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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, 2018

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 bonds in the domestic open market of The People’s Republic of China (the “**PRC**”), and the bonds 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, 2018 prepared in accordance with the Accounting Standards for Business Enterprises of the PRC, which have been 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, 2018	Balance at the beginning of the year January 1, 2018
Current assets:		
Monetary assets	44,896,776,250.64	37,369,979,006.21
Notes receivables	4,123,048,033.68	8,261,070,885.56
Trade receivables	13,822,704,064.00	11,621,042,784.79
Prepayments	428,455,088.05	563,409,666.14
Interest receivables	-	-
Dividend receivables	49,695,650.32	-
Other receivables	611,682,155.20	681,281,008.74
Inventories	17,815,921,013.67	16,875,871,007.76
Non-current assets due within one year	-	-
Other current assets	2,929,992,183.87	3,421,247,761.85
Total current assets	84,678,274,439.43	78,793,902,121.05
Non-current assets:		
Available-for-sale financial assets	2,286,627,640.15	2,355,238,708.05
Held-to-maturity investments	-	-
Long-term receivables	-	-
Long-term equity investments	15,654,288,868.18	14,706,907,954.32
Investment properties	-	-
Net fixed assets	35,115,880,338.34	35,716,163,975.52
Construction in progress	7,877,532,864.92	6,653,755,651.60
Construction materials	-	-
Disposal of fixed assets	-	-
Productive biological assets	-	-
Oil and gas assets	-	-
Intangible assets	14,164,544,538.92	15,090,610,950.66
Development expenditures	5,808,781,178.74	5,208,812,658.40
Goodwill	901,945,451.41	901,945,451.41
Long-term deferred expenses	423,072,849.75	492,996,743.81
Deferred income tax assets	7,028,997,224.40	7,035,787,852.63
Other non-current assets	311,983,989.00	446,852,908.30
Total non-current assets	89,573,654,943.81	88,609,072,854.70
Total assets	174,251,929,383.24	167,402,974,975.75

Unit: RMB Yuan

Liabilities	Balance at the end of the period September 30, 2018	Balance at the beginning of the year January 1, 2018
Current liabilities:		
Short-term borrowings	10,620,775,594.35	15,716,262,995.66
Notes payables	8,953,113,648.01	9,621,507,567.43
Trade payables	28,421,251,239.66	25,937,573,879.26
Advance receipts	475,932,526.31	405,369,134.95
Payroll payables	839,916,166.23	1,054,840,432.60
Tax payables	2,252,312,534.31	5,584,973,543.65
Interest payables	245,767,920.41	287,519,552.15
Dividend payables	3,886,876,406.80	2,706,338,125.00
Other payables	22,242,281,717.38	20,838,507,984.71
Non-current liabilities due within one year	2,035,255,278.45	2,603,694,104.09
Other current liabilities	4,000,134,444.43	2,304,266,985.84
Total current liabilities	83,973,617,476.34	87,060,854,305.34
Non-current liabilities:		
Long-term borrowings	5,221,134,405.63	3,077,269,308.41
Bonds payables	10,091,061,212.54	10,089,690,466.85
Long-term payables	—	—
Specific payables	—	—
Accrued liabilities	2,693,008,363.37	2,498,714,384.22
Deferred income	4,172,144,547.84	4,157,716,452.75
Deferred income tax liabilities	910,808,116.98	877,806,607.55
Total non-current liabilities	23,088,156,646.36	20,701,197,219.78
Total liabilities	107,061,774,122.70	107,762,051,525.12
Owners' equity (or shareholders' equity):		
Paid-in capital (share capital)	8,015,338,182.00	7,595,338,182.00
Other equity instruments	1,998,463,842.42	—
Capital reserves	18,886,492,701.33	16,653,423,727.87
Other comprehensive income	556,733,778.83	548,348,510.60
Surplus reserves	2,691,880,089.95	2,691,880,089.95
Unallocated profits	16,210,211,105.66	13,347,043,331.57
Total equity attributable to owners of the parent	48,359,119,700.19	40,836,033,841.99
* Minority interests	18,831,035,560.35	18,804,889,608.64
Total owners' equity	67,190,155,260.54	59,640,923,450.63
Total liabilities and owners' equity	174,251,929,383.24	167,402,974,975.75

CONSOLIDATED CASH FLOWS STATEMENT

Unit: RMB Yuan

Items	Accumulated amounts for January to September in 2018	Accumulated amounts for January to September in 2017
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of labor services	141,947,007,176.24	117,650,117,072.19
Tax refunds received	1,585,566,309.10	582,580.05
Cash received relating to other operating activities	1,400,039,815.51	780,155,498.73
Sub-total of cash inflows from operating activities	144,932,613,300.85	118,430,855,150.97
Cash paid for purchase of goods and engagement of labor services	82,153,784,761.13	70,154,723,224.49
Cash paid to and on behalf of employees	3,608,805,764.38	3,678,999,561.76
Payments of all types of taxes	29,921,963,031.88	23,914,474,840.62
Cash paid relating to other operating activities	9,210,773,537.12	8,558,038,827.69
Sub-total of cash outflows from operating activities	124,895,327,094.51	106,306,236,454.56
Net cash flows from operating activities	20,037,286,206.34	12,124,618,696.41
II. Cash flows from investing activities:		
Cash received from return of investment	–	–
Cash received from investment gains	22,100,202.45	3,591,976,810.26
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,179,937.40	6,269,356.89
Net cash received from disposal of subsidiaries and other operating units	5,409,509.75	7,724,353.81
Cash received relating to other investing activities	–	17,053,070.00
Sub-total of cash inflows from investing activities	28,689,649.60	3,623,023,590.96
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	4,573,903,853.32	4,740,394,965.19
Cash paid for investment	589,719,392.36	1,271,717,035.48
Net cash paid for acquisition of subsidiaries and other operating units	–	–
Cash paid relating to other investing activities	322,659,942.90	89,396,752.15
Sub-total of cash outflows from investing activities	5,486,283,188.58	6,101,508,752.82
Net cash flows used in investing activities	(5,457,593,538.98)	(2,478,485,161.86)

Unit: RMB Yuan

Items	Accumulated amounts for January to September in 2018	Accumulated amounts for January to September in 2017
III. Cash flows from financing activities:		
Cash received from investors	4,647,974,425.87	–
Cash received from borrowings	18,820,065,403.58	20,174,719,717.90
Cash received relating to other financing activities	–	359,342,289.80
Sub-total of cash inflows from financing activities	23,468,039,829.45	20,534,062,007.70
Cash paid for repayment of debts	21,843,503,268.41	20,628,414,287.02
Cash paid for distribution of dividends, profits or payment of interests	8,180,431,862.94	8,864,380,789.25
Cash paid relating to other financing activities	10,553,941.94	2,378,612.32
Sub-total of cash outflows from financing activities	30,034,489,073.29	29,495,173,688.59
Net cash flows used in financing activities	(6,566,449,243.84)	(8,961,111,680.89)
IV. Effect of changes in exchange rate on cash and cash equivalents	58,626,963.83	(35,404,250.52)
V. Net increase in cash and cash equivalents	8,071,870,387.35	649,617,603.14
VI. Balance of cash and cash equivalents at the end of the period	44,896,776,250.64	36,713,526,128.34

BALANCE SHEET

Unit: RMB Yuan

	Balance at the end of the period September 30, 2018	Balance at the beginning of the year January 1, 2018
Assets		
Current assets:		
Monetary assets	4,065,107,987.59	661,991,325.61
Financial assets at fair value through profit or loss	—	—
Notes receivables	467,599,823.13	1,379,568,210.18
Trade receivables	14,099,646,568.47	13,093,452,056.05
Prepayments	277,925,970.48	112,235,778.72
Interest receivables	—	—
Dividend receivables	4,080,000,000.00	—
Other receivables	16,226,951,644.00	12,926,838,192.65
Inventories	1,738,703,092.34	738,495,150.66
Non-current assets due within one year	—	—
Other current assets	5,918,661,898.11	2,414,188,021.95
Total current assets	46,874,596,984.12	31,326,768,735.82
Non-current assets:		
Available-for-sale financial assets	4,000,000.00	2,355,238,708.05
Held-to-maturity investments	—	—
Long-term receivables	—	—
Long-term equity investments	25,580,541,230.33	23,700,048,492.68
Investment properties	—	—
Net fixed assets	6,108,834,770.05	8,898,754,405.26
Construction in progress	896,926,588.79	1,631,400,724.24
Construction materials	—	—
Disposal of fixed assets	—	—
Productive biological assets	—	—
Oil and gas assets	—	—
Intangible assets	5,773,972,354.81	7,144,919,618.62
Development expenditures	4,352,325,552.35	3,975,275,084.56
Goodwill	—	—
Long-term deferred expenses	2,175,417.72	7,195,482.94
Deferred income tax assets	—	—
Other non-current assets	105,000.00	7,841,735.04
Total non-current assets	42,718,880,914.05	47,720,674,251.39
Total assets	89,593,477,898.17	79,047,442,987.21

Unit: RMB Yuan

Liabilities	Balance at the end of the period September 30, 2018	Balance at the beginning of the year January 1, 2018
Current liabilities:		
Short-term borrowings	10,386,720,058.80	15,483,113,290.76
Financial liabilities at fair value through profit or loss	–	–
Notes payables	6,284,843,229.62	6,142,862,178.49
Trade payables	5,388,920,140.94	3,902,494,255.38
Advance receipts	941,750.22	1,017,408.98
Payroll payables	34,772,932.18	67,200,031.12
Tax payables	17,864,678.59	34,639,629.09
Interest payables	151,034,971.10	212,705,673.41
Dividend payables	58,608,219.18	–
Other payables	6,053,311,146.22	4,423,899,251.85
Non-current liabilities due within one year	244,954,211.56	759,298,095.45
Other current liabilities	4,000,134,444.43	1,999,307,777.78
Total current liabilities	32,622,105,782.84	33,026,537,592.31
Non-current liabilities:		
Long-term borrowings	3,127,500,000.00	1,058,500,000.00
Bonds payables	6,294,431,576.67	6,293,978,254.56
Long-term payables	–	–
Specific payables	–	–
Accrued liabilities	27,385,079.20	38,278,681.60
Deferred income tax liabilities	–	95,051,806.21
Deferred income	396,394,046.90	400,032,475.21
Total non-current liabilities	9,845,710,702.77	7,885,841,217.58
Total liabilities	42,467,816,485.61	40,912,378,809.89
Owners' equity (or shareholders' equity):		
Paid-in capital (share capital)	8,015,338,182.00	7,595,338,182.00
Other equity instruments	1,998,463,842.42	–
Capital reserves	21,646,301,825.94	19,413,232,852.48
Other comprehensive income	–	538,626,901.84
Surplus reserves	2,008,299,120.01	2,008,299,120.01
Unallocated profits	13,457,258,442.19	8,579,567,120.99
Total equity attributable to owners of the parent	47,125,661,412.56	38,135,064,177.32
* Minority interests	–	–
Total owners' equity	47,125,661,412.56	38,135,064,177.32
Total liabilities and owners' equity	89,593,477,898.17	79,047,442,987.21

INCOME STATEMENT

Unit: RMB Yuan

Items	Accumulated amounts for January to September in 2018	Accumulated amounts for January to September in 2017
I. Total operating income	7,735,942,116.27	7,385,309,315.01
II. Total operating costs	11,143,094,291.02	10,094,533,575.00
Including: Operating costs	9,643,523,948.83	8,664,494,701.41
Tax and surcharges	195,528,805.05	194,752,606.42
Selling expenses	65,772,351.22	151,356,520.76
Administrative expenses	596,740,383.60	569,090,087.55
Financial expenses	641,107,713.95	513,998,184.86
Impairment losses of assets	421,088.37	841,474.00
Add: Gain on changes in fair value	–	–
Investment gain	8,584,373,294.15	9,189,649,786.89
Including: gain from investments in associated companies and joint ventures	423,963,784.40	262,619,250.25
Loss on disposal of assets	(11,100,202.55)	–
Other gains	22,680,188.90	2,094,976.00
III. Operating profit	5,188,801,105.75	6,482,520,502.90
Add: Non-operating income	1,618,948.48	54,427,795.10
Less: Non-operating expenses	3,689,596.98	1,102,483.91
IV. Total profit	5,186,730,457.25	6,535,845,814.09
Less: Income tax expenses	–	–
V. Net profit	5,186,730,457.25	6,535,845,814.09
Net profit attributable to owners of the parent	5,186,730,457.25	6,535,845,814.09
* Minority interests	–	–
VI. Net amount of other comprehensive income/(loss) after tax	(538,626,901.84)	569,920,000.00
Net amount of other comprehensive income/(loss) after tax attributable to shareholders of the parent	(538,626,901.84)	569,920,000.00
Other comprehensive income not to be reclassified into profit or loss subsequently	95,051,806.21	–
Other comprehensive income to be reclassified into profit or loss subsequently	–	569,920,000.00
Effective portion of profit or loss from cash flows hedges	–	–
Gains or losses from changes in fair value of available-for-sale financial assets	–	569,920,000.00
Foreign currency translation differences	–	–
Other comprehensive loss transferred to retained earnings	(633,678,708.05)	–
Net amount of other comprehensive income/(loss) after tax attributable to minority shareholders	–	–
VII. Total comprehensive income	4,648,103,555.41	7,105,765,814.09
Total comprehensive income attributable to shareholders of the parent	4,648,103,555.41	7,105,765,814.09
Total comprehensive income attributable to minority shareholders	–	–

CASH FLOWS STATEMENT

Unit: RMB Yuan

Items	Accumulated amounts for January to September in 2018	Accumulated amounts for January to September in 2017
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of labor services	4,094,097,995.18	4,122,328,568.21
Tax refunds received	1,415,766,463.21	582,580.05
Cash received relating to other operating activities	171,639,206.72	313,499,500.58
Sub-total of cash inflows from operating activities	5,681,503,665.11	4,436,410,648.84
Cash paid for purchase of goods and engagement of labor services	4,261,174,023.66	4,829,837,492.57
Cash paid to and on behalf of employees	1,205,492,658.59	1,423,400,981.80
Payments of all types of taxes	303,223,776.34	243,700,125.98
Cash paid relating to other operating activities	1,621,592,882.56	450,078,420.64
Sub-total of cash outflows from operating activities	7,391,483,341.15	6,947,017,020.99
Net cash flows used in operating activities	(1,709,979,676.04)	(2,510,606,372.15)
II. Cash flows from investing activities:		
Cash received from return of investment	-	-
Cash received from investment gain	4,082,088,185.80	6,267,497,345.15
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,753,179,937.40	2,606.89
Net cash received from disposal of subsidiaries and other operating units	5,409,509.75	-
Cash received relating to other investing activities	-	17,053,070.00
Sub-total of cash inflows from investing activities	5,840,677,632.95	6,284,553,022.04
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,309,968,121.72	1,136,423,608.69
Cash paid for investment	525,001,808.00	1,226,718,964.15
Net cash paid for acquisition of subsidiaries and other operating units	-	-
Cash paid relating to other investing activities	46,871,609.39	308,611.50
Sub-total of cash outflows from investing activities	1,881,841,539.11	2,363,451,184.34
Net cash flows from investing activities	3,958,836,093.84	3,921,101,837.70

Unit: RMB Yuan

Items	Accumulated amounts for January to September in 2018	Accumulated amounts for January to September in 2017
III. Cash flows from financing activities:		
Cash received from investors	4,647,974,425.87	–
Cash received from borrowings	18,674,261,281.01	18,207,341,000.00
Cash received relating to other financing activities	1,250,000,000.00	2,009,076,166.00
Sub-total of cash inflows from financing activities	24,572,235,706.88	20,216,417,166.00
Cash paid for repayment of debts	21,655,091,270.49	17,521,250,000.00
Cash paid for distribution of dividends or profits or payment of interests	1,609,235,054.93	2,995,312,501.16
Cash paid relating to other financing activities	5,144,432.19	2,133,145.41
Sub-total of cash outflows from financing activities	23,269,470,757.61	20,518,695,646.57
Net cash flows from/(used in) financing activities	1,302,764,949.27	(302,278,480.57)
IV. Effect of changes in exchange rate on cash and cash equivalents	79,167.91	(10,291.65)
V. Net increase in cash and cash equivalents	3,551,700,534.98	1,108,206,693.33
VI. Balance of cash at the end of the period	4,018,236,378.20	1,660,189,037.45

Note: the financial information contained in this operating results update is prepared in accordance with the Accounting Standards for Business Enterprises of the PRC and has not been audited.

By order of the board of directors
BAIC Motor Corporation Limited
Gu Xin

Secretary to the Board of Directors and Company Secretary

Beijing, the PRC, October 22, 2018

As at the date of this announcement, the board of directors comprises Mr. Xu Heyi, as Chairman of the board of directors and non-executive director; Ms. Shang Yuanxian and Mr. Yan Xiaolei, as non-executive directors; Mr. Chen Hongliang, as executive director; Mr. Xie Wei, Mr. Qiu Yinfu, Mr. Hubertus Troska, Mr. Bodo Uebber, Ms. Jiao Ruifang and Mr. Lei Hai, as non-executive directors; and Mr. Ge Songlin, 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*