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**北京汽车**  
**BAIC MOTOR**

**北京汽車股份有限公司**

**BAIC MOTOR CORPORATION LIMITED\***

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

**(Stock Code: 1958)**

**ANNOUNCEMENT**  
**THE OPERATING RESULTS OF THE COMPANY**  
**FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2016**

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

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

The operating results attached hereto are the unaudited operating results of the Company for the nine months ended September 30, 2016 prepared in accordance with the Accounting Standards for Business Enterprises of the PRC, as disclosed at the website of Shanghai Clearing House (<http://www.shclearing.com>).

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

## CONSOLIDATED BALANCE SHEET

Unit: RMB Yuan

Assets	Balance at the end of the period September 30, 2016	Balance at the beginning of the year January 1, 2016
Current assets:		
Monetary assets	29,496,197,238.43	25,410,156,146.67
Financial assets at fair value through profit or loss	-	-
Notes receivables	10,804,145,308.59	6,370,620,821.82
Trade receivables	10,050,460,363.88	4,577,986,758.86
Prepayments	3,517,095,626.76	2,041,593,471.70
Interest receivables	-	-
Dividend receivables	-	6,812,199.48
Other receivables	3,512,443,706.67	1,913,151,336.68
Inventories	13,478,350,543.27	9,870,761,889.32
Non-current assets due within one year	-	50,322,040.95
Other current assets	2,383,037,390.20	1,995,214,738.06
<b>Total current assets</b>	<b>73,241,730,177.80</b>	<b>52,236,619,403.54</b>
Non-current assets:		
Available-for-sale financial assets	536,480,000.00	4,000,000.00
Held-to-maturity investments	-	-
Long-term receivables	-	-
Long-term equity investments	15,691,697,210.74	14,582,375,052.26
Investment properties	-	-
Net fixed assets	33,767,303,652.90	33,491,309,704.98
Construction in progress	4,809,279,900.83	4,859,683,802.25
Construction materials	-	-
Disposal of fixed assets	-	-
Productive biological assets	-	-
Oil and gas assets	-	-
Intangible assets	9,946,454,137.84	9,987,891,576.33
Development expenditures	7,313,413,285.69	5,899,890,333.85
Goodwill	807,504,934.39	807,504,934.62
Long-term deferred expenses	298,438,673.20	163,566,657.14
Deferred income tax assets	4,208,420,032.67	4,208,608,816.13
Other non-current assets	528,332,686.53	1,151,638,260.66
<b>Total non-current assets</b>	<b>77,907,324,514.79</b>	<b>75,156,469,138.22</b>
<b>Total assets</b>	<b>151,149,054,692.59</b>	<b>127,393,088,541.76</b>

Unit: RMB Yuan

<b>Liabilities</b>	<b>Balance at the end of the period September 30, 2016</b>	<b>Balance at the beginning of the year January 1, 2016</b>
Current liabilities:		
Short-term borrowings	15,121,376,666.17	16,124,012,971.73
Financial liabilities at fair value through profit or loss	—	—
Notes payables	6,117,408,504.64	2,104,625,684.50
Trade payables	31,482,046,511.35	19,277,708,219.68
Advance receipts	706,182,538.49	1,283,646,939.37
Payroll payables	639,892,719.49	896,294,353.55
Tax payables	1,675,670,661.07	2,866,840,572.57
Interest payables	275,051,569.80	227,330,072.39
Dividend payables	902,670,000.00	1,470,000,000.00
Other payables	18,810,344,139.27	17,684,785,110.67
Non-current liabilities due within one year	4,567,265,132.73	3,193,561,014.17
Other current liabilities	4,498,211,614.40	2,498,250,694.45
<b>Total current liabilities</b>	<b>84,796,120,057.41</b>	<b>67,627,055,633.08</b>
Non-current liabilities:		
Long-term borrowings	396,860,000.00	2,959,570,000.00
Bonds payables	7,586,546,448.43	6,026,508,017.98
Long-term payables	—	—
Specific payables	—	—
Accrued liabilities	2,035,691,145.73	1,610,287,208.50
Deferred income tax liabilities	816,536,414.58	839,971,112.49
Other non-current liabilities	—	—
Deferred income	1,418,997,154.70	1,260,293,966.02
<b>Total non-current liabilities</b>	<b>12,254,631,163.44</b>	<b>12,696,630,304.99</b>
<b>Total liabilities</b>	<b>97,050,751,220.85</b>	<b>80,323,685,938.07</b>
Owners' equity (or shareholders' equity):		
Paid-in capital (share capital)	7,595,338,182.00	7,595,338,182.00
Capital reserves	16,652,138,069.23	16,653,516,944.80
Less: Treasury stock	—	—
Surplus reserves	1,938,410,533.98	1,938,410,533.98
Unallocated profits	11,596,951,270.88	8,822,718,224.67
Foreign currency translation differences	-23,998.74	—
Total equity attributable to owners of the parent	37,782,814,057.35	35,009,983,885.45
*Minority interests	16,315,489,414.39	12,059,418,718.24
<b>Total owners' equity</b>	<b>54,098,303,471.74</b>	<b>47,069,402,603.69</b>
<b>Total liabilities and owners' equity</b>	<b>151,149,054,692.59</b>	<b>127,393,088,541.76</b>

## CONSOLIDATED INCOME STATEMENT

Unit: RMB Yuan

Items	Accumulated amounts for January to September in 2016	Accumulated amounts for January to September in 2015
<b>I. Total operating income</b>	<b>84,176,677,270.70</b>	<b>61,637,138,539.50</b>
<b>II. Total operating costs</b>	<b>77,426,036,840.26</b>	<b>59,486,754,685.31</b>
Including: Operating costs	62,331,571,533.18	46,896,894,955.38
Business tax and surcharges	4,398,712,897.70	3,945,572,405.45
Selling expenses	7,639,116,859.69	5,279,282,047.63
Administrative expenses	2,068,041,993.23	2,098,363,124.20
Financial expenses	933,368,050.67	362,187,458.29
Impairment losses of assets	55,225,505.79	904,454,694.36
Add: Gain on changes in fair value (loss is marked by “-”)	193,189,990.09	-
Investment gain (loss is marked by “-”)	2,641,243,228.15	2,488,779,968.48
Including: gain from investment in associated companies and joint ventures	2,641,243,228.15	2,488,779,968.48
<b>III. Operating profit (loss is marked by “-”)</b>	<b>9,585,073,648.68</b>	<b>4,639,163,822.67</b>
Add: Non-operating income	253,327,751.19	1,091,541,197.52
Less: Non-operating expenses	39,443,297.53	75,701,933.12
<b>IV. Total profit (total loss is marked by “-”)</b>	<b>9,798,958,102.34</b>	<b>5,655,003,087.07</b>
Less: Income tax expenses	2,360,262,994.37	1,345,100,045.72
<b>V. Net profit (net loss is marked by “-”)</b>	<b>7,438,695,107.97</b>	<b>4,309,903,041.35</b>
Net profit attributable to owners of the parent	3,923,933,773.51	2,252,891,769.06
*Minority interests	3,514,761,334.46	2,057,011,272.29

## CONSOLIDATED CASH FLOWS STATEMENT

Unit: RMB Yuan

Items	Accumulated amounts for January to September in 2016	Accumulated amounts for January to September in 2015
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and provision of labor services	93,268,208,250.44	75,109,157,559.26
Tax refunds received	16,860.26	342,777.81
Cash received relating to other operating activities	765,888,031.10	321,837,594.99
<b>Sub-total of cash inflows from operating activities</b>	<b>94,034,113,141.80</b>	<b>75,431,337,932.06</b>
Cash paid for purchase of goods and engagement of labor services	58,910,214,209.92	45,037,644,430.51
Cash paid to and on behalf of employees	3,392,782,316.66	3,136,588,801.16
Payments of all types of taxes	15,258,401,186.54	9,451,876,318.73
Cash paid relating to other operating activities	9,003,263,657.57	2,417,001,532.62
<b>Sub-total of cash outflows from operating activities</b>	<b>86,564,661,370.69</b>	<b>60,043,111,083.02</b>
<b>Net cash flows from operating activities</b>	<b>7,469,451,771.11</b>	<b>15,388,226,849.04</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from return of investment	-	-
Cash received from investment gains	4,268,482,819.66	5,258,015,621.63
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,562,836.17	34,117,526.93
Net cash received from disposal of subsidiaries and other operating units	-	-
Cash received relating to other investing activities	155,167.55	75,000,000.00
<b>Sub-total of cash inflows from investing activities</b>	<b>4,272,200,823.38</b>	<b>5,367,133,148.56</b>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	5,730,864,009.64	8,440,081,807.99
Cash paid for investment	2,594,123,065.50	584,637,760.22
Net cash paid for acquisition of subsidiaries and other operating units	-	-
Cash paid relating to other investing activities	531,370,131.22	2,635,983,936.18
<b>Sub-total of cash outflows from investing activities</b>	<b>8,856,357,206.36</b>	<b>11,660,703,504.39</b>
<b>Net cash flows from investing activities</b>	<b>-4,584,156,382.98</b>	<b>-6,293,570,355.83</b>
<b>III. Cash flows from financing activities:</b>		
Cash received from investors	742,634,163.70	2,022,622,723.36
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	742,634,164.29	1,409,189,331.14
Cash received from borrowings	19,348,641,334.92	16,505,309,635.59
Cash received relating to other financing activities	240,426,212.62	2,216,275,945.04
<b>Sub-total of cash inflows from financing activities</b>	<b>20,331,701,711.24</b>	<b>20,744,208,303.99</b>
Cash paid for repayment of debts	16,930,267,114.22	21,702,009,436.12
Cash paid for distribution of dividends, profits or payment of interests	2,968,332,400.84	3,625,830,035.33
Including: Dividend and profit paid to minority shareholders by subsidiaries	482,223,158.82	436,245,423.91
Cash paid relating to other financing activities	6,011,259.71	-
<b>Sub-total of cash outflows from financing activities</b>	<b>19,904,610,774.77</b>	<b>25,327,839,471.45</b>
<b>Net cash flows from financing activities</b>	<b>427,090,936.47</b>	<b>-4,583,631,167.46</b>
<b>IV. Effect of changes in exchange rate on cash and cash equivalents</b>	<b>39,117,452.89</b>	<b>43,257,030.42</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>3,351,503,777.49</b>	<b>4,554,282,356.17</b>
<b>VI. Balance of cash at the end of the period</b>	<b>29,161,659,924.16</b>	<b>21,422,304,010.57</b>

## BALANCE SHEET

Unit: RMB Yuan

	Balance at the end of the period September 30, 2016	Balance at the beginning of the year January 1, 2016
<b>Assets</b>		
Current assets:		
Monetary assets	1,296,283,125.78	2,012,837,429.54
Financial assets at fair value through profit or loss	—	—
Notes receivables	528,380,206.38	161,236,539.40
Trade receivables	9,852,001,474.48	5,431,331,813.69
Prepayments	1,209,677,552.88	852,227,390.18
Interest receivables	—	—
Dividend receivables	1,020,000,000.00	1,530,000,000.00
Other receivables	16,583,738,995.00	13,989,795,988.15
Inventories	847,340,124.26	802,323,832.55
Non-current assets due within one year	—	—
Other current assets	1,212,166,677.67	965,570,025.30
<b>Total current assets</b>	<b>32,549,588,156.45</b>	<b>25,745,323,018.81</b>
Non-current assets:		
Available-for-sale financial assets	536,480,000.00	4,000,000.00
Held-to-maturity investments	—	—
Long-term receivables	—	—
Long-term equity investments	21,518,518,061.93	20,487,840,899.08
Investment properties	—	—
Net fixed assets	6,162,616,478.38	6,449,766,800.32
Construction in progress	1,684,179,031.59	1,395,523,812.39
Construction materials	—	—
Disposal of fixed assets	—	—
Productive biological assets	—	—
Oil and gas assets	—	—
Intangible assets	3,663,209,399.35	3,858,093,961.29
Development expenditures	6,325,719,507.41	5,106,987,410.90
Goodwill	—	—
Long-term deferred expenses	3,448,726.85	197,751.98
Deferred income tax assets	—	—
Other non-current assets	67,881,861.40	621,904,974.53
<b>Total non-current assets</b>	<b>39,962,053,066.91</b>	<b>37,924,315,610.49</b>
<b>Total assets</b>	<b>72,511,641,223.36</b>	<b>63,669,638,629.30</b>

Unit: RMB Yuan

<b>Liabilities</b>	<b>Balance at the end of the period September 30, 2016</b>	<b>Balance at the beginning of the year January 1, 2016</b>
Current liabilities:		
Short-term borrowings	12,580,000,000.00	13,150,000,000.00
Financial liabilities at fair value through profit or loss	—	—
Notes payable	92,481,283.11	525,894,469.86
Trade payables	10,583,559,597.27	5,188,507,159.91
Advances receipts	1,609,476.63	17,653,679.86
Payroll payables	31,078,274.50	70,549,810.84
Tax payables	53,488,842.70	41,695,702.30
Interest payables	126,105,863.09	147,051,796.47
Dividend payables	—	—
Other payables	6,117,655,237.53	2,080,656,407.54
Non-current liabilities due within one year	770,000,000.00	2,290,002,830.23
Other current liabilities	4,498,211,614.40	2,498,251,094.45
<b>Total current liabilities</b>	<b>34,854,190,189.23</b>	<b>26,010,262,951.46</b>
Non-current liabilities:		
Long-term borrowings	1,038,000,000.00	1,612,000,000.00
Bonds payable	4,994,817,019.89	2,497,000,000.00
Long-term payables	—	—
Specific payables	—	—
Accrued liabilities	—	—
Deferred income tax liabilities	—	—
Other non-current liabilities	—	—
Deferred income	146,349,829.53	146,476,085.85
<b>Total non-current liabilities</b>	<b>6,179,166,849.42</b>	<b>4,255,476,085.85</b>
<b>Total liabilities</b>	<b>41,033,357,038.65</b>	<b>30,265,739,037.31</b>
Owners' equity (or shareholders' equity):		
Paid-in capital (share capital)	7,595,338,182.00	7,595,338,182.00
Capital reserves	19,413,441,928.63	19,413,441,928.63
Less: Treasury stock	—	—
Surplus reserves	1,254,829,564.04	1,254,829,564.04
Unallocated profits	3,214,674,510.04	5,140,289,917.32
Foreign currency translation differences	—	—
Total equity attributable to owners of the parent	31,478,284,184.71	33,403,899,591.99
*Minority interests	—	—
<b>Total owners' equity</b>	<b>31,478,284,184.71</b>	<b>33,403,899,591.99</b>
<b>Total liabilities and owners' equity</b>	<b>72,511,641,223.36</b>	<b>63,669,638,629.30</b>

## INCOME STATEMENT

*Unit: RMB Yuan*

Items	Accumulated amounts for January to September in 2016	Accumulated amounts for January to September in 2015
<b>I. Total operating income</b>	<b>15,718,351,613.94</b>	<b>7,253,198,471.37</b>
<b>II. Total operating costs</b>	<b>16,726,564,428.46</b>	<b>8,581,406,119.47</b>
Including: Operating costs	15,386,367,497.12	7,487,319,965.86
Business tax and surcharges	323,939,664.57	182,766,600.38
Selling expenses	35,141,000.00	–
Administrative expenses	587,062,132.70	643,960,193.66
Financial expenses	394,054,134.07	250,809,729.96
Impairment losses of assets	–	16,549,629.61
Add: Gain on changes in fair value (loss is marked by “-”)	–	–
Investment gain (loss is marked by “-”)	24,624,902.22	2,326,846.38
Including: gain from investments in associated companies and joint ventures	24,624,902.22	2,326,846.38
<b>III. Operating profit (loss is marked by “-”)</b>	<b>-983,587,912.30</b>	<b>-1,325,880,801.72</b>
Add: Non-operating income	198,799,723.08	970,838,875.32
Less: Non-operating expenses	1,526,490.76	47,056,215.81
<b>IV. Total profit (total loss is marked by “-”)</b>	<b>-786,314,679.98</b>	<b>-402,098,142.21</b>
Less: Income tax expenses	–	-1,702,110.92
<b>V. Net profit (net loss is marked by “-”)</b>	<b>-786,314,679.98</b>	<b>-400,396,031.29</b>
Net profit attributable to owners of the parent	-786,314,679.98	-400,396,031.29
*Minority interests	–	–



## CASH FLOWS STATEMENT

Unit: RMB Yuan

Items	Accumulated amounts for January to September in 2016	Accumulated amounts for January to September in 2015
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods and provision of labor services	4,871,931,372.72	6,708,595,854.42
Tax refunds received	-	-
Cash received relating to other operating activities	4,753,699,418.22	5,307,135,497.41
<b>Sub-total of cash inflows from operating activities</b>	<b>9,625,630,790.94</b>	<b>12,015,731,351.83</b>
Cash paid for purchase of goods and engagement of labor services	4,500,104,401.23	5,606,605,356.16
Cash paid to and on behalf of employees	1,340,527,775.98	1,112,097,380.69
Payments of all types of taxes	371,054,248.87	344,656,475.99
Cash paid relating to other operating activities	1,941,766,583.27	4,345,043,244.94
<b>Sub-total of cash outflows from operating activities</b>	<b>8,153,453,009.35</b>	<b>11,408,402,457.78</b>
<b>Net cash flows from operating activities</b>	<b>1,472,177,781.59</b>	<b>607,328,894.05</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from return of investment	-	-
Cash received from investment gain	510,000,000.00	1,081,064.61
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,429,372.85	3,535,017.43
Net cash received from disposal of subsidiaries and other operating units	-	-
Cash received relating to other investing activities	-	-
<b>Sub-total of cash inflows from investing activities</b>	<b>513,429,372.85</b>	<b>4,616,082.04</b>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,134,446,741.80	2,631,926,214.77
Cash paid for investment	1,330,425,763.43	1,632,207,123.55
Net cash paid for acquisition of subsidiaries and other operating units	-	297,902,009.99
Cash paid relating to other investing activities	531,369,386.22	1,929,495,495.58
<b>Sub-total of cash outflows from investing activities</b>	<b>2,996,241,891.45</b>	<b>6,491,530,843.89</b>
<b>Net cash flows from investing activities</b>	<b>-2,482,812,518.60</b>	<b>-6,486,914,761.85</b>

Items	Accumulated amounts for January to September in 2016	Accumulated amounts for January to September in 2015
<b>III. Cash flows from financing activities:</b>		
Cash received from investors	–	-181,245,363.05
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	–	–
Cash received from borrowings	16,275,562,500.00	12,749,202,000.00
Cash received relating to other financing activities	–	1,923,916,460.35
<b>Sub-total of cash inflows from financing activities</b>	<b>16,275,562,500.00</b>	<b>14,491,873,097.30</b>
Cash paid for repayment of debts	14,444,041,800.00	13,754,769,595.18
Cash paid for distribution of dividends or profits or payment of interests	1,865,514,831.74	3,088,676,397.94
Including: Dividend and profit paid to minority shareholders by subsidiaries	–	–
Cash paid relating to other financing activities	5,981,259.71	–
<b>Sub-total of cash outflows from financing activities</b>	<b>16,315,537,891.45</b>	<b>16,843,445,993.12</b>
<b>Net cash flows from financing activities</b>	<b>-39,975,391.45</b>	<b>-2,351,572,895.82</b>
<b>IV. Effect of changes in exchange rate on cash and cash     equivalents</b>	<b>45,342.43</b>	<b>163,680,893.85</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>-1,050,564,786.03</b>	<b>-8,067,477,869.77</b>
<b>VI. Balance of cash at the end of the period</b>	<b>962,272,643.51</b>	<b>2,401,275,398.09</b>

*Note: The financial information in this operating results update is prepared in accordance with the PRC GAAP and has not been audited.*

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

Beijing, the PRC, October 20, 2016

*As at the date of this announcement, the Board comprises Mr. Xu Heyi, as Chairman of the Board and non-executive Director; Mr. Zhang Xiyong and Mr. Li Zhili, as non-executive Directors; Mr. Li Feng, as executive Director; Mr. Ma Chuanqi, Mr. Qiu Yinfu, Mr. Hubertus Troska, Mr. Bodo Uebber, Ms. Wang Jing and Mr. Yang Shi, as non-executive Directors; and Mr. Fu Yuwu, Mr. Wong Lung Tak Patrick, Mr. Bao Robert Xiaochen, Mr. Zhao Fuquan and Mr. Liu Kaixiang, as independent non-executive Directors.*

\* *For identification purpose only*