there are any disputes with the relevant debtors. The Group's historical experience in collection of accounts and other receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible receivables has been made in the financial statements.

(ii) Impairment of financial assets

Impairment of financial assets are determined on the basis outlined in Note 41.11(d). To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. As at December 31, 2024 the provision for impairment in respect of those collectively assessed trade receivables was approximately RMB1,457,105,000 (December 31, 2023: RMB1,286,135,000) based on expected loss rates applied on different groupings as follows.

Trade receivables from sales of products and services

	Current RMB'000	More than 30 days within 1 year RMB'000	1-2 years RMB'000	2-3 years RMB'000	3-4 years RMB'000	More than 4 years RMB'000	Total RMB'000
As at December 31, 2024							
Expected loss rate	**0.2%**	**16.2%**	**36.9%**	**62.2%**	**52.3%**	**99.5%**	**13.9%**
Trade receivables, gross	**6,528,972**	**689,635**	**6,341**	**6,023**	**35,712**	**1,001,566**	**8,268,249**
Provision for impairment	**16,264**	**111,674**	**2,338**	**3,746**	**18,671**	**996,858**	**1,149,551**
As at December 31, 2023							
Expected loss rate	0.3%	11.4%	23.3%	25.5%	52.2%	100.0%	9.7%
Trade receivables, gross	9,381,940	316,791	45,598	134,965	271,113	815,850	10,966,257
Provision for impairment	26,946	36,239	10,646	34,445	141,525	815,850	1,065,651

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables from government subsidies of new energy vehicle sales

As at December 31, 2024, trade receivables, gross, from government subsidies of new energy vehicle sales amounted to approximately RMB4,250,717,000 (December 31, 2023: RMB5,756,086,000) with provision for impairment of approximately RMB307,554,000 (December 31, 2023: RMB220,484,000).

The Group categorizes the other receivables into different groups based on their shared risk characteristics, and calculates the expected credit losses for each group respectively. The basis for the determination of grouping and the method of provision are as follows:

For other receivables arising from the sales of material, auto parts, rental fee, new energy integration and technical consultancy, etc in the ordinary course of operating activities which are categorised into one group for collective assessment, the Group calculates the expected credit losses with reference to historical credit loss experience, current conditions and forecasts of future economic conditions, and based on the exposure at default and the lifetime ECL rates.

	Current RMB'000	More than 30 days within 1 year RMB'000	1-2 years RMB'000	2-3 years RMB'000	3-4 years RMB'000	More than 4 years RMB'000	Total RMB'000
As at December 31, 2024							
Expected loss rate	0.5%	1.8%	100.0%	2.6%	0.2%	100.0%	6.3%
Other receivables, gross	481,522	1,048	259	80,770	252,714	48,987	865,300
Provision for impairment	2,284	19	259	2,140	494	48,987	54,183
As at December 31, 2023							
Expected loss rate	0.7%	13.5%	16.2%	41.4%	–	100.0%	21.5%
Other receivables, gross	555,534	81,585	82,850	253,066	–	96,873	1,069,908
Provision for impairment	3,973	11,040	13,437	104,671	–	96,873	229,994

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

For the other receivables excluding mentioned above, the Group uses three categories for those which reflect their credit risk and how the losses provision is determined for each of those categories.

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
As at December 31, 2024				
Expected loss rate	**18.2%**	**100.0%**	**–**	**89.4%**
Other receivables, gross	**90,607**	**606,196**	**–**	**696,803**
Provision for impairment	**16,497**	**606,196**	**–**	**622,693**
As at December 31, 2023				
Expected loss rate	4.7%	100.0%	–	55.1%
Other receivables, gross	466,645	524,225	–	990,870
Provision for impairment	21,833	524,225	–	546,058

The loss allowances for accounts receivable and other receivables as at 31 December reconcile to the opening loss allowances as follows:

	Accounts receivable		Other receivables	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Opening loss allowance at 1 January	**1,296,514**	890,428	**776,052**	619,047
Increase in loss allowance recognised in profit or loss for the year	**229,799**	412,328	**75,335**	199,504
Receivables written off for the year as uncollectible	**(26,508)**	(2,094)	**(1,376)**	(39)
Unused amount reversed	**(35,166)**	(4,148)	**(173,135)**	(42,460)
Closing loss allowance at 31 December	**1,464,639**	1,296,514	**676,876**	776,052

Accounts receivable and other receivables are written off where there is no reasonable expectation of recovery.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Impairment losses on accounts receivable and other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Net impairment losses on financial assets recognised in profit or loss

During the year, the following losses were recognised in profit or loss in relation to impaired financial assets:

	2024 RMB'000	2023 RMB'000
Impairment losses		
– movement in loss allowance for account receivable and other receivables	**(297,600)**	(601,453)
Impairment losses on notes receivable	**(5)**	(295)
Reversal of previous impairment losses	**208,301**	46,608
Impairment losses on financial assets at amortised cost	**(89,304)**	(555,140)
Impairment losses on financial assets at FVOCI	**(7,529)**	(10,084)
Net impairment losses on financial assets	**(96,833)**	(565,224)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities at all times as not to breach borrowing limits or covenants (where applicable) on any of its facilities. The Group's forecasting takes into consideration debt financing plans, covenant compliance, and if applicable, external regulatory or legal requirements.

The Group's primary cash requirements have been for additions of and upgrades on property, plant and equipment, expenditure on research and development payment on related debts and payment for purchases and operating expenses. The Group finances its working capital requirements through a combination of internal resources and long-term and short-term borrowings.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

As at December 31, 2024, the Group has net current liabilities of approximately RMB2,604 million (December 31, 2023: net current assets of RMB4,437 million). Management regularly monitors the Group's current and expected liquidity requirements to ensure that it maintains sufficient cash and cash equivalents and has available funding through adequate amount of committed banking facilities to meet its capital commitments and working capital requirements. The amount of undrawn credit facilities at the balance sheet dates are disclosed in Note 22 to these financial statements.

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	Over 5 years RMB'000 (note)	Total RMB'000
At December 31, 2024					
Borrowings	**6,467,524**	**1,886,227**	**439,280**	**–**	**8,793,031**
Lease liabilities	**101,991**	**102,054**	**104,401**	**12,010,312**	**12,318,758**
Accounts payable	**39,308,419**	**–**	**–**	**–**	**39,308,419**
Other payables	**29,121,243**	**–**	**–**	**–**	**29,121,243**
At December 31, 2023					
Borrowings	6,959,805	6,263,859	440,320	–	13,663,984
Lease liabilities	110,659	863	3,026	11,933,965	12,048,513
Accounts payable	35,847,709	–	–	–	35,847,709
Other payables	27,055,945	–	–	–	27,055,945

Note: This is mainly related to a long-term lease with significant discounting impact by which the present value of its lease payments is calculated and recognized in the consolidated balance sheet.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "total equity" as shown in the consolidated balance sheet plus net debt.

As at December 31, 2024 and 2023, the balance of total cash and cash equivalents exceeded the balance of borrowings.

3.3 Fair value estimation

The carrying amounts of the Group's current financial assets and liabilities, including cash and cash equivalents, restricted cash, accounts and other receivables, accounts and other payables and borrowings approximate their fair values. The fair value of financial assets is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

(a) Fair value hierarchy

The table below analyzed financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities.(level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets at FVOCI (Notes 12, 15)				
At December 31, 2024	**6,309,628**	**–**	**7,738,552**	**14,048,180**
At December 31, 2023	5,397,973	–	5,384,152	10,782,125
Derivative financial instruments (Note 17)				
At December 31, 2024	**–**	**–**	**–**	**–**
At December 31, 2023	–	293,276	–	293,276
Liabilities				
Derivative financial instruments (Note 27)				
At December 31, 2024	**–**	**181,813**	**–**	**181,813**
At December 31, 2023	–	–	–	–

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(b) Fair value measurements using significant unobservable inputs (level 3)

(i) Valuation inputs and relationship to fair value

The following table summarizes the main quantitative information about the significant unobservable inputs used in level 3 fair value measurements and how a reasonable possible change in the input would affect the fair values.

Description	Fair value at December 31, 2024 RMB'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Notes receivable	5,735,552	Discount rate	0.00%-0.97%	Increase the discount rate (+100 basis point (bps)) would decrease fair value by RMB137,107

As at December 31, 2024, the Group has used recent transaction prices to determine the fair value 2 billion of the financial assets at FVOCI.

(ii) Valuation process

For the financial assets and liabilities, including level 3 fair values, the Company's finance department performs the valuations. The finance department reports directly to the chief financial officer ("CFO"). Discussions of valuation processes and results are held between the CFO and finance department semiannually, in line with the Company's semiannual reporting dates.

Financial Assets

The valuation technique is discounted cash flows. Future cash flows are estimated and discounted using the expected yield rate with reference to the benchmark yield rate of the financial investment products of banks.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

(a) Capitalization of development costs

Only development costs directly attributable to projects which are considered under development stage and when it is probable that the projects will be successful considering the criteria set out in Note 8(b) are capitalized and recognized as intangible assets. The Group's development activities are tracked by its technical department and documented to support the basis of determining if and when the criteria were met, particularly (i) the timing to start capitalization; (ii) the technical feasibility of the projects; and (iii) the likelihood of the projects that will deliver sufficient future economic benefits.

(b) Impairment of long-term assets

The Group is required to test goodwill and intangible assets not ready for use on an annual basis. Other non-financial assets are tested whenever events or changes in circumstances indicate that the carrying amount of those assets exceeds its recoverable amount. The recoverable amount is determined based on the higher of fair value less costs to sell and value in use.

Determination of the value in use is an area involving management judgement in order to assess whether the carrying value of the long-lived assets can be supported by the net present value of future cash flows. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain areas including management's expectations of (i) future unlevered free cash flows; (ii) long-term sales growth rates; and (iii) the selection of discount rates to reflect the risks involved.

The property, plant and equipment, land use rights and intangible assets relating to Beijing Brand passenger vehicle business are tested for impairment based on the recoverable amount of the CGU to which these assets are related. The recoverable amount of the CGU was determined based upon value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Management determines annual sales growth rate to be a key assumption as it is the main driver for revenue and costs in each period. The annual sales growth rate is based on past performance and management's expectations of market development. The discount rate used is pre-tax and reflects specific risks relating to the relevant business.

For impairment testing, cash flows beyond the five-year period are extrapolated using the estimated annual sales growth rate of 2%. The discount rate applied to the cash flow projections used for value-in-use calculations is 16.36% (December 31, 2023: 16.16%).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical accounting estimates (Continued)

(c) Provisions

The Group recognizes a provision when there is a present obligation from a past event, a transfer of economic benefits is probable and the amount of costs of the transfer can be estimated reliably. In instances where these criteria are not met, a contingent liability may be disclosed in the notes to the financial statements. Obligations arising in respect of contingent liabilities that have been disclosed, or those which are not currently recognized or disclosed in the financial statements could have a material effect on the Group's financial position.

The Group recognizes expected warranty costs for products sold principally at the time of sale of the product and when it is determined that such obligations are probable and can be reasonably estimated. Amounts recorded are based on the Group's estimates of the amount that will eventually be required to settle such obligations. These accruals are based on factors such as past experience, production changes, industry developments and various other considerations. The Group's estimates are adjusted from time to time based on facts and circumstances that impact the status of existing claims.

(d) Income taxes

The Group is subject to income taxes in the PRC. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognized only if it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. This determination requires significant judgement regarding the realizability of deferred tax assets. For entities with a recent history of losses, there would need to be convincing other evidence that sufficient taxable profits would be available in the future. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

Critical accounting judgements

(a) Classification of Financial Assets

The significant judgments made by the Group in determining the classification of financial assets include the analysis of the Group's business model for managing the financial assets, the contractual cash flow characteristics of the financial assets and so on.

When the Group determining the business model for managing the financial assets for the respective portfolio, factors considered include: the manner in which the performance of financial assets is evaluated and reported to key management personnel, the risks affecting the performance of financial assets and how those risks are managed, as well as the way in which the relevant business management personnel are compensated.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical accounting judgements (Continued)

(a) Classification of Financial Assets (Continued)

When assessing whether the contractual cash flows of financial assets are consistent with the basic lending arrangement, the group makes the following judgments: whether the principal amount of the financial assets may change in terms of timing or amount over their lifetime due to the reasons such as early repayments; whether the interest consists solely of consideration for the time value of money, credit risk, other basic lending risks, and costs and profit. For example, whether the early repayment amount only reflects the unpaid principal and interest accrued based on the unpaid principal, as well as reasonable compensation for the early termination of the contract.

(b) Judgements of significant increases in credit risk and credit-impaired financial assets

The group's judgments of significant increases in credit risk and credit-impaired financial assets determining the stages of the financial instruments are as follows:

The main criteria for the group to determine the significant increases in credit risk is significant changes in one or more of the following indicators: the operating environment of the debtors, internal and external credit ratings, significant changes in actual or expected operating results, and a significant decrease in the value of collateral or the credit rating of the guarantor, which would affect the probability of default.

The main criteria for the group to determine credit-impaired financial assets is one or more of the following conditions: the debtor experiencing significant financial difficulties, undergoing debt restructuring, or being highly likely to go bankrupt.

(c) The Timing of revenue recognition

The Group manufactures and sells passenger vehicles and auto parts to its dealers and automotive/spare parts manufacturers. Delivery obligation has been completed when the products have been shipped to the agreed locations as stipulated in agreements or contracts. After completing the delivery obligation of the products, the customers have the right to sell or use passenger vehicles and auto parts on their own and bear the risk of any potential price fluctuations or products damage. Therefore, 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 to customers.

(d) Sales with provision for product warranties

The Group provides standard three-year, five-year or six-year product warranties of quality for the sold passenger vehicles. The period and term of the product warranties are offered in accordance with the laws, regulations and industry standards related to passenger vehicles. No additional service or extended warranties are provided by the group beyond these standard warranties; therefore, these standard warranties are not identified a single performance obligation.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical accounting judgements (Continued)

(e) Assessment of significant influence

When assessing whether significant influence exists over an investment, the Group takes consideration of all the factors, including whether it has practical ability to participate in the financial and operating policy decisions of the investee, the representation on the board of directors, etc. The Group determined that it has no significant influence over BAIC BluePark New Energy Technology Co., Ltd. ("BAIC BluePark"). (Note 12(b)).

5 SEGMENT INFORMATION

(a) Description of segments and principal activities

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

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

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

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

5 SEGMENT INFORMATION (CONTINUED)

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

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

	Passenger vehicles – Oil-powered vehicles RMB'000	Passenger vehicles – New energy vehicles RMB'000	Total RMB'000
For the year ended December 31, 2024			
Total revenue	184,969,173	7,526,433	192,495,606
Timing of revenue recognition			
– At a point in time	183,359,241	7,389,015	190,748,256
– Over time	1,609,932	137,418	1,747,350
	184,969,173	7,526,433	192,495,606
Segment gross profit/(loss)	35,328,574	(4,441,525)	30,887,049
Other profit & loss disclosures:			
Selling and distribution expenses			(8,568,867)
General and administrative expenses			(4,935,786)
Net impairment losses on financial assets			(96,833)
Other losses, net			(104,580)
Finance income, net			49,572
Share of loss of investments accounted for using equity method			(1,253,839)
Profit before income tax			15,976,716
Income tax expense			(6,143,857)
Profit for the year			9,832,859
Other information:			
Significant non-cash expenses			
Depreciation and amortization	(7,156,077)	(1,546,805)	(8,702,882)
Provisions for impairments on assets	(894,902)	(497,937)	(1,392,839)
As at December 31, 2024			
Total assets	147,353,357	24,690,911	172,044,268
Total liabilities	(91,550,144)	(2,012,651)	(93,562,795)

5 SEGMENT INFORMATION (CONTINUED)

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

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

5 SEGMENT INFORMATION (CONTINUED)

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

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

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

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

(c) Accounting policies of revenue recognition

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

(i) 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.

(ii) Services

Revenue from providing services of aftersales, transportation, research and development, technical consultancy, etc. is recognized upon satisfaction of the performance obligations over time in the accounting period during which the services are rendered.

(iii) 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.

6 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machinery RMB'000	Vehicles RMB'000	Furniture and office equipment RMB'000	Mouldings RMB'000	Construction in progress RMB'000	Total RMB'000
Net book amount at January 1, 2024	16,593,582	14,517,646	307,536	1,943,201	6,112,668	7,611,615	47,086,248
Additions	290,132	9,489	1,533	2,163	4,034	4,751,996	5,059,347
Transfers upon completion to							
– property, plant and equipment	236,845	1,145,856	64,271	793,395	499,841	(2,740,208)	–
– investment properties	–	–	–	–	–	(9,462)	(9,462)
Disposals	(785)	(128,891)	(1,165)	(73,023)	(378)	–	(204,242)
Transformation and upgrading	–	(34,259)	–	–	–	34,259	–
Depreciation	(1,128,126)	(2,231,250)	(71,203)	(952,621)	(1,940,870)	–	(6,324,070)
Impairment	(13,391)	(305)	(146)	(9,141)	–	–	(22,983)
Exchange differences	(827)	(429)	–	(12)	–	–	(1,268)
Net book amount at December 31, 2024	15,977,430	13,277,857	300,826	1,703,962	4,675,295	9,648,200	45,583,570
At December 31, 2024							
Cost	25,364,162	34,852,546	1,053,845	8,825,709	16,433,997	9,648,200	96,178,459
Accumulated depreciation and impairment	(9,386,732)	(21,574,689)	(753,019)	(7,121,747)	(11,758,702)	–	(50,594,889)
Net book amount	15,977,430	13,277,857	300,826	1,703,962	4,675,295	9,648,200	45,583,570

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings RMB'000	Machinery RMB'000	Vehicles RMB'000	Furniture and office equipment RMB'000	Mouldings RMB'000	Construction in progress RMB'000	Total RMB'000
Net book amount at January 1, 2023	17,489,864	14,108,654	344,602	1,979,049	5,226,371	9,937,526	49,086,066
Additions	1,307	49,885	16,795	4,522	–	4,661,457	4,733,966
Transfers upon completion to							
– property, plant and equipment	387,867	2,909,036	32,542	939,211	2,718,712	(6,987,368)	–
Disposals	(596)	(51,289)	(7,504)	(6,193)	(43,039)	–	(108,621)
Depreciation	(1,251,142)	(2,493,278)	(78,899)	(971,720)	(1,789,376)	–	(6,584,415)
Impairment	(2,206)	–	–	–	–	–	(2,206)
Exchange differences	(31,512)	(5,362)	–	(1,668)	–	–	(38,542)
Net book amount at December 31, 2023	16,593,582	14,517,646	307,536	1,943,201	6,112,668	7,611,615	47,086,248
At December 31, 2023							
Cost	24,842,941	35,317,790	1,018,010	9,184,451	16,115,058	7,611,615	94,089,865
Accumulated depreciation and impairment	(8,249,359)	(20,800,144)	(710,474)	(7,241,250)	(10,002,390)	–	(47,003,617)
Net book amount	16,593,582	14,517,646	307,536	1,943,201	6,112,668	7,611,615	47,086,248

Notes:

(a) The Group has capitalized borrowing costs amounting to RMB4,452,000 on qualifying assets of property, plant and equipment for the year ended December 31, 2024 (2023: RMB11,341,000). Borrowing costs were capitalized at the weighted average of its borrowing rate of 4.82% during the year (2023: 5.89%).

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes: (continued)

(b) This note provides information for leases where the Group is a lessee.

(i) Amounts recognized in the balance sheet

	As at December 31,	
	2024 RMB'000	**2023 RMB'000**
Right-of-use assets		
Included in property, plant and equipment		
– Buildings	**375,456**	186,290
– Machinery	**97**	34
	375,553	186,324
Included in land use rights (Note 7)	**6,380,199**	6,606,030
Lease liabilities		
Non-current	**262,337**	61,511
Current	**94,953**	108,315
	357,290	169,826

Additions to the right-of-use assets included in property, plant and equipment for the year ended December 31, 2024 were totaling RMB290,243,000 (2023: Nil).

(ii) Amounts recognized in the statement of profit or loss

	For the year ended December 31,	
	2024 RMB'000	**2023 RMB'000**
Depreciation/amortization charge of right-of-use assets		
Included in property, plant and equipment		
– Buildings	**101,549**	101,634
– Machinery	**48**	81
	101,597	101,715
Included in land-use rights (Note 7)	**180,658**	181,009
Interest expense (included in finance costs) (Note 31)	**7,448**	10,627
Expenses relating to short-term leases (included in cost of sales, selling and distribution expenses and general and administrative expenses)	**23,419**	20,496

(iii) Amounts reflected in the statement of profit or loss

The total cash outflow for leases in 2024 was RMB133,646,000 (2023: RMB135,898,000).

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes: (continued)

(b) This note provides information for leases where the Group is a lessee (continued).

(iv) Accounting policies of leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts might contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, the Group has elected not to separate lease and non-lease components and it accounts for these instead as a single lease component.

Please refer to Note 41.26 for the other accounting policies relevant to leases.

(c) Depreciation charges on property, plant and equipment of the Group are analyzed as follows:

	For the year ended December 31,	
	2024 RMB'000	**2023 RMB'000**
Cost of sales	**5,913,006**	6,045,876
Selling and distribution expenses	**2,902**	3,238
General and administrative expenses	**265,692**	394,574
	6,181,600	6,443,688
Capitalized in intangible assets – unpatented technology	**142,470**	140,727
Total	**6,324,070**	6,584,415

(d) Depreciation methods and useful lives

Depreciation on items of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives as follows:

	Estimated net residual values	**Estimated useful lives**
Buildings	3%	15-30 years
Machinery	3%	10 years
Vehicles	3%	4-10 years
Furniture and office equipment	3%	3-5 years
Mouldings	3%	5-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Please refer to Note 41.6 for the other accounting policies relevant to property, plant and equipment.

7 LAND USE RIGHTS

	For the year ended December 31,	
	2024 RMB'000	2023 RMB'000
Net book amount at January 1	**6,606,030**	6,787,039
Amortization	**(180,658)**	(181,009)
Disposals	**(45,173)**	–
Net book amount at December 31	**6,380,199**	6,606,030
At December 31		
Cost	**8,262,548**	8,317,594
Accumulated amortization	**(1,882,349)**	(1,711,564)
Net book amount	**6,380,199**	6,606,030

Note:

(a) The Group's land use rights are held under leases for periods of 31.5 to 50 years.

8 INTANGIBLE ASSETS

	Patented and unpatented technology (note (b)) RMB'000	Computer software RMB'000	Goodwill (note (a)) RMB'000	Total RMB'000
Net book amount at January 1, 2024	**9,762,830**	**273,737**	**901,945**	**10,938,512**
Purchase	**1,150,000**	**320,387**	**–**	**1,470,387**
Additions-internal development	**3,030,692**	**–**	**–**	**3,030,692**
Amortization	**(2,211,678)**	**(130,170)**	**–**	**(2,341,848)**
Net book amount at December 31, 2024	**11,731,844**	**463,954**	**901,945**	**13,097,743**
At December 31, 2024				
Cost	**31,616,345**	**1,617,841**	**901,945**	**34,136,131**
Accumulated amortization	**(19,884,501)**	**(1,153,887)**	**–**	**(21,038,388)**
Net book amount	**11,731,844**	**463,954**	**901,945**	**13,097,743**
Net book amount at January 1, 2023	9,381,234	191,073	901,945	10,474,252
Additions	2,511,878	165,129	–	2,677,007
Disposals	–	(5,125)	–	(5,125)
Amortization	(2,130,282)	(77,340)	–	(2,207,622)
Net book amount at December 31, 2023	9,762,830	273,737	901,945	10,938,512
At December 31, 2023				
Cost	27,435,653	1,297,454	901,945	29,635,052
Accumulated amortization	(17,672,823)	(1,023,717)	–	(18,696,540)
Net book amount	9,762,830	273,737	901,945	10,938,512

8 INTANGIBLE ASSETS (CONTINUED)

Notes:

(a) Goodwill is monitored by management at the level of the two operating segments identified.

A segment-level summary of the goodwill allocation is presented below.

	As at December 31,	
	2024 RMB'000	**2023 RMB'000**
Passenger vehicles of Beijing Benz (i)	**807,505**	807,505
Passenger vehicles of Beijing Brand (ii)	**94,440**	94,440
	901,945	901,945

Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs that are expected to benefit from the business combinations in which the goodwill arose. The units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

The recoverable amount of each CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Management determines annual sales growth rate to be a key assumption as it is the main driver for revenue and costs in each period. The annual sales growth rate is based on past performance and management's expectations of market development. The discount rate used is pre-tax and reflects specific risks relating to the relevant business.

(i) This arises from the acquisition of Beijing Benz in 2013 and is fully allocated to the CGU of passenger vehicles of Beijing Benz. For impairment testing, the estimated annual sales growth rate covering the five-year forecast period is 2% beyond which is extrapolated at 2%. The discount rate applied to the cash flow projections used for value-in-use calculations is 15.52% (December 31, 2023: 15.38%).

(ii) This arises from the acquisition of China Automobile Development United (Beijing) Technology Investment Co., Ltd. in September 2016 and is fully allocated to the CGU of passenger vehicles of Beijing Brand. For impairment testing, the estimated annual sales growth rate covering the five-year forecast period is 12.8%-48.6% beyond which is extrapolated at 2%. The discount rate applied to the cash flow projections used for value-in-use calculations is 16.36% (December 31, 2023: 16.16%).

8 INTANGIBLE ASSETS (CONTINUED)

Notes: (continued)

(b) Research and development costs:

Research cost is recognized in profit or loss in the period in which it is incurred. Development cost is capitalized only if all of the following conditions are satisfied:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset, and use or sell it;
- management ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate economic benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development phase can be reliably measured.

The development cost of an internally generated intangible asset is the sum of the expenditure incurred from the date the asset meets the recognition criteria above to the date when it is available for use. The development costs capitalized in connection with the intangible asset include costs of materials and services used or consumed and employee costs incurred in the creation of the asset.

Capitalized development costs are amortized using the straight-line method over their estimated useful lives.

Development costs not satisfying the above criteria are recognized in the profit or loss as incurred. Development costs previously recognized as expenses are not recognized as an asset in a subsequent period.

The Group has capitalized borrowing costs amounting to RMB171,721,000 on qualifying intangible assets for the year ended December 31, 2024 (2023: RMB106,011,000). Borrowing costs were capitalized at the weighted average of its borrowing rate of 2.72% during the year (2023: 2.64%).

(c) Amortization of intangible assets of the Group is analyzed as follows:

The group amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

Intellectual rights	5-10 years
Computer software	5 years

	For the year ended December 31,	
	2024 RMB'000	**2023 RMB'000**
Cost of sales	**2,002,782**	2,047,907
General and administrative expenses	**325,287**	144,637
	2,328,069	2,192,544
Capitalized in intangible assets – unpatented technology	**13,779**	15,078
Total	**2,341,848**	2,207,622

9 SUBSIDIARIES

(a) Material non-controlling interests

Set out below is the summarized financial information for a 51% owned subsidiary, Beijing Benz, which has non-controlling interests that are material to the Group. The amounts disclosed below are before inter-company eliminations, and are stated at the basis upon the Group acquired 51% interests in Beijing Benz as according to IFRS 3 "Business Combinations".

(i) Summarized balance sheet

	As at December 31,	
	2024 RMB'000	**2023 RMB'000**
Non-current assets	**51,786,547**	51,498,056
Current assets	**56,839,592**	55,412,760
Total assets	**108,626,139**	106,910,816
Non-current liabilities	**5,062,212**	4,883,983
Current liabilities	**58,805,455**	55,130,153
Total liabilities	**63,867,667**	60,014,136
Net assets	**44,758,472**	46,896,680
Less: Goodwill	**(807,505)**	(807,505)
	43,950,967	46,089,175
The Group's non-controlling interests in Beijing Benz	**21,535,974**	22,583,695

9 SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests (continued)

(ii) Summarized statement of comprehensive income

	For the year ended December 31, 2024 RMB'000	2023 RMB'000
Revenue	**176,538,420**	178,819,595
Net profit	**18,435,723**	22,267,558
Other comprehensive (loss)/income	**(273,929)**	28,987
Total comprehensive income	**18,161,794**	22,296,545

Below sets out the amounts attributable to non-controlling interests in Beijing Benz in the Group's consolidated statements of comprehensive income:

	For the year ended December 31, 2024 RMB'000	2023 RMB'000
Net profit attributable to non-controlling interests	**9,033,504**	10,911,103
Other comprehensive (loss)/income attributable to non-controlling interests	**(134,225)**	14,204
Total comprehensive income attributable to non-controlling interests	**8,899,279**	10,925,307
Dividends to non-controlling interest holders	**9,947,000**	12,789,000

(iii) Summarized statement of cash flows

	For the year ended December 31, 2024 RMB'000	2023 RMB'000
Net cash flows generated from operating activities	**29,567,048**	26,295,817
Net cash flows used in investing activities	**(6,201,548)**	(5,905,469)
Net cash flows used in financing activities	**(20,300,000)**	(26,100,000)
Exchange differences on cash and cash equivalents	**(89,887)**	289,413
Net increase/(decrease) in cash and cash equivalents	**2,975,613**	(5,420,239)

(b) The list of the principal subsidiaries at December 31, 2024 is disclosed in Note 38. All of the subsidiaries established in the PRC are limited liability companies.

10 INVESTMENTS IN JOINT VENTURES

	For the year ended December 31,	
	2024 RMB'000	**2023 RMB'000**
At January 1	**3,278,697**	6,072,803
Additional investment (note(d))	**961,963**	–
Disposals	**–**	(15,796)
Share of loss for the year	**(1,503,339)**	(2,105,334)
Share of other comprehensive loss for the year	**(1,452)**	(6,889)
Share of total comprehensive loss for the year	**(1,504,791)**	(2,112,223)
Dividends received	**(544,848)**	(666,087)
At December 31	**2,191,021**	3,278,697

Notes:

(a) None of the joint ventures are considered individually material to the Group as at December 31, 2024.

(b) Individually immaterial joint ventures

The information below reflects the amounts presented in the financial statements of the joint ventures after alignment with accounting policies of the Group.

	As at December 31,	
	2024 RMB'000	**2023 RMB'000**
Aggregate carrying amount of the net assets	**5,497,725**	7,812,671
Aggregate amount of the Group's share thereon	**2,191,021**	3,278,697

	For the year ended December 31,	
	2024 RMB'000	**2023 RMB'000**
Aggregate total comprehensive loss	**(2,679,890)**	(3,691,006)
Aggregate amount of the Group's share of total comprehensive loss	**(1,504,791)**	(2,112,223)

(c) The list of the principal joint ventures at December 31, 2024 is disclosed in Note 38.

10 INVESTMENTS IN JOINT VENTURES (CONTINUED)

Notes: (continued)

(d) As at December 31, 2024, the Company recognized the excess losses amounting to RMB961,963,000 for the year ended December 31, 2024 of Beijing Hyundai Motor Company ("Beijing Hyundai") as financial liabilities (Note 27).

(e) The Company announced that, BAIC Investment Co., Ltd ("BAIC Investment"), a non-wholly owned subsidiary of the Company, and Hyundai Motor Company ("Hyundai Motor") entered into the Agreement on December 11, 2024, pursuant to which BAIC Investment and Hyundai Motor agreed to jointly invest US$1,095,466,000 into Beijing Hyundai, an existing joint venture owned as to 50% by BAIC Investment and Hyundai Motor respectively. Upon completion of the Capital injection, the registered capital of Beijing Hyundai will be increased to US$4,074,005,464 and Beijing Hyundai will remain owned as to 50% by BAIC Investment and Hyundai Motor and continue to be accounted for as a joint venture of the Company.

BAIC Investment has paid RMB1,968,798,882 (equivalent to US$273,866,500) on January 17, 2025 and should pay remaining RMB equivalent of US$273,866,500 prior to December 31, 2025.

11 INVESTMENTS IN ASSOCIATES

	For the year ended December 31,	
	2024	**2023**
	RMB'000	**RMB'000**
At January 1	**6,026,164**	7,040,512
Share of total comprehensive income for the year	**249,500**	505,427
Dividends received	**(393,637)**	(1,519,775)
At December 31	**5,882,027**	6,026,164

11 INVESTMENTS IN ASSOCIATES (CONTINUED)

Notes:

(a) None of the associates are considered individually material to the Group as at December 31, 2024.

(b) Individually immaterial associates

The information below reflects the amounts presented in the financial statements of the associates after alignment with accounting policies of the Group.

	As at December 31, 2024 RMB'000	As at December 31, 2023 RMB'000
Aggregate carrying amount of the net assets	**20,240,270**	20,639,452
Aggregate amount of the Group's share thereon	**5,882,027**	6,026,164

	For the year ended December 31, 2024 RMB'000	For the year ended December 31, 2023 RMB'000
Aggregate total comprehensive income	**1,061,602**	1,839,998
Aggregate amount of the Group's share of total comprehensive income	**249,500**	505,427

(c) The list of the principal associates at December 31, 2024 is disclosed in Note 38.

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

Notes:

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

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

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

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

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

13 DEFERRED INCOME TAXES

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

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

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

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

13 DEFERRED INCOME TAXES (CONTINUED)

Note:

Deferred income tax assets and liabilities are presented net to the consolidated balance sheet through setting-off of RMB1,844,995,000 as at December 31, 2024 (December 31, 2023: RMB1,373,084,000) pursuant to set-off provisions as set out in Note 41.21(b).

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

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

14 INVENTORIES

	As at December 31,	
	2024 RMB'000	**2023 RMB'000**
Raw materials	**9,310,902**	10,296,327
Work in progress	**501,663**	491,490
Finished goods	**19,812,731**	13,904,690
	29,625,296	24,692,507
Less: Provision for impairment (note (a))	**(1,712,706)**	(825,149)
	27,912,590	23,867,358

Notes:

(a) Provision for impairment is recognized for the amount by which the carrying amount of the inventories exceeds the recoverable amount, and is recorded in cost of sales in the profit or loss.

(b) Inventories recognized as expenses and included in cost of sales, selling and distribution expenses and general and administrative expenses for the year ended December 31, 2024 amounted to RMB136,143 million (2023: RMB124,787 million). (Note 29).

15 ACCOUNTS RECEIVABLE

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

Notes:

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

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

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

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

(b) The impairment assessment of financial assets is disclosed in Note 3.1(b).

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

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

15 ACCOUNTS RECEIVABLE (CONTINUED)

Notes: (continued)

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

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

(i) collateral for notes payable issued by banks

16 ADVANCES TO SUPPLIERS

As of December 31, 2024, the prepayments with the aging exceeding one year amounted to RMB437,000 (December 31, 2023: 453,000). These were mainly advances to suppliers for raw materials. Since the contracts had not been fully executed, the payments had not been settled yet.

In the ordinary course of business, the Group is required to make advance payments to certain suppliers according to the terms of respective agreements. The advance payments made to these parties are unsecured, non-interest bearing and will be settled or utilized in accordance with the terms of relevant agreements.

17 OTHER RECEIVABLES AND PREPAYMENTS

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

17 OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Note:

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

The fair values of derivative financial instruments designated in hedge relationships are disclosed in Note 27. Movements in the hedging reserve in equity are shown in Note 21. 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.

Please refer to Note 41.13 for the other accounting policies relevant to derivatives and hedging activities.

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

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

18 RESTRICTED CASH AND TERM DEPOSITS WITH INITIAL TERM OF OVER THREE MONTHS

	As at December 31,	
	2024 **RMB'000**	**2023** **RMB'000**
Pledged deposits (note (a))	**743,203**	1,713,044
Term deposits with initial term of over three months (note (b))	**300,000**	300,000
	1,043,203	2,013,044

Notes:

(a) Pledged deposits are maintained with banks mainly for issuance of notes payable. They earn interests at annual rates ranging from 0.10% to 0.65% in 2024 (2023: 0.20% to 1.35%).

(b) These term deposits earn interests at annual rate of 1.45% (2023: 3.35%).

19 CASH AND CASH EQUIVALENTS

	As at December 31, 2024 RMB'000	2023 RMB'000
Cash at bank and on hand	**28,187,096**	21,912,685
Short-term deposits	**5,411,259**	9,211,544
	33,598,355	31,124,229

Notes:

(a) As at December 31, 2024, cash and cash equivalents of RMB18,753,221,000 (December 31, 2023: RMB15,257,588,000) were deposited in Beijing Automotive Group Finance Co., Ltd. (BAIC Finance), a 20% owned associate of the Group and a non-bank financial institution approved by the China Banking Regulatory Commission. BAIC Group owns 80% equity interest of BAIC Finance.

(b) As at December 31, 2024, approximately 93% (December 31, 2023: 93%) of the Group's cash and cash equivalents are denominated in RMB. The conversion of RMB denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

20 SHARE CAPITAL

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

21 OTHER RESERVES

	Capital reserve RMB'000 (note (a))	Statutory reserve RMB'000 (note (b))	Financial assets at FVOCI RMB'000	Cash flow hedges RMB'000	Currency translation differences RMB'000	Total RMB'000
At January 1, 2024	17,541,520	4,691,251	457,655	80,224	(214,526)	22,556,124
Other comprehensive income/(loss)						
Loss on cash flow hedges	-	-	-	(139,704)	-	(139,704)
Share of other comprehensive loss of investments accounted for using the equity method	-	-	-	(1,452)	-	(1,452)
Currency translation differences	-	-	-	-	(57,168)	(57,168)
Changes in fair value of financial assets at FVOCI	-	-	590,078	-	-	590,078
At December 31, 2024	17,541,520	4,691,251	1,047,733	(60,932)	(271,694)	22,947,878

21 OTHER RESERVES (CONTINUED)

	Capital reserve RMB'000 (note (a))	Statutory reserve RMB'000 (note (b))	Financial assets at FVOCI RMB'000	Cash flow hedges RMB'000	Currency translation differences RMB'000	Total RMB'000
At January 1, 2023	17,541,520	4,691,251	(466,511)	72,329	(127,179)	21,711,410
Other comprehensive income/(loss)						
Gain on cash flow hedges	–	–	–	14,784	–	14,784
Share of other comprehensive loss of investments accounted for using the equity method	–	–	–	(6,889)	–	(6,889)
Currency translation differences	–	–	–	–	(87,347)	(87,347)
Changes in fair value of financial assets at FVOCI	–	–	924,166	–	–	924,166
At December 31, 2023	17,541,520	4,691,251	457,655	80,224	(214,526)	22,556,124

Notes:

(a) Capital reserve

Capital reserve includes share premium and reserves arising from capital contributions from equity holders. Share premium represents the difference between the fair value of shares issued and their respective par value. Incremental costs directly attributable to the issue of new shares are shown as a deduction.

(b) Statutory reserve

In accordance with the relevant PRC laws and financial regulations, every year the Company is required to transfer 10% of the profit after taxation determined in accordance with the PRC accounting standards to the statutory surplus reserve until the balance reaches 50% of the paid-up share capital. Such reserve can be used to reduce any losses incurred and to increase share capital. Except for the reduction of losses incurred, any other usage should not result in this reserve balance falling below 25% of the registered capital.

22 BORROWINGS

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

Maturity of borrowings

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

Contractual repricing dates upon interest rate changes

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

22 BORROWINGS (CONTINUED)

Weighted average annual interest rates

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

Currency denomination

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

Undrawn facilities at floating rates

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

22 BORROWINGS (CONTINUED)

Notes:

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

(b) Corporate bonds are analyzed as follows:

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

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

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

23 PROVISIONS

Balances represent warranty provisions for vehicles sold.

	As at December 31, 2024 RMB'000	As at December 31, 2023 RMB'000
Current	**2,835,481**	2,864,220
Non-current	**4,217,521**	3,787,350
Total	**7,053,002**	6,651,570

23 PROVISIONS (CONTINUED)

Movements of warranty provisions are as follows:

	For the year ended December 31,	
	2024 RMB'000	2023 RMB'000
At January 1	**6,651,570**	6,147,757
Additions	**2,769,206**	3,341,436
Unwinding of discount on non-current provisions (Note 31)	**116,238**	165,885
Payments	**(2,484,012)**	(3,003,508)
At December 31	**7,053,002**	6,651,570

24 DEFERRED INCOME

Balances mainly include supports from local government to compensate for purchases of assets and development of new technologies and deferred income from customers for roadside assistance and in-vehicle software.

Movements of deferred income are as follows:

	For the year ended December 31,	
	2024 RMB'000	2023 RMB'000
At January 1	**2,485,420**	2,710,497
Additions	**111,039**	170,100
Amortization	**(403,425)**	(395,177)
At December 31	**2,193,034**	2,485,420

25 ACCOUNTS PAYABLE

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

25 ACCOUNTS PAYABLE (CONTINUED)

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

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

26 CONTRACT LIABILITIES

The balance represents unsatisfied performance obligations at the end of the year which include advances from customers consisting primarily of prepayment received from the dealers for sale of vehicles.

	For the year ended December 31,	
	2024 RMB'000	2023 RMB'000
Revenue recognized that was included in the contract liabilities balance at the beginning of the year	**860,140**	1,211,011

27 OTHER PAYABLES AND ACCRUALS

	As at December 31,	
	2024 RMB'000	2023 RMB'000
Sales discounts and rebates	**15,783,980**	12,884,473
Payables for		
– services	**3,007,285**	3,800,119
– property, plant and equipment and intangible assets	**3,502,098**	3,826,352
– general operations	**2,409,527**	2,586,068
Wages, salaries and other employee benefits	**1,798,310**	1,752,452
Other taxes payable	**1,759,780**	1,106,014
Payables for transportation and warehouse expenses	**1,457,126**	1,124,615
Advertising and promotion	**1,209,385**	1,970,609
Investment payable to a joint venture(Note 10(d))	**961,963**	–
Derivative financial instruments (Note 17(a))	**181,813**	–
Deposits	**64,981**	58,819
Others	**722,687**	803,568
	32,858,935	29,913,089

28 OTHER (LOSSES)/GAINS, NET

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

Note:

(a) Government grants are mainly supports related to purchase and construction of the property, plant and equipment of vehicles and engines recognized in deferred income (Note 24) and the accounting policy relevant to Government grants is disclosed in Note 41.27.

29 EXPENSES BY NATURE

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

	For the year ended December 31,	
	2024 RMB'000	2023 RMB'000
Raw materials and consumables used	**136,142,629**	124,787,108
Changes in inventories of finished goods and work in progress	**(5,918,214)**	4,808,590
Depreciation and amortization	**8,702,882**	8,829,468
Service fees and charges	**7,688,448**	8,534,282
Employee benefit costs (Note 30)	**5,678,683**	5,968,785
Daily operating expenses	**2,328,414**	2,712,441
Transportation and warehouse expenses	**2,445,583**	2,438,516
Advertising and promotion	**1,360,560**	1,911,537
Warranty expenses (note (a))	**2,360,808**	1,837,994
Provision for impairment on non-financial assets	**1,296,006**	656,042
Auditor's remuneration-audit services	**7,061**	6,773
Others	**13,020,350**	12,340,227
Total cost of sales, selling and distribution expenses, and general and administrative expenses	**175,113,210**	174,831,763

Note:

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

30 EMPLOYEE BENEFIT COSTS

	For the year ended December 31,	
	2024	**2023**
	RMB'000	**RMB'000**
Wages and salaries	**3,781,914**	4,138,672
Pension scheme and other social security costs (note (a))	**653,545**	624,061
Welfare, medical and other expenses	**836,376**	818,947
Housing benefits	**406,848**	387,105
	5,678,683	5,968,785

Note:

(a) The Group makes fixed contributions on a monthly basis to various retirement benefit plans based on a specified percentage of the salaries of eligible employees and the relevant contribution ceilings, including:

Mandatory PRC government-sponsored pension plan

The Group is required to make contributions to pension plans established by municipal and provincial governments in the PRC under these plans. According to the relevant government policies, the Group shall not use the relevant contributions to reduce the existing level of contributions even if an employee leaves the relevant plan prior to vesting fully. In 2024, the Group did not use any forfeited contributions under the relevant plans to reduce the existing level of contributions (2023: Nil); nor did the Group have a balance of forfeited contributions available for such purposes as of December 31, 2024 (December 31, 2023: Nil).

Voluntary supplementary pension plan

The Group has not used any forfeited contributions under this plan (i.e. contributions handled by the Group on behalf of employees who left the plan prior to vesting fully) to reduce existing level of contributions; the Group's balance of forfeited contributions available for such purposes as of December 31, 2024 amounted to RMB11,662,000 (December 31, 2023: RMB11,302,000).

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group did not include any director (2023: Nil) or supervisor (2023: Nil) for the year ended December 31, 2024. The directors' and supervisors' emoluments are reflected in the analysis shown in Note 40. The emoluments payable to the 5(2023: five) highest individuals are as follows:

	For the year ended December 31,	
	2024	**2023**
	RMB'000	**RMB'000**
Salaries, allowances and other benefits	**17,862**	18,140
Employer's contribution to pension scheme	**351**	351
	18,213	18,491

30 EMPLOYEE BENEFIT COSTS (CONTINUED)

Five highest paid individuals (Continued)

The emoluments of the individuals fell within the following bands:

	For the year ended December 31,	
	2024 Number of individuals	2023 Number of individuals
Emolument band (in HK dollar)		
HK$3,500,001-HK$4,000,000	4	–
HK$4,000,001-HK$4,500,000	1	5

During the year, there was no emolument paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2023: Nil).

31 FINANCE INCOME, NET

	For the year ended December 31,	
	2024 RMB'000	2023 RMB'000
Finance income		
Interest income on deposits in financial institutions	372,608	525,834
Finance costs		
Interest expense on borrowings from financial institutions	254,109	259,868
Interest expense on corporate bonds	112,388	166,298
Interest expense on loans from immediate parent company and a fellow subsidiary	9,026	9,753
Interest expense on lease liabilities (Note 6(b)(ii))	7,448	10,627
Unwinding of discount on non-current provisions (Note 23)	116,238	165,885
	499,209	612,431
Less: Capitalized interests in qualifying assets (Notes 6(a), 8(b))	(176,173)	(117,352)
	323,036	495,079
Finance income, net	49,572	30,755

32 INCOME TAX EXPENSE

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

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

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

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

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

33 EARNINGS PER SHARE

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

	For the year ended December 31,	
	2024	**2023**
Profit attributable to ordinary shareholders of the Company (RMB'000)	**955,839**	3,030,346
Weighted-average number of ordinary shares in issue (thousands)	**8,015,338**	8,015,338
Earnings per share for profit attributable to ordinary shareholders of the Company for the year (RMB)	**0.12**	0.38

Note:

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

34 DIVIDENDS

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

Note:

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

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

35 CASH FLOW INFORMATION

(a) Cash generated from operations

	For the year ended December 31,	
	2024 RMB'000	2023 RMB'000
Profit before income tax from continuing operations	**15,976,716**	20,999,961
Adjustments for:		
Share of loss of investments accounted for using equity method	**1,253,839**	1,599,907
Loss on liquidation of investments in a subsidiary	**–**	12,780
Dividends received from financial assets	**(74)**	–
Loss on disposals of property, plant and equipment and land use rights	**168,816**	56,879
Depreciation and amortization	**8,702,882**	8,829,468
Provision for impairment on non-financial assets	**1,296,006**	656,042
Net impairment losses on financial assets	**96,833**	565,224
(Income)/loss on forward foreign exchange contracts with fair value through profit or loss	**(30,494)**	10,483
Foreign exchange losses/(gains)	**58,939**	(294,570)
Finance income, net	**(49,572)**	(30,755)
Amortization of deferred income	**(403,425)**	(395,177)
	27,070,466	32,010,242
Changes in working capital:		
– Inventories	**(5,318,259)**	1,571,429
– Accounts receivable	**3,657,886**	(5,696,273)
– Advances to suppliers, other receivables and prepayments	**(37,704)**	621,900
– Accounts payable	**3,383,053**	6,027,686
– Contract liabilities, other payables and accruals	**3,675,181**	(1,392,268)
– Liquid investments	**969,841**	(1,148,382)
– Provisions	**285,194**	337,928
Cash generated from operations	**33,685,658**	32,332,262

(b) Proceeds from disposals of property, plant and equipment and land use rights

	For the year ended December 31,	
	2024 RMB'000	2023 RMB'000
Net book amounts disposed	**249,415**	113,746
Non-cash movement	**(22,507)**	–
Loss on disposals of property, plant and equipment and land use rights	**(168,816)**	(56,879)
Change in related receivables	**736**	(780)
Cash proceeds	**58,828**	56,087

35 CASH FLOW INFORMATION (CONTINUED)

(c) Debt reconciliation

The following sets out an analysis and the movements in cash and cash equivalents and liabilities arising from financing activities for each of the periods presented.

	As at December 31, 2024 RMB'000	As at December 31, 2023 RMB'000
Cash and cash equivalents	**33,598,355**	31,124,229
Restricted cash and term deposits with initial term of over three months	**1,043,203**	2,013,044
Borrowings – repayable within one year	**(6,318,369)**	(6,735,673)
Borrowings – repayable after one year	**(2,271,010)**	(6,539,268)
Loans from immediate parent company and a fellow subsidiary	**(350,991)**	(393,525)
Lease liabilities	**(357,290)**	(169,826)
	25,343,898	19,298,981
Cash and liquid investments	**34,641,558**	33,137,273
Gross debt – fixed interest rates	**(3,871,444)**	(8,287,543)
Gross debt – variable interest rates	**(5,426,216)**	(5,550,749)
	25,343,898	19,298,981

	Liabilities arising from financing activities				
	Borrowings due within 1 year RMB'000	Borrowings due after 1 year RMB'000	Loans from immediate parent company and fellow subsidiaries RMB'000	Lease liabilities RMB'000	Total RMB'000
As at January 1, 2024	**(6,735,673)**	**(6,539,268)**	**(393,525)**	**(169,826)**	**(13,838,292)**
Cash flows	**216,234**	**4,288,628**	**42,534**	**110,227**	**4,657,623**
Addition of leases and interest on lease liabilities	**–**	**–**	**–**	**(297,691)**	**(297,691)**
Foreign exchange adjustments	**(1,431)**	**(37,197)**	**–**	**–**	**(38,628)**
Other changes	**202,501**	**16,827**	**–**	**–**	**219,328**
As at December 31, 2024	**(6,318,369)**	**(2,271,010)**	**(350,991)**	**(357,290)**	**(9,297,660)**
As at January 1, 2023	(11,732,976)	(8,580,404)	(498,378)	(274,601)	(21,086,359)
Cash flows	4,988,175	2,071,641	109,243	115,402	7,284,461
Addition of leases and interest on lease liabilities	–	–	–	(10,627)	(10,627)
Foreign exchange adjustments	757	(41,424)	(8,853)	–	(49,520)
Other changes	8,371	10,919	4,463	–	23,753
As at December 31, 2023	(6,735,673)	(6,539,268)	(393,525)	(169,826)	(13,838,292)

36 COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at December 31,	
	2024 **RMB'000**	**2023** **RMB'000**
Property, plant and equipment, intangible assets	**6,705,684**	6,200,094

37 RELATED PARTY TRANSACTIONS

(a) The immediate parent entity

The immediate parent company of the Company is BAIC Group. BAIC Group is a company beneficially owned by SASAC Beijing which also owns a significant portion of the productive assets and entities in the PRC (collectively referred as the "government-related entities"). Apart from transactions with abovementioned related parties, the Group has transactions with other government-related entities which are conducted in the ordinary course of the Group's business on terms comparable to those with non-government-related entities.

(b) Subsidiaries, joint ventures and associates

Interests in subsidiaries, joint ventures and associates are set out in Note 38.

For the purpose of the related party transaction disclosures, management believes that meaningful information relating to related party transactions has been adequately disclosed.

In addition to the information disclosed elsewhere in the financial statements, the following transactions were carried out in the ordinary course of the business and were determined based on mutually agreed terms for the years ended December 31, 2024 and 2023.

37 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Significant transactions with related parties

	For the year ended December 31,	
	2024 RMB'000	**2023 RMB'000**
Sales of goods and materials and property, plant and equipment to		
– fellow subsidiaries	**20,827,159**	23,813,240
– joint ventures	**810,983**	881,021
– an associate	**608**	357
– other related companies	**3,208,227**	2,686,377
Services rendered to		
– fellow subsidiaries	**36,791**	21,067
– joint ventures	**2,771**	2,790
– an associate	**17,691**	4,008
– other related companies	**51,626**	90,868
Purchases of goods and materials from		
– fellow subsidiaries	**14,314,307**	15,987,182
– a joint venture	**238,533**	93,981
– other related companies	**72,536,484**	64,918,646
Services received from		
– immediate parent company	**662,317**	763,417
– fellow subsidiaries	**4,676,539**	4,623,356
– joint ventures	**1,237,777**	1,269,259
– an associate	**247,765**	177,481
– other related companies	**4,751,920**	5,506,847
Rental income from		
– fellow subsidiaries	**15,593**	10,059
– other related companies	**72,226**	75,769
Rental expenses to		
– fellow subsidiaries	**128,504**	123,161
Interest income from		
– an associate	**105,957**	85,452
– an other related company	**439**	586
Interest expenses to		
– a fellow subsidiary	**2,362**	4,945
– an associate	**33,946**	30,514
Key management compensations		
– salaries, allowances and other benefits	**7,181**	7,286
– employer's contributions to pension schemes	**986**	831
– discretionary bonuses	**6,224**	4,415

37 RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Significant balances with related parties

	As at December 31,	
	2024 RMB'000	2023 RMB'000
Assets		
Financial assets at FVOCI		
– a fellow subsidiary	**8,309,628**	5,397,973
Trade receivables		
– fellow subsidiaries	**1,015,558**	1,130,805
– joint ventures	**143,720**	128,322
– other related companies	**977,147**	826,039
Notes receivables		
– fellow subsidiaries	**301,191**	955,479
– a joint venture	**8,203**	13,317
Advances to suppliers		
– fellow subsidiaries	**46,053**	46,294
Other receivables		
– fellow subsidiaries	**33,940**	339,310
– joint ventures	**328,058**	210,982
– an associate	**–**	4,248
– other related companies	**472,932**	543,389
Cash and cash equivalents		
– an associate (Note 19(a))	**18,753,221**	15,257,588
– an other related company	**177,226**	26,709

37 RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Significant balances with related parties (Continued)

	As at December 31,	
	2024 RMB'000	**2023 RMB'000**
Liabilities		
Trade payables		
– fellow subsidiaries	**4,158,363**	3,887,127
– a joint venture	**161,095**	64,867
– other related companies	**9,050,556**	10,180,899
Notes payable		
– fellow subsidiaries	**2,773,674**	1,360,194
– a joint venture	**119,272**	72,066
– an associate	**910**	–
– other related companies	**37,396**	80,609
Contract liabilities		
– fellow subsidiaries	**62,618**	21,784
Other payables and accruals		
– immediate parent company	**684,270**	732,974
– fellow subsidiaries	**645,480**	671,726
– joint ventures	**1,078,196**	147,376
– other related companies	**3,575,792**	3,701,146
Borrowings		
– an associate (Note 22(a))	**952,395**	1,291,413
Lease liabilities		
– a fellow subsidiary	**289,314**	106,868

(e) Commitments to related parties

	As at December 31,	
	2024 RMB'000	**2023 RMB'000**
Acquisition of non-patented technology		
– an other related company	**1,150,000**	–

38 PARTICULARS OF PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Company name	Place and date of establishment/ incorporation	Issued and paid-up capital (million)	Attributable equity interests**	Principal activities
Subsidiaries				
BAIC Guangzhou Automotive Co., Ltd.	The PRC August 18, 2000	RMB1,360	100%	Manufacture of passenger vehicles
BAIC Investment Co., Ltd.	The PRC June 28, 2002	RMB7,964	97.95%	Investment holding
Beijing Beinei Engine Parts and Components Co., Ltd.	The PRC September 2, 2003	RMB471	98.98%	Manufacture of auto parts
Beijing Benz Automotive Co., Ltd.*	The PRC August 8, 2005	USD2,320	51%	Manufacture and sales of passenger vehicles
BAIC Hong Kong Investment Corp. Limited	Hong Kong October 21, 2009	USD9	100%	Investment holding
BAIC Motor Powertrain Co., Ltd.	The PRC February 9, 2010	RMB1,476	100%	Manufacture of auto engine
Beijing Motor Sales Co., Ltd.	The PRC May 3, 2012	RMB7,600	100%	Sale of passenger vehicles
Zhuzhou (BAIC) Motor Sales Co., Ltd.	The PRC August 5, 2013	RMB8	100%	Sale of passenger vehicles
China Automobile Development United (Beijing) Technology Investment Co., Ltd.	The PRC December 18, 2013	RMB104	54.0865%	Investment management
BAIC International Development Co., Ltd.	The PRC April 16, 2013	RMB1,252	100%	Project investment, investment management and vehicle export
BAIC Yunnan Ruili Motor Co., Ltd.	The PRC December 20, 2013	RMB297	42.91%	Manufacture and sales of passenger vehicles

38 PARTICULARS OF PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Company name	Place and date of establishment/ incorporation	Issued and paid-up capital (million)	Attributable equity interests**	Principal activities
Joint Ventures				
Beijing Hyundai Motor Company	The PRC October 16, 2002	USD2,979	50%	Manufacture and sales of passenger vehicles
Beijing Mercedes-Benz Sales Service Co., Ltd.	The PRC December 7,2012	RMB102	49%	Marketing and sales of vehicles
Fujian Benz Automotive Co., Ltd.	The PRC June 8, 2007	Euro287	35%	Manufacture and sales of passenger vehicles
Beijing BAIC Faurecia Automotive Systems Co., Ltd.	The PRC June 27, 2011	USD41	50%	Manufacture and sales of automobile interior decoration parts
Associates				
Beijing Automotive Group Finance Co., Ltd.	The PRC November 9, 2011	RMB5,000	20%	Auto financing and currency settlement
Beijing Hyundai Auto Finance Co., Ltd.	The PRC June 26, 2012	RMB4,000	33%	Automobile financing services
Mercedes-Benz Leasing Co., Ltd.	The PRC January 9, 2012	RMB5,098	35%	Finance lease services

* registered as a sino-foreign equity joint venture under the PRC law

** The attributable equity interests of above subsidiaries, joint ventures, and associates remained the same as the year ended 31 December 2023.

39 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

	As at December 31,	
	2024 RMB'000	2023 RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,271,960	4,234,272
Land use rights	470,251	482,197
Intangible assets	10,055,409	7,937,849
Investments in subsidiaries	37,514,045	37,514,045
Investments in joint ventures and associates	2,165,895	2,165,895
Financial assets at fair value through other comprehensive income	6,168,192	3,757,798
Other receivables and prepayments	726,718	369,253
	61,372,470	56,461,309
Current assets		
Inventories	240,826	299,647
Accounts receivable	13,031,597	10,443,567
Advances to suppliers	47,759	40,755
Other receivables and prepayments	19,029,865	19,060,137
Restricted cash	2,596	495,160
Cash and cash equivalents	5,260,633	6,819,622
	37,613,276	37,158,888
Total assets	98,985,746	93,620,197

39 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Balance sheet of the Company (Continued)

	As at December 31,	
	2024 RMB'000	2023 RMB'000
EQUITY		
Capital and reserves attributable to equity holders		
Share capital	**8,015,338**	8,015,338
Other reserves (note (a))	**27,804,575**	27,715,758
Retained earnings (note (a))	**42,773,227**	37,754,882
Total equity	**78,593,140**	73,485,978
LIABILITIES		
Non-current liabilities		
Borrowings	**2,271,010**	6,539,268
Lease liabilities	**195,484**	–
Provisions	**350,376**	171,841
Deferred income	**410,082**	418,829
Deferred income tax liabilities	**321,577**	–
	3,548,529	7,129,938
Current liabilities		
Accounts payable	**8,650,377**	5,757,585
Contract liabilities	**4,519**	2,056
Other payables and accruals	**4,424,593**	3,163,890
Borrowings	**3,525,013**	3,860,671
Lease liabilities	**93,830**	106,868
Provisions	**145,745**	113,211
	16,844,077	13,004,281
Total liabilities	**20,392,606**	20,134,219
Total equity and liabilities	**98,985,746**	93,620,197

The balance sheet of the Company was approved by the Board of Directors on March 28, 2025 and was signed on its behalf.

Wang Hao, Director

Song Wei, Director

39 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Note:

(a) Reserve movement of the Company is as set out below:

	Capital reserve RMB'000 (Note 21(a))	Statutory reserve RMB'000 (Note 21(b))	Financial assets at FVOCI RMB'000	Retained earnings RMB'000	Total RMB'000
At January 1, 2024	**22,832,172**	**4,007,671**	**875,915**	**37,754,882**	**65,470,640**
Profit for the year	–	–	–	6,060,339	6,060,339
2023 final dividends	–	–	–	(1,041,994)	(1,041,994)
Changes in fair value of financial assets at FVOCI	–	–	88,817	–	88,817
At December 31, 2024	**22,832,172**	**4,007,671**	**964,732**	**42,773,227**	**70,577,802**
At January 1, 2023	22,832,172	4,007,671	–	28,116,847	54,956,690
Profit for the year	–	–	–	11,000,642	11,000,642
2022 final dividends	–	–	–	(1,362,607)	(1,362,607)
Changes in fair value of financial assets at FVOCI	–	–	875,915	–	875,915
At December 31, 2023	22,832,172	4,007,671	875,915	37,754,882	65,470,640

40 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(a) Directors', supervisors' and chief executive's emoluments

For the year ended December 31, 2024

	Emoluments paid to or receivable by director/supervisor in respect of services as a director/supervisor						
	Salaries, allowances and estimated money value of other benefits RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Discretionary bonus[1] RMB'000	Housing allowance RMB'000	Remunerations paid or receivable in respect of accepting office as director RMB'000	Emoluments paid or receivable in respect of other services in connection with the management of the affairs of the Company or its subsidiary undertakings RMB'000	Total RMB'000
Executive director (Chief Executive)							
Song Wei (宋瑋)	805	101	382	-	-	-	1,288
Non-executive director							
Chen Wei (陳巍)	177	16	1,084	-	-	-	1,277
Hu Hanjun (胡漢軍)	-	-	-	-	-	-	-
Chen Hongliang (陳宏良)	-	-	-	-	-	-	-
Liu Guanqiao (劉觀橋) [3] [4]	-	-	-	-	-	-	-
Peng Jin (彭进) [5]	-	-	-	-	-	-	-
Ye Qian (葉芊)	-	-	-	-	-	-	-
Gao Xu (高旭) [3]	-	-	-	-	-	-	-
Kevin Walter Binder [3]	-	-	-	-	-	-	-
Hubertus Troska (唐仕凱) [2]	-	-	-	-	-	-	-
Harald Emil Wilhelm [2]	-	-	-	-	-	-	-
Gu Tiemin (顧鐵民)	-	-	-	-	-	-	-
Sun Li (孫力)	-	-	-	-	-	-	-

40 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

(a) Directors', supervisors' and chief executive's emoluments (Continued)

For the year ended December 31, 2024 (Continued)

	Emoluments paid to or receivable by director/supervisor in respect of services as a director/supervisor						
	Salaries, allowances and estimated money value of other benefits RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Discretionary bonus[1] RMB'000	Housing allowance RMB'000	Remunerations paid or receivable in respect of accepting office as director RMB'000	Emoluments paid or receivable in respect of other services in connection with the management of the affairs of the Company or its subsidiary undertakings RMB'000	Total RMB'000
Independent non-executive director							
Ge Songlin (葛松林) [2]	-	-	-	-	27	-	27
Yin Yuanping (尹援平)	-	-	-	-	120	-	120
Xu Xiangyang (徐向陽)	-	-	-	-	120	-	120
Tang Jun (唐鈞)	-	-	-	-	120	-	120
Edmund Sit (薛立品)	-	-	-	-	120	-	120
Ji Xuehong(紀雪洪) [3]	-	-	-	-	93	-	93
Supervisor							
Zhao Jinlun (趙錦倫) [5]	178	26	-	-	-	-	204
Zhang Ran (張然) [6]	438	76	645	-	-	-	1,159
Jiao Feng (焦楓)	-	-	-	-	-	-	-
Zhu Yan (朱雁) [3]	-	-	-	-	-	-	-
Zhou Xuehui (周雪輝) [2]	-	-	-	-	-	-	-
Deng Yishuai (鄧懌帥) [3]	-	-	-	-	-	-	-
Qiao Yufei (喬雨菲) [2]	-	-	-	-	-	-	-
Jiang Yumei (姜玉梅) [3]	391	77	76	-	-	-	544
Zhang Yanjun (張彥軍) [2]	138	25	110	-	-	-	273

Notes:

(1) Discretionary bonuses are determined based on the performance of the Group.
(2) Resigned in March 2024.
(3) Appointed in March 2024.
(4) Resigned in August 2024.
(5) Appointed in October 2024.
(6) Resigned in September 2024.

40 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

(a) Directors', supervisors' and chief executive's emoluments (Continued)

For the year ended December 31, 2023

	Emoluments paid to or receivable by director/supervisor in respect of services as a director/supervisor						
	Salaries, allowances and estimated money value of other benefits RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Discretionary bonus[1] RMB'000	Housing allowance RMB'000	Remunerations paid or receivable in respect of accepting office as director RMB'000	Emoluments paid or receivable in respect of other services in connection with the management of the affairs of the Company or its subsidiary undertakings RMB'000	Total RMB'000
Executive director (Chief Executive)							
Song Wei (宋瑋)[2]	392	49	–	–	–	–	441
Huang Wenbing (黃文炳)[3]	462	47	516	–	–	–	1,025
Non-executive director							
Chen Wei (陳巍)	1,068	96	549	–	–	–	1,713
Hu Hanjun (胡漢軍)	–	–	–	–	–	–	–
Chen Hongliang (陳宏良)	–	–	–	–	–	–	–
Ye Qian (葉芊)	–	–	–	–	–	–	–
Hubertus Troska (唐仕凱)	–	–	–	–	–	–	–
Harald Emil Wilhelm	–	–	–	–	–	–	–
Gu Tiemin (顧鐵民)	–	–	–	–	–	–	–
Sun Li (孫力)	–	–	–	–	–	–	–

40 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

(a) Directors’, supervisors’ and chief executive’s emoluments (Continued)

For the year ended December 31, 2023 (Continued)

	Emoluments paid to or receivable by director/supervisor in respect of services as a director/supervisor						
	Salaries, allowances and estimated money value of other benefits RMB’000	Employer’s contribution to a retirement benefit scheme RMB’000	Discretionary bonus[1] RMB’000	Housing allowance RMB’000	Remunerations paid or receivable in respect of accepting office as director RMB’000	Emoluments paid or receivable in respect of other services in connection with the management of the affairs of the Company or its subsidiary undertakings RMB’000	Total RMB’000
Independent non-executive director							
Ge Songlin (葛松林)	–	–	–	–	120	–	120
Yin Yuanping (尹援平)	–	–	–	–	120	–	120
Xu Xiangyang (徐向陽)	–	–	–	–	120	–	120
Tang Jun (唐鈞)	–	–	–	–	120	–	120
Edmund Sit (薛立品)	–	–	–	–	120	–	120
Supervisor							
Zhang Ran (張然)	688	96	344	–	–	–	1,128
Sun Zhihua (孫智華) [4]	–	–	–	–	–	–	–
Zhou Xuehui (周雪輝)	–	–	–	–	–	–	–
Qiao Yufei (喬雨菲)	–	–	–	–	–	–	–
Zhang Yanjun (張彥軍)	549	96	217	–	–	–	862
Jiao Feng(焦楓) [5]	–	–	–	–	–	–	–

40 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (CONTINUED)

(a) Directors', supervisors' and chief executive's emoluments (Continued)

For the year ended December 31, 2023 (Continued)

Notes:

(1) Discretionary bonuses are determined based on the performance of the Group.

(2) Appointed in June 2023.

(3) Resigned in June 2023.

(4) Resigned in March 2023.

(5) Appointed in June 2023.

(b) During the year ended December 31, 2024, no retirement benefits by a defined benefit pension plan operated by the Group were paid or made, directly or indirectly, to or receivable by a director/supervisor in respect of his services as a director/supervisor or other services in connection with the management of the affairs of the Company or its subsidiaries (2023: Nil).

(c) During the year ended December 31, 2024, no payments or benefits in respect of termination of director/supervisor's services were paid or made, directly or indirectly, to or receivable by a director/supervisor; nor are any payable (2023: Nil).

(d) During the year ended December 31, 2024, no consideration was provided to or receivable by third parties for making available director/supervisor's services (2023: Nil).

(e) There are no loans, quasi-loans or other dealings in favor of the director/supervisor, his controlled bodies corporate and connected entities (2023: Nil).

(f) Save as disclosed elsewhere in these financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director/supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2023: Nil).

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

41.1 Subsidiaries

(a) Consolidation

Subsidiaries are all entities (including a structured entity) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

Intra-group transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

For business combinations involving enterprises under common control, the consideration paid and net assets obtained by the acquirer are measured at the carrying amount. The difference between the carrying amount of the net assets obtained from the combinations and the carrying amount of the consideration paid is treated as an adjustment to capital reserve.

The Group applies the acquisition method to account for business combinations except for business combinations under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the profit or loss.

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.1 Subsidiaries (Continued)

(b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards.

41.2 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognized in the consolidated balance sheet at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses, and movements in other comprehensive income, in profit or loss and other comprehensive income respectively. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of joint ventures and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill.

Where the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which include any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.2 Joint arrangements (Continued)

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of the joint ventures have been aligned where necessary, to ensure consistency with the policies adopted by the Group.

41.3 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognized in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount to "Share of profit/(loss) of investments accounted for using equity method" in the profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been aligned where necessary to ensure consistency with the policies adopted by the Group.

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee led by Chief Executive Officer that makes strategic decisions.

41.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in RMB, which is the Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the profit or loss on a net basis within "Other gains/(losses), net".

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

- all resulting currency translation differences are recognized in other comprehensive income.

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.6 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items, as well as right-of-use assets (Note 41.26) within the same line item as that within which the corresponding underlying assets would be presented if they were owned.

Subsequent costs are included in the asset's carrying amount or as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 41.10).

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized within "Other gains/(losses), net" in the profit or loss.

41.7 Land use rights

Land use rights are stated at cost less accumulated amortization and accumulated impairment losses. Cost represents consideration paid for the rights to use the land on which various plants and buildings are situated. Amortization of land use rights is calculated on a straight-line basis over the period of the land use rights.

Land use rights are right-of-use assets upon adoption of IFRS 16 effective for annual period commencing January 1, 2019 (Note 41.26).

41.8 Investment properties

Investment properties are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at cost less accumulated depreciation and accumulated impairment losses.

41.9 Intangible assets

(a) Intellectual rights

Separately acquired intellectual rights are shown at historical cost. Intellectual rights have a finite useful life and are carried at cost less accumulated amortization.

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.9 Intangible assets (Continued)

(b) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

(c) Goodwill

Goodwill arises on the acquisition of subsidiaries, joint ventures and associates and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquire.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

41.10 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment and whenever there is an indication of impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.11 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and

- those to be measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income ("FVOCI").

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.11 Investments and other financial assets (Continued)

(c) Measurement (Continued)

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the profit or loss.

- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other gains when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in other gains/(losses) in the profit or loss as applicable.

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.11 Investments and other financial assets (Continued)

(d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

41.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

41.13 Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions ("cash flow hedges").

At the inception of the hedging, the Group documents the economic, relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedges items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other gains/(losses).

Amounts accumulated in equity are accounted for as follows: Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognized in profit or loss, because the hedged item affects profit or loss (for example through cost of sales).

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.13 Derivatives and hedging activities (Continued)

Cash flow hedges that qualify for hedge accounting (Continued)

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

41.14 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Cost includes the transfer from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

41.15 Accounts and other receivables

Accounts receivable are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of accounts and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Except for notes receivable measured at FVOCI, accounts and other receivables with the objective of collecting the contractual cash flows are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. See Note 15 for further information about the group's accounting for trade receivables and Note 41.11(d) for a description of the group's impairment policies.

41.16 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

41.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.18 Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

41.19 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss as finance cost over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the end of the reporting period.

41.20 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Borrowing costs include interest expense, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on interest rates on similar borrowings in the entity's functional currency.

41.21 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.21 Current and deferred income tax (Continued)

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming that the property will be recovered entirely through sale.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.22 Employee benefits

(a) Pension obligations

The Group contributes on a monthly basis to various defined contribution retirement benefit plans organized by relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans. The contributions are recognized as employee benefit expense when they are due.

(b) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plans. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceilings. The Group's liability in respect of these funds is limited to the contributions payable in each period.

41.23 Provision

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as financial costs.

41.24 Dividend income

Dividends are received from financial assets measured at FVTPL and at FVOCI. Dividends are recognized as other gains in profit or loss when the right to receive payment is established.

41.25 Interest income

Interest income from financial assets at FVTPL is included in the net fair value gains/(losses) on these assets.

Interest income on financial assets at amortized cost and on financial assets at FVOCI calculated using the effective interest method is recognized in the profit or loss.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other gains.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.26 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option,
- lease payments to be made under an extension option if the group is reasonably certain to exercise the option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

41 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

41.26 Leases (Continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term.

41.27 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the profit or loss on a straight-line basis over the expected lives of the related assets.

41.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

42 EVENT AFTER THE REPORTING PERIOD

The Board of Directors announces on March 28, 2025 that, due to the reasons set forth under Note 12(b), the Company and BAIC Group entered into an agreement to terminate the Entrustment.

"2023" or "the year 2023"	the year ended December 31, 2023
"2024" or "the year 2024" or "the year" or "the Reporting Period"	the year ended December 31, 2024
"2025" or "the year 2025"	the year ending December 31, 2025
"Articles of Association"	the articles of association of BAIC Motor Corporation Limited considered and amended at the 2024 third extraordinary general meeting of the Company held on October 17, 2024
"Audit Committee"	audit committee of the Board
"BAIC Automobile SA"	BAIC Automobile SA Proprietary Limited
"BAIC Finance"	Beijing Automotive Group Finance Co., Ltd.
"BAIC Group"	Beijing Automotive Group Co., Ltd.
"BAIC Guangzhou"	BAIC Guangzhou Automotive Co., Ltd.
"BAIC International"	BAIC International Development Co., Ltd.
"BAIC Investment"	BAIC Investment Co., Ltd.
"BAIC Off-road Vehicle"	BAIC Group Off-road Vehicle Co., Ltd.
"Beijing Benz"	Beijing Benz Automotive Co., Ltd. (previously known as Beijing Jeep Motor Co., Ltd. and Beijing Benz-Daimler Chrysler Automotive Co., Ltd.)
"Beijing Brand"	the passenger vehicle business of our proprietary brand
"Beijing Hyundai"	Beijing Hyundai Motor Co., Ltd.
"Benz Sales"	Beijing Mercedes-Benz Sales Service Co., Ltd.
"BH Leasing"	BH Leasing Co., Ltd.
"BHAF"	Beijing Hyundai Auto Finance Co., Ltd.
"Board of Directors" or "Board"	the board of directors of the Company
"Board of Supervisors"	the board of supervisors of the Company
"CAAM"	China Association of Automobile Manufacturers
"CBIRC"	formerly known as China Banking and Insurance Regulatory Commission, currently known as the National Financial Regulatory Administration
"China Accounting Standards" or "PRC Accounting Standards"	China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC

"Company"	BAIC Motor Corporation Limited
"Company Law"	the Company Law of the People's Republic of China, as amended and adopted at the Seventh Meeting of the Standing Committee of the Fourteenth National People's Congress on December 29, 2023 and effective from July 1, 2024 (as amended, supplemented or otherwise modified from time to time)
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules
"Date of Issue of the Report"	March 28, 2025, i.e. the date on which the annual report is submitted to the Board of Directors for approval
"Director(s)"	director(s) of the Company
"Domestic Share(s)"	ordinary shares in the Company's share capital, with a nominal value of RMB1.0 each, which are subscribed for and paid up in Renminbi
"end of 2023"	December 31, 2023
"end of 2024"	December 31, 2024
"ESG"	Environmental, Social and Governance
"ESG Guide"	the Environmental, Social and Governance Reporting Guide as set forth in Appendix C2 to the Listing Rules
"Financial Services Framework Agreement"	the financial services framework agreement entered into between the Company and Beijing Automotive Group Finance Co., Ltd. on December 2, 2014
"FJMOTOR"	Fujian Motor Industry Group Co.
"Fujian Benz"	Fujian Benz Automotive Co., Ltd.
"general meeting"	the Shareholder's general meeting of the Company
"Group", "our Group" or "We" or "our"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.0 each, to be subscribed for and traded in HK dollars and listed and traded on the Stock Exchange
"HK dollar(s)"	the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Hyundai Motor"	Hyundai Motor Company
"IFRS Accounting Standards"	International Financial Reporting Standards ("IFRS") Accounting Standards issued by the International Accounting Standards Board
"Latest Practicable Date"	April 19, 2025, being the latest practicable date for ascertaining relevant information contained in this annual report prior to printing
"Listing"	listing of the H Shares on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Main Board"	the stock market operated by the Stock Exchange (excluding options market), independent of and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"MBLC"	Mercedes-Benz Leasing Co., Ltd.
"Mercedes-Benz Group"	Mercedes-Benz Group AG (formerly known as Daimler AG)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set forth in Appendix C3 to the Listing Rules
"Nomination Committee"	nomination committee of the Board
"PBOC"	the People's Bank of China
"Powertrain"	BAIC Motor Powertrain Co., Ltd.
"President"	president of the Company
"Products and Services Purchasing Framework Agreement"	the products and services purchasing framework agreement entered into between the Company and Beijing Automotive Group Co., Ltd. on December 2, 2014
"Provision of Products and Services Framework Agreement"	the provision of products and services framework agreement entered into between the Company and Beijing Automotive Group Co., Ltd. on December 2, 2014
"Property and Facility Leasing Framework Agreement"	the property and facility leasing framework agreement entered into between the Company and Beijing Automotive Group Co., Ltd. on December 2, 2014
"Property and Facility Leasing Supplemental Agreement"	the property and facility leasing supplemental agreement entered into between the Company and Beijing Automotive Group Co., Ltd. on March 27, 2019
"Prospectus"	the prospectus of the Company dated December 9, 2014
"PwC"	PricewaterhouseCoopers

"PwC Zhong Tian"	PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership)
"Remuneration Committee"	remuneration committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Rules of Procedure of the Board of Supervisors"	the Rules of Procedure of the Board of Supervisors of BAIC Motor Corporation Limited
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	Domestic Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of the Share(s)
"Special Committees"	collectively, Strategy Committee, Audit Committee, Remuneration Committee and Nomination Committee of the Board
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	strategy and sustainability committee of the Board (formerly known as the strategy committee, renamed in accordance with the Articles of Association approved by the Shareholders at the general meeting held on March 22, 2024)
"subsidiary(ies)"	has the meaning ascribed thereto in section 2 of the Companies Ordinance
"Supply of Products"	including facilities, raw materials, components and parts, and vehicles
"Supply of Services"	including sales agency, processing agency, labor, logistics, transportation and consultancy services
"Supervisor(s)"	supervisor(s) of the Company


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