



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

Interim Report 2015



**For identification purpose only*





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761.8 THOUSAND UNITS

During the first half of 2015, the total sale volume of Beijing Brand, Beijing Benz and Beijing Hyundai amounted to 761.8 thousand units.

45%

During the first half of 2015, the Group achieved consolidated revenue of RMB36,522 million, representing a year-on-year increase of 45%.

22%

During the first half of 2015, the Group achieved consolidated share of profits attributable to equity holders of the Company of RMB2,171 million, representing a year-on-year increase of 22%.

RMB0.29

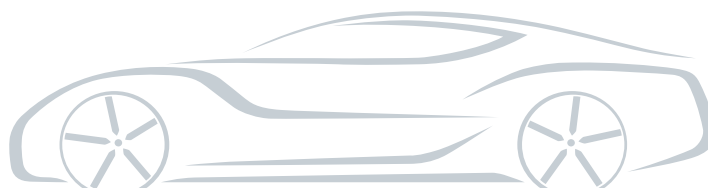
During the first half of 2015, the Group achieved consolidated earnings per share of RMB0.29.

The board (the "Board") of directors (the "Directors") of BAIC Motor Corporation Limited (the "Company" or "we" or "Our") is hereby to announce the unaudited interim condensed financial information (the "Condensed Financial Information") of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended June 30, 2015 (the "Reporting Period"). The Condensed Financial Information has been prepared in accordance with the International Accounting Standard 34, "Interim Financial Reporting" issued by the International Accounting Standards Board and the disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

2015 interim results of the Group have been approved by the Board of the Company on August 25, 2015. The unaudited interim Condensed Financial Information as set out in this Report was reviewed by PricewaterhouseCoopers, the auditor of the Company.

During the first half of 2015, facing significant slowdown of the passenger vehicle market in the PRC, the Group still recorded a fast growth. For the six months ended June 30, 2015, the Group achieved consolidated revenue of RMB36,522.3 million, representing a year-on-year increase of 45.35%; profit attributable to equity shareholders of the Company of RMB2,170.8 million, representing a year-on-year increase of 21.9%; earnings per share of RMB0.29, representing a year-on-year increase of 3.6%.

The Board has not made any recommendation on the payment of an interim dividend for the six months ended June 30, 2015.



Corporate Information

LEGAL NAME OF THE COMPANY

北京汽車股份有限公司

ENGLISH NAME OF THE COMPANY

BAIC Motor Corporation Limited

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COMPANY SECRETARY

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COMPANY SECRETARY ASSISTANT

Ms. Yung Mei Yee

(Fellow member of the Hong Kong Institute of Chartered Secretaries
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H SHARE REGISTRAR

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H SHARE STOCK CODE

1958

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Summary of Financial Information

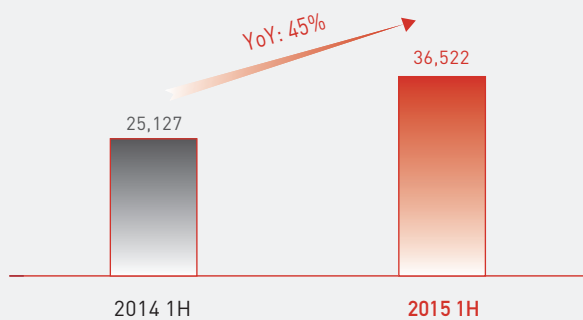
(Unit: RMB million)

	For the six months ended June 30,	
	2015 (unaudited)	2014 ¹ (unaudited and restated)
Comprehensive income		
Revenue	36,522	25,127
Cost of sales	30,337	21,712
Gross profit	6,185	3,415
Other gains, net	1,252	14
Selling and distribution expenses	2,983	2,072
General and administrative expenses	1,743	1,308
Finance costs, net	408	233
Share of profit of joint ventures and associates	2,035	2,813
Profit before income tax	4,338	2,629
Income tax expense	847	318
Profit for the period	3,491	2,311
Other comprehensive income	-	-
Total comprehensive income for the period	3,491	2,311
Attributable to:		
Equity holders of the Company	2,171	1,781
Non-controlling interests	1,320	530
Earnings per share (RMB)		
Basic	0.29	0.28
Diluted	0.29	0.28
	As at June 30, 2015 (unaudited)	As at December 31, 2014 (audited)
Total assets, total liabilities and equity attributable to equity holders of the Company		
Total assets	114,894	109,859
Total liabilities	69,675	67,890
Equity attributable to equity holders of the Company	33,866	33,355

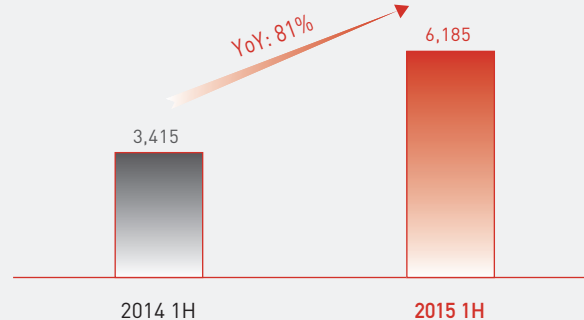
¹ As the acquisition of 100% equity interest of BAIC (Guangzhou) Automotive Co., Ltd ("Guangzhou Company") by the Company in 2014 constitutes a business combination under common control, the data for 2014 is restated.

Revenue

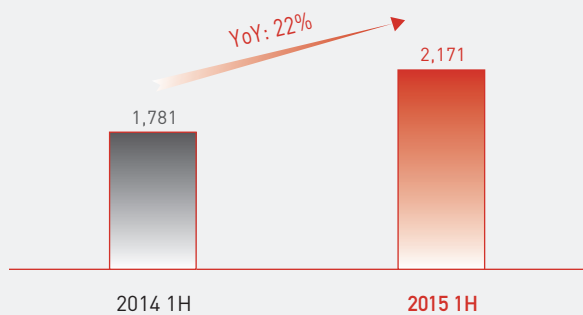
Unit: RMB million

**Gross profit**

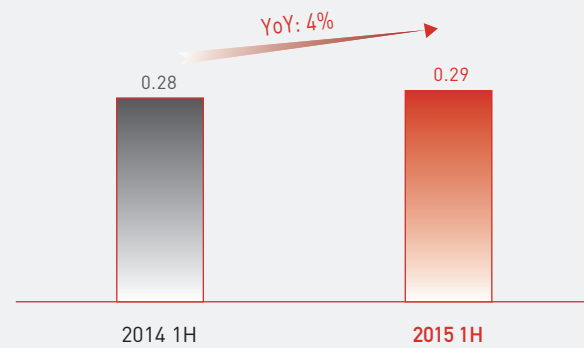
Unit: RMB million

**Share of profits attributable to equity holders of the Company**

Unit: RMB million

**Earnings per share**

Unit: Yuan



Business Overview



OVERVIEW

We are a leading manufacturer of passenger vehicles in China, and are also one of the large passenger vehicle manufacturers listed on the Stock Exchange. Our business covers (i) the Beijing Motor's proprietary brand (the "Beijing Brand"), which has a leading technology platform and has experienced fast sales growth, (ii) the premium passenger vehicle brand of Mercedes-Benz² which has a long history with a rapid sales growth, and (iii) Beijing Hyundai's mid-to-high-end brand³ with a leading position in segmentation industry and stable sales growth. We offer a variety of complementary passenger vehicle models to cover different market segments such as the joint venture brands of premium and mid to high tier markets and proprietary brands for the mid-to-high-end and the economical market segments. We offer mid-to-large size sedans, mid-size sedans, compact sedans, small-size sedans, SUV, MPV and CUV products to satisfy demands of customers for different types of vehicles.

BEIJING BRAND

The Beijing Brand passenger vehicle business is currently operated through three product series, including Senova, BJ and Wevan. The manufacturing bases for Beijing Brand are Beijing base (Beijing branch), Zhuzhou base (Zhuzhou branch) and Guangzhou base (Guangzhou branch). We totally sold 142,296 units of traditional Beijing Brand passenger vehicles and 6,216 units of Beijing Brand new energy vehicles in the first half of 2015.

Senova (绅宝)

We commenced the sales of Senova passenger vehicles in 2013. Senova is a mid-to-high-end passenger vehicle product series and targets customers who value both vehicle performance and cost efficiency. At present, we manufacture and sell the sedan models of D80, D70, D50, D20 and CC and SUV Model of X65 under the Senova product series. We launched the models of Senova D80, CC sedans and SUV Model of X65 in the first half of 2015. We plan to launch the SUV models of X55 and X25 under the Senova product series in the second half of 2015.

BJ (北京)

We commenced the sales of BJ E-series sedan in 2012 and BJ40 offroad vehicles in December 2013. Due to the brand planning and adjustments, we rebranded the BJ E-series facelift as Senova D20 in November 2014. Products under BJ Series target customers who value tough style, high performance and individuality, with tough-styled offroad vehicles and SUV as its major products. It is expected that in the second half of 2015 or the beginning of 2016, we plan to launch the BJ40L offroad vehicles.

Wevan (威旺)

We commenced the sales of Wevan passenger vehicles in 2011. Our Wevan product focuses on CUV and MPV products, and targets small and micro businesses and individuals in China. Major products include the MPV model of M20, CUV models of 306, 307, 205 and 206. In the second half of 2015, we plan to launch the M30, which is an annual facelift of MPV model of M20.

² "Mercedes-Benz" is the brand of Daimler AG ("Daimler AG"), and our subsidiary, Beijing Benz, is endorsed to use the brand.

³ "Hyundai" is the brand of Hyundai Motor Company ("Hyundai Motor") and our joint venture, Beijing Hyundai Automotive Co., Ltd ("Beijing Hyundai"), is endorsed to use the brand.

BEIJING BENZ

Beijing Benz is our subsidiary. The Company holds 51% equity interest of Beijing Benz, while Daimler AG and its wholly-owned subsidiary, Daimler Greater China Ltd. ("DGRC"), together hold 49% equity interest of Beijing Benz. Beijing Benz is the third-largest producer of Chinese joint venture premium passenger vehicles market by sales in 2014. In the first half of 2015, Beijing Benz totally sold 103,034 units of passenger vehicles, representing a year-on-year increase of 59.8%.

Beijing Benz commenced the sales of passenger vehicles of Mercedes-Benz brand in 2006. It currently manufactures and sells the E-Class sedan, the C-Class sedan and the GLK- and GLA-Class SUVs. Beijing Benz launched a long-wheelbase version ("LWB") of the new C-Class in August 2014 and launched a standard-wheelbase version ("SWB") of the new C-Class sedan and GLA-Class SUV in the first half of 2015, while a brand new generation product GLC-Class SUV is scheduled to be put on the market to replace GLK-Class SUV and C350L plug-in hybrid electric vehicles in the second half of 2015.

BEIJING HYUNDAI

Beijing Hyundai is the joint venture between the Company and Hyundai Motor. Each of BAIC Investment, our subsidiary, and Hyundai Motor, holds 50.0% equity interest of Beijing Hyundai respectively. In terms of sales volume of a single brand, Beijing Hyundai is the second-largest joint venture passenger vehicle brand in China with stable sales growth in 2014. In the first half of 2015, Beijing Hyundai sold 510,276 units of passenger vehicles.

In the first half of 2014, Beijing Hyundai launched new sedan Sonata 9th Generation. In the second half of 2015, Beijing Hyundai will launch a premium sport SUV New Tucson, three 2.0T facelift models of New Santa Fe with high price-performance ratio and hybrids of Mistra 1.6T, ix25 1.6T and Sonata 9th Generation (hybrid power) to satisfy needs of various consumers.

In April and June 2015, the groundbreaking ceremonies of Beijing Hyundai Cangzhou Factory and Chongqing Factory project were held. Such two new factories will add a complete vehicle production capacity of 600,000 units and a production capacity of 500,000 engines for Beijing Hyundai. It is expected that, by 2017, the five factories of Beijing Hyundai will have a total production capacity of 1.65 million units, generating synergies and achieving nationwide coverage with its presence in the southern and northern areas. With its core drivers including production capacity, product and market, a solid foundation is laid for its sustainable and sound development of the automobile market in the PRC.

ENGINES AND AUTOMOBILE PARTS AND COMPONENTS

The engines and other key automobile parts and components manufactured by the Group are used for manufacturing of our own passenger vehicles, as well as for sales to other automobile manufacturers.

As to Beijing Brand, we develop and manufacture engines mainly based on Saab technology and all such engines are mainly used in Senova series passenger vehicles. At the same time, we produce core parts and components including connecting rods and camshafts for private use of BAIC Motor.

The engine factory of Beijing Benz commenced to manufacture engines in 2013. The annual production capacity of the phase one manufacturing base of Beijing Benz was designed to reach 300,000 units. It is the only engine manufacturing base of Mercedes-Benz-branded passenger vehicles outside Germany, thus empowering Beijing Benz with the ability to manufacture critical parts and components of engines. Since the middle of 2014, Beijing Benz began to export to Germany critical parts and components of engines (including cylinder head, cylinder block and boss rod) produced by its engine manufacturing base, for Daimler AG's global manufacturing plants to produce engines.

DEALERSHIP NETWORK

The Group has built an extensive dealership network in China. Sales and marketing activities are carried out by Beijing Brand, Beijing Benz and Beijing Hyundai respectively.

RESEARCH AND DEVELOPMENT STATUS

The Group believes that research and development ability is crucial to future development of an enterprise. The research and development of the Group is conducted independently and through forming alliances with cooperative partners.

In 2009, Beijing Automotive Group Co., Ltd ("BAIC Group") acquired Saab technology, including structural design of three Saab models, two turbo engines, two gear boxes and production tools and moulds. Through adopting and upgrading Saab's design and technical standards, Beijing Brand has built its own passenger vehicle platform, system and parts and components to meet the needs of passenger vehicle design and development. Beijing Brand has made significant progress in research and development of new products in recent years, having 270 patents licensed in invention and utility model in the first half of 2015 alone. As at the Date of Issue of the Report, it owned over 2,000 patented designs.

On February 6, 2015, the Company entered into a joint venture agreement with MBtech Group GmbH & Co. KGaA ("MBtech") for the establishment of a joint venture. It is expected that the project will optimize the research and development capabilities of the Company, effectively support the development of its proprietary brand, facilitate the further improvement of its overall strength as an automobile manufacturing enterprise and enhance its core competitiveness in line with the national policy to encourage improvement of self-innovation.

Beijing Benz started using the new research and development center in Beijing in July 2014. The new center covers an area of approximately 150,000 square meters with a total construction area of approximately 236,000 square meters, and is equipped with international advanced research and development facilities for localized adaptive design, testing of automobiles and components, production of prototype and localized components. It is also the largest research and development center in joint venture outside Germany for Daimler AG.

Management Discussion and Analysis

Mercedes-Benz New C-Class Sport



INDUSTRY OVERVIEW AND BUSINESS SEGMENT OVERVIEW

Industry overview

In 2015, the global economy has seen a moderate recovery. It is expected that the growth for the year will return to approximately 3.5%⁴. The growth rate of gross domestic product (“GDP”) of China was approximately 7.0% in the first half of 2015, decreased as compared to the corresponding period in 2014. The growth rate for the year is expected to maintain at the same level. Affected by numerous external economic factors such as slow economic growth and fluctuation in the stock market, the overall growth pace of the PRC’s passenger vehicle market significantly slowed down in the first half of 2015. The sales volume of passenger vehicles declined since April 2015, and its growth rate was slower as compared to the corresponding period of the prior year and on a year-on-year basis. The monthly sale waxed and waned. The passenger vehicle market showed a temporary slowdown. According to the statistics from the China Association of Automobile Manufacturers, the passenger vehicle production output in the PRC was 10.3 million units in the first half of 2015, representing a year-on-year increase of 6.4%, and was lower than the growth rate of 12.1% in the corresponding period in 2014. The sales volume was 10.1 million units, representing a year-on-year increase of 4.8%, and was lower than the growth rate of 11.2% in the corresponding period in 2014.

⁴ Estimated data from World Bank published in the first half of 2015

Business segment overview

In respect of our three brands, namely Beijing Brand, Beijing Benz and Beijing Hyundai, the total sale volume amounted to 761.8 thousand units during the Reporting Period. In particular, the total sale volume of Beijing Brand and Beijing Benz under the consolidated financial statements of the Group amounted to 251.5 thousand units, representing a year-on-year increase of 15.3%, and was 10.5 percentage points higher than the growth rate of the PRC’s passenger vehicle industry of 4.8%.

During the Reporting Period, the sales volume of Beijing Brand was 148.5 thousand units, representing a year-on-year decrease of 3.4%, due to decline in sedan and CUV market. However, benefited from the prompt adjustment on our sale strategy, the sales volume of SUV and MPV vehicles amounted to 67.7 thousand units, representing a year-on-year increase of 59.2%. Beijing Benz recorded excellent performance, with sales volume of 103.0 thousand units in the first half, representing a year-on-year increase of 59.8%. Affected by the sluggish sedan market, Beijing Hyundai recorded sales volume of 510.3 thousand units, representing a year-on-year decrease of 7.7%. The proportion of D+S vehicle model increased by 2.1 percentage points year-on-year to 43.2%, showing that our product portfolio had further optimized.

In addition, the Group also recorded better results in terms of cost efficiency, new product research and development, quality control and management innovation, hence providing a solid foundation for the sustainable, rapid and healthy development of the Group.

Beijing Brand

The growth in passenger vehicle market in the first half of 2015 was slower as compared to the prior years. However, SUV and MPV sectors were able to maintain rapid growth. Beijing Brand had good performance in these two sectors. In respect of MPV market, Beijing Brand strategically focused on Wevan's M20 in advance. With the rapid growth in the MPV market, in the first half of 2015, the sales volume of Wevan's M20 was 56.8 thousand units, representing a year-on-year increase of 51.0%. In respect of the SUV market, the first SUV under the Senova brand, namely Senova X65, was launched on March 21, 2015. Senova X65 recorded good results with 8.8 thousand units sold in less than 4 months.

The sales volume of sedan products of Beijing Brand slightly declined in the first half of 2015 due to slowdown in overall growth in sedan market. However, the class A sedan Senova D50 recorded good results in terms of sales volume with 26.6 thousand units sold during the Reporting Period.

In addition, under the backdrop of continuous implementation of restrictions on vehicle purchase and driving in first-tier cities, the Company was exploring new markets and tapping into the consumer demand of various levels based on the market trend. In the first half of 2015, the growth of Beijing Brand in second and third-tier cities was higher than the overall market growth, and ranked top among its competitors.

In respect of new energy vehicles, responding to the "energy saving and emission reduction" campaign of the PRC government, the Group has become a fashionable pioneer in adopting low-carbon and environmentally friendly policies within the industry. In the first half of 2015, new energy vehicles under Beijing Brand achieved sales of 6.2 thousand units, representing a year-on-year increase of 1,493.9%, outperforming other competitors in the domestic pure electric vehicle market.

Beijing Benz

The growth pace of premium vehicle market slowed down during the first half of 2015 due to the sluggish passenger vehicle market in PRC as a whole. Facing adverse market condition, Beijing Benz made an excellent result under sluggish market and achieved sales of 103.0 thousand units during the Reporting Period, representing a year-on-year increase of 59.8%.

The rapid growth of Beijing Benz was primarily attributable to the excellent performance of LWB C-Class sedan. The LWB C-Class sedan was well-received in the market since its launch in 2014. The accumulated sales were 33.1 thousand units in the first half of 2015.

Moreover, Beijing Benz launched the SWB C-Class sedan in the first half of 2015, which fully fulfilled demand for vehicles of different customers, thereby securing the good momentum of the growth of C-Class sedan.

In addition, Beijing Benz launched the new GLA-Class SUV in the first half of 2015. The GLA, which was positioned as high-end compact SUV, filled the gap of Beijing Benz's product lines. It became a market favorite since its launch. The accumulated sales of GLA-Class SUV reached 6.2 thousand units since its launch.

In the first half of 2015, the sales of GLK-Class SUV under Beijing Benz had reached 34.0 thousand units, representing a year-on-year increase of 25.5%. Being a type of vehicle to be replaced in the second half of 2015, such satisfactory sales of GLK-Class SUV indicated the market and consumers' favorite and recognition on Beijing Benz Brand and its SUV products. Hence, the Group is confident about the outlook of GLC-Class SUV to be launched in the second half of 2015.

Beijing Hyundai

As affected by the sluggish market condition, the sales performance of Beijing Hyundai fluctuated during the first half of 2015, with year-on-year decrease of 7.7% in sales volume. It was not easy for Beijing Hyundai to achieve such result during the Reporting Period under the current market condition by capturing the trend of market favorite and consumer spending appetite, optimizing product line structure and effective cost control during the recent years. Although a year-on-year decrease was recorded in terms of sales, Beijing Hyundai remained competitive in different sectors.

In respect of the small-sized sedan market, Verna ranked top with sales of 111.2 thousand units. In respect of the compact sedan market, the sales volume of Elantra Langdong was over 132.7 thousand units, representing a year-on-year increase of 16.3%, with good sales performance. In respect of the mid-to-large sized sedan market, Mistra recorded a year-on-year increase of 16.5% in terms of sales volume, which boosted the sales volume of mid to large-sized sedan portfolio of Beijing Hyundai by 7% year-on-year, as compared with the growth rate of -3.5% in this sector as published by China Association of Automobile Manufacturers. In respect of SUV, ix25 recorded sales volume of 47.9 thousand units in the Reporting Period, and was well-received in the market since its launch.

Optimizing industry chain

With the stable development of various businesses, upon careful study on industry allocation and development strategy, the Group participated in various cooperative projects in the first half of 2015. This further expanded and enhanced the participation and Supervision of the Group on industry chain. It is expected that these cooperative projects will have positive effect on the core competitiveness and profitability of the Group. The cooperative projects included:

On February 6, 2015, the Company entered into an agreement with MBtech in order to establish a joint venture. Cooperation on research and

Management Discussion and Analysis

development and sales of parts and components for passenger vehicles, as well as research and application of automotive technology will be conducted. The Company will hold 51.0% equity interests in the joint venture.

On March 22, 2015, the Company entered into a capital increase agreement with DGRC and Mercedes-Benz Leasing Co., Ltd. (梅賽德斯-奔馳租賃有限公司) ("MBLC"). The Company will subscribe the increased capital of MBLC. Upon completion of capital increase, the Company will hold 35% equity interests in MBLC. Through this corporation, the Group can further expand to car leasing and financing under the industry chain of automobile, which provide new sources of revenue and profit margin for the Group. In addition, it is also the first step of the Company's comprehensive cooperation with DGRC in terms of the after-market of automobiles, and renders a solid foundation for future cooperation between both parties in the field of car financing.

On April 30, 2015, the Company entered into a joint venture agreement with Baosteel Metal Co., Ltd. (寶鋼金屬有限公司) and Beijing Hua Sheng Rong Magnesium Technology Co., Ltd (北京華盛榮鎂業科技有限公司) with respect to the establishment of a joint venture in China (Shanghai) Pilot Free Trade Zone. The Company will hold 30.0% equity interests in the joint venture. And then, on June 25, 2015, the Company entered into a strategic cooperation framework agreement with the two companies in order to conduct in-depth cooperation on various aspects such as magnesium alloy business and research and development on light materials.

For details on the above cooperation, please refer to the relevant announcements previously issued by the Company.

PERFORMANCE ANALYSIS AND DISCUSSION

Revenue

The Group's main business operations are the design, research and development, manufacturing and sales of passenger vehicles and the related after-sale services. The above business has brought sustained and stable revenue to our Group. Revenue of the Group increased to RMB36,522.3 million in the first half of 2015 from RMB25,126.9 million in the corresponding period in 2014, mainly attributable to the increase in revenue from Beijing Motor⁵ and Beijing Benz.

Revenue generated from Beijing Motor increased by 22.1% to RMB7,290.9 million in the first half of 2015 from RMB5,970.2 million in the corresponding period in 2014, mainly attributable to (i) the launch of Senova X65 with higher selling price and increase in sales proportion of

Senova D50; and (ii) revenue was partially offset by the extra discount provided by Beijing Brand in order to maintain its market share.

Revenue generated from Beijing Benz increased by 52.6% to RMB29,231.4 million in the first half of 2015 from RMB19,156.7 million in the corresponding period in 2014, mainly attributable to the year-on-year increase of 59.8% in sales volume of Beijing Benz.

Apart from revenue generated from sale of vehicles (including traditional vehicles and new energy vehicles), the Group also received government subsidy due to sale of new energy vehicles. Government subsidy in relation to new energy vehicles increased by 1,421.4% to RMB532.5 million in the first half of 2015 from RMB35.0 million in the corresponding period in 2014, mainly attributable to (i) the increase of 1,493.9% in sales of new energy vehicles in the first half of 2015; and (ii) government subsidy was partially offset by lower national and local standard for provision of new energy subsidy in 2015.

Cost of Sales

The Group's cost of sales increased to RMB30,336.9 million in the first half of 2015 from RMB21,711.8 million in the corresponding period in 2014, mainly attributable to the increase in cost of Beijing Motor and Beijing Benz.

Cost of sales incurred by Beijing Motor increased by 29.7% to RMB7,996.9 million in the first half of 2015 from RMB6,165.7 million in the corresponding period in 2014, mainly attributable to (i) the launch of Senova X65 with higher cost and increase in sales proportion of Senova D50; and (ii) the costs were partially offset by cost saving measures implemented by the Company.

Cost of sales incurred by Beijing Benz increased by 43.7% to RMB22,340.0 million in the first half of 2015 from RMB15,546.1 million in the corresponding period in 2014, mainly attributable to (i) the year-on-year increase of 59.8% in sales of Beijing Benz; and (ii) the costs were partially offset by the decrease in the costs of imported raw materials due to the decline in exchange rate of Euro.

Gross profit

Based on the aforesaid reasons, the Group recorded gross profit of RMB6,185.4 million in the Reporting Period, representing a year-on-year increase of 81.1%, mainly attributable to (i) the year-on-year increase in gross profit of Beijing Benz; and (ii) gross profit was partially offset by the increase in gross loss of Beijing Brand.

⁵ When referring to business segment, "Beijing Motor" refers to the consolidated result of the Company and its subsidiaries (excluding Beijing Benz).

Gross loss of Beijing Motor increased by 261.1% to RMB706.0 million in the first half of 2015 from RMB195.5 million in the corresponding period in 2014. Gross margin decreased to -9.7% in the first half of 2015 from -3.3% in the corresponding period in 2014, mainly attributable to greater discount provided in the first half of 2015 as to maintain market share.

Gross profit of Beijing Benz increased by 90.9% to RMB6,891.4 million in the first half of 2015 from RMB3,610.6 million in the corresponding period in 2014. Gross margin increased to 23.6% in the first half of 2015 from 18.9% in the corresponding period in 2014, mainly attributable to (i) the year-on-year increase of 59.8% in sales volume of Beijing Benz; and (ii) lower cost of imported raw materials due to the decline in exchange rate of Euro.

Selling and distribution expenses

Selling and distribution expenses of the Group increased to RMB2,983.1 million in the first half of 2015 from RMB2,071.8 million in the corresponding period in 2014, mainly attributable to the increase in selling and distribution expenses of Beijing Benz.

Selling and distribution expenses of Beijing Motor decreased by 19.4% to RMB503.6 million in the first half of 2015 from RMB624.5 million in the corresponding period in 2014, mainly attributable to (i) the effective implementation of the Company's budget control measures as expected; and (ii) the year-on-year decrease of 3.4% in sales volume of Beijing Brand.

Due to the year-on-year increase in revenue of Beijing Motor and stricter budget control over Beijing Motor's promotional expenses and market development expenses implemented by the Company, the proportion of selling and distribution expenses of Beijing Motor to its revenue decreased to 6.9% in the first half of 2015 from 10.5% in the corresponding period in 2014.

Selling and distribution expenses of Beijing Benz increased by 71.3% to RMB2,479.6 million in the first half of 2015 from RMB1,447.4 million in the corresponding period in 2014, mainly attributable to the year-on-year increase of 59.8% in sales of Beijing Benz.

The proportion of selling and distribution expenses of Beijing Benz to its revenue increased to 8.5% in the first half of 2015 from 7.6% in the corresponding period in 2014.

General and administrative expenses

General and administrative expenses of the Group increased to RMB1,743.0 million in the first half of 2015 from RMB1,308.3 million in

the corresponding period in 2014, mainly attributable to the increase in general and administrative expenses of Beijing Motor and Beijing Benz.

General and administrative expenses of Beijing Motor increased by 13.9% to RMB484.7 million in the first half of 2015 from RMB425.4 million in the corresponding period in 2014, mainly attributable to (i) the increase in the number of employees due to business expansion of Beijing Motor; and (ii) the increase in miscellaneous expenses and taxes incurred from increase in business volume.

The proportion of general and administrative expenses of Beijing Motor to its revenue decreased to 6.7% in the first half of 2015 from 7.1% in the corresponding period in 2014 due to the increase in revenue of Beijing Motor and stricter budget control over Beijing Motor's general and administrative expenses.

General and administrative expenses of Beijing Benz increased by 42.5% to RMB1,258.4 million in the first half of 2015 from RMB882.8 million in the corresponding period in 2014, mainly attributable to the increase in expenses in relation to employees due to increase in production and sales volume.

The proportion of general and administrative expenses of Beijing Benz to its revenue decreased to 4.3% in the first half of 2015 from 4.6% in the corresponding period in 2014.

Operating profit

Based on the aforesaid reasons, the Group recorded operating profit of RMB2,711.7 million in the first half of 2015, representing a year-on-year increase of 5,434.1%, mainly attributable to (i) the year-on-year increase in operating profit of Beijing Benz; and (ii) the year-on-year decrease in operating loss of Beijing Motor.

Operating loss of Beijing Motor decreased by 29.4% to RMB843.0 million in the first half of 2015 from RMB1,193.9 million in the corresponding period in 2014. Operating profit margin increased to -11.6% in the first half of 2015 from -20.0% in the corresponding period in 2014, mainly attributable to (i) the year-on-year increase in government subsidy as a result of growth in sales volume of new energy vehicles; and (ii) the year-on-year decrease in selling expenses as a result of stricter cost control measures implemented by the Company.

Operating profit of Beijing Benz increased by 186.0% to RMB3,554.7 million in the first half of 2015 from RMB1,242.9 million in the corresponding period in 2014. Operating profit margin increased to 12.2% in the first half of 2015 from 6.5% in the corresponding period in 2014, mainly attributable to (i) the year-on-year increase by 59.8% in sales

Management Discussion and Analysis

volume of Beijing Benz; (ii) the increase in exchange gains as a result of the decline in exchange rate of Euro; and (iii) operating profit was partially offset by the increase in selling and distribution expenses as well as general and administrative expenses.

Share of investment income of joint ventures and associates

The Group recorded a total investment income of RMB2,034.9 million in the first half of 2015, representing a year-on-year decrease of 27.7%, mainly attributable to the year-on-year decrease in net profit of Beijing Hyundai.

Financial expenses

In the first half of 2015, the Group incurred total net financial expenses of RMB408.7 million. Of which: Beijing Motor incurred net financial expenses of RMB334.0 million, representing a year-on-year increase of 19.8%, mainly attributable to the increase in borrowings; Beijing Benz incurred net financial expenses of RMB74.7 million. The net financial expenses were RMB45.5 million in the first half of 2014. The increase in financial expenses was mainly attributable to the year-on-year decrease in capitalized interests in the first half of 2015.

Foreign exchange gains

Foreign exchange gains incurred by the Group were mainly arising from payables for imported raw materials of Beijing Benz dominated in Euro. In addition, as to lower the capital costs, Beijing Benz acquired overseas short-term borrowings dominated in Euro with lower interest rate than domestic borrowings for payment of payables for imported raw materials. Foreign exchange gains or losses will be arising from such Euro short-term borrowings due to interest rate fluctuation. In the first half of 2015, Beijing Benz recorded total foreign exchange gains of RMB399.4 million, of which foreign exchange gains of RMB608.1 million was recorded in the first quarter, while foreign exchange losses of RMB208.7 million was recorded in the second quarter. The foreign exchange losses recorded in the second quarter were mainly attributable to the limited rise in exchange rate of Euro in the second quarter.

Income tax

Income tax expenses of the Group increased to RMB847.1 million in the first half of 2015 from RMB318.4 million in the corresponding period in 2014, mainly attributable to the increase in taxable income. Effective tax rate of the Group increased to 19.5% in the first half 2015 from 12.1% in the first half of 2014.

Net profit

Based on the aforesaid reasons, the Group recorded net profit of RMB3,490.8 million in the first half of 2015, representing a year-on-year increase of 51.1%. Beijing Motor recorded net profit of RMB880.8 million, with a net profit margin of 12.1%. Beijing Benz recorded net profit of RMB2,610.0 million, with a net profit margin of 8.9%.

Profit attributable to equity shareholders of the Company

The Group recorded profit attributable to equity shareholders of the Company of RMB2,170.8 million in the first half of 2015, representing a year-on-year increase of 21.9%. Earnings per share amounted to RMB0.29, representing a year-on-year increase of 3.6%.

Financial resources and capital structure

As at June 30, 2015, the Group had cash and cash equivalents of RMB20,884.5 million, notes receivable of RMB3,291.1 million, notes payable of RMB4,879.3 million, outstanding borrowings of RMB26,762.2 million, and unused bank credit line of RMB30,780.8 million. At the same time, the Group had commitments for capital expenditure of RMB9,073.0 million.

As at December 31, 2014, the Group had cash and cash equivalents of RMB21,923.3 million, notes receivable of RMB3,970.9 million, notes payable of RMB1,229.1 million, outstanding borrowings of RMB29,918.2 million, and unused bank credit line of RMB29,019.3 million.

The Group usually satisfied its daily working capital requirements through self-owned cash and short-term borrowings. As at June 30, 2015, the outstanding borrowings of the Group included short-term borrowings and long-term borrowings of RMB16,183.3 million and RMB10,578.9 million, respectively. The Group will timely repay the above borrowings once they are due.

Total assets

As at June 30, 2015, the total assets of the Group were RMB114,894.0 million, representing an increase of RMB5,035.3 million as compared with that on December 31, 2014, mainly attributable to (i) the increase in fixed assets, intangible assets and construction work in progress; and (ii) the increase in accounts receivable as a result of increase in sales volume of Beijing Benz.

Total liabilities

As at June 30, 2015, the total liabilities of the Group were RMB69,675.3 million, representing an increase of RMB1,785.3 million as compared with that on December 31, 2014, mainly attributable to the increase in other payable as a result of dividend declared by the Company in the first half of 2015, among which fixed-rate liabilities amounted to RMB8,356.6 million.

Total equity

As at June 30, 2015, the total equity of the Group was RMB45,218.6 million, representing an increase of RMB3,250.0 million as compared with that on December 31, 2014, mainly attributable to (i) the year-on-year increase in net profits generated by the Company in the first half of 2015; (ii) the capital injection to Beijing Benz by its non-controlling shareholder, Daimler AG; and (iii) total equity was partially offset by 2014 final dividend declared by the Company in 2015.

Net gearing ratio

As at June 30, 2015, the Group's net gearing ratio ((total borrowings less cash and cash equivalents)/total equity) was 13.0%, representing a decrease of 6.0 percentage points from 19.0% as at December 31, 2014, mainly attributable to the decrease in borrowings.

Significant investment

In the first half of 2015, the Group incurred total capital expenditures of RMB3,094.8 million, of which Beijing Motor and Beijing Benz incurred capital expenditures of RMB1,672.7 million and RMB1,422.1 million, respectively.

In the first half of 2015, the Group incurred total research and development expenses of RMB1,230.3 million, the majority of which were incurred by Beijing Motor for its product research and development projects.

Material acquisitions and disposals

The Group did not have any material acquisition and disposal in the first half of 2015.

Pledge of asset

As at June 30, 2015, the Group had pledged notes receivable of RMB1,456.5 million and pledged inventory of RMB1,462.0 million, respectively.

Contingent liabilities

The Group had no material contingent liability in the first half of 2015.

Employee and remuneration policies

As at June 30, 2015, the Group had 23,600 employees, while the figure was 22,000 as of December 31, 2014. In the first half of 2015, the Group incurred total staff costs of RMB2,085.2 million, representing a year-on-year increase of 43.4%, mainly attributable to (i) the year-on-year increase in number of employees of Beijing Benz; and (ii) the increase of relevant performance bonus of Beijing Benz based on the completion progress of annual operating plan.

The Group sets employee remuneration standards based on employees' qualifications, positions and industry average levels, and gives rewards based on the Group's operating performance and the performance of individual employees.

RISK FACTORS

Risks relating to macroeconomic downturn

The Group's operating performance is affected to a large extent by the growth rate of the PRC's economy. The GDP growth for the first half of 2015 as announced by the government of the PRC is lower than those in prior years. Such situation had adversely affected the performance of the Group.

The Group will pay continuous attention to the PRC's macroeconomic situations, and introduce responsive measures in due course.

Market risks

In the first half of 2015, the overall sales in PRC automotive market remained sluggish. Meanwhile, the PRC government implemented stricter public service vehicle policies. This affected Beijing Brand and Beijing Hyundai under the Group to a certain extent. If the sales in PRC automotive market are unable to recover in the second half, the Group may not be able to achieve its annual sale target.

However, the effect of the sluggish market and stricter control over public service vehicle did not significantly affect the sales of Beijing Benz under the Group. In the first half, Beijing Benz achieved sales of 103,000 units, representing a year-on-year increase of 59.8% which was much higher than the growth of premium vehicles.

Management Discussion and Analysis

Competitive risks

In view of the sales condition in the market, automotive enterprises provided greater discount at different rate in order to maintain their respective market share. If the market continued to remain sluggish, automotive enterprises might have to provide more discounts, which might result in further decline in the actual trading price of the automobiles, making enterprises exposed to price risks.

Risks relating to losses of the Beijing Brand business

Adversely affected by temporary slowdown in automotive market, Beijing Brand continued to record operating losses in the first half of 2015. However, the operating losses decreased as compared to the corresponding period of last year.

The Company will continue to implement strict cost saving and budget control measures, enhance products' profitability, and minimize the operating losses incurred by Beijing Brand.

Foreign exchange risks

Beijing Benz hedges foreign exchange risk exposure through forward contracts. However, the current contract amount of forward contracts is insufficient to cover all payment denominated in Euro. Therefore, fluctuation in exchange rate of Euro still affects the results of the Group to a certain extent.

In the opinion of the Group, foreign exchange risks are still under control. It will closely monitor the trend of exchange rate, and implement necessary measures based on the changes in foreign exchange rate.

OUTLOOK OF SECOND HALF OF 2015

Industry overview

In the first half of 2015, the rigid demand for vehicles still existed although the overall growth of the PRC automotive market had slow down. With the implementation of macroeconomic control measures, it is expected that the rigid demand which has not met in the first half will be gradually released in the second half. With the publication of the new energy-saving subsidy list and the elimination of old yellow label vehicles in the final stage with rapid elimination pace, there will be increasing demand for vehicle purchase. The Group expects that the passenger vehicle market will gradually recover in the second half, which will further boost the sales of proprietary brand vehicles.

Beijing Brand

Looking forward in the second half of 2015, Beijing Brand will promote the sales of its vehicles through the newly launched Senova X65. In addition, Beijing Brand will facilitate its strategic distribution under the SUV market. At least a compact SUV Senova X55 and a small-sized SUV Senova X25 vehicles will be launched for sale in the second half, which will further boost the sales of Beijing Motor.

Senova X55 is positioned as middle-class compact SUV. It is expected that the model will be available with 1.5L naturally aspirated engine and 1.5L turbo engine, with manual or automatic transmission.

It is expected that Senova X25 will be available with 1.3L and 1.5L naturally aspirated engine, with manual or automatic transmission.

Beijing Benz

Looking forward in the second half of 2015, it is expected that Beijing Benz will adhere to the policy of maintaining the market share of existing products. It also strives to improve its result and enhance shareholders' value by launching new products, increasing rate of domestic production and enhancing management efficiency.

Beijing Benz is expected to launch a brand new generation product GLC-Class SUV as an upgraded product for GLK-Class SUV in the fourth quarter of 2015. It is expected that the GLC will be available with 2.0L turbo engine with manual and automatic all-in-one transmission. The new GLC will be the second vehicle model manufactured by Beijing Benz based on the new MRA platform after the launch of the new C generation.

Beijing Hyundai

Looking forward in the second half of 2015, it is expected that Beijing Hyundai will grasp the market trend and maintain its market share through various aspects such as product, sales channel and marketing. In respect of introduction of new types of vehicle, it is expected that Beijing Hyundai will launch the high-end sporty All New Tucson SUV model in the second half of 2015. The length of All New Tucson vehicle will be longer than that of ix35. The All New Tucson vehicle adopts the trendy and tough linear 2.0 design, and available with the brand new 2.0L and 1.6T engine. In addition, Beijing Hyundai will also upgrade the New Santa Fe series. Three new 2.0T cost-effective vehicle models will be launched so as to ensure the competitiveness of Beijing Hyundai. Meanwhile, in order to meet the demand of different consumers, Beijing Hyundai will also launch Mistra 1.6T model, ix25 1.6T model and Sonata 9th Generation (hybrid power).

Corporate Governance/Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has been building and maintaining a high level of corporate governance so as to protect the rights and interests of shareholders and enhance the Company's corporate value and sense of responsibility. The Company has established a modern and balanced corporate governance structure which comprises a number of independently operated bodies including general meetings the Board of Supervisors, the Board, and senior management with reference to the code provisions under the Corporate Governance Code in Appendix 14 to the Listing Rules. The Company had complied with the code provisions set out in the Corporate Governance Code throughout the Reporting Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code in Appendix 10 to the Listing Rules as the code of conduct for dealing in securities of the Company by all Directors and Supervisors. In response to enquiries, all Directors and Supervisors have confirmed that they strictly complied with the code provisions of the Model Code during the Reporting Period.

THE BOARD AND COMMITTEES

There was no change in the composition of the Board, the strategy committee, the audit committee ("Audit Committee"), the nomination committee and the remuneration committee of the Board during the Reporting Period, which is consistent with that as set forth in the 2014 annual report of the Company.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference. The Audit Committee comprises three members, namely Mr. Wong Lung Tak Patrick (Chairman), Mr. Ma Chuanqi and Mr. Liu Kaixiang, among which two are independent non-executive Directors. The Audit Committee has reviewed the accounting standards and practices adopted by the Group and reviewed the Condensed Financial Information, 2015 interim results and 2015 interim report for the six months ended June 30, 2015.

INTERIM DIVIDEND

The Board has not made any recommendation on the payment of an interim dividend for the six months ended June 30, 2015 (six months ended June 30, 2014: Nil).

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Elected by poll at the employee representative meeting, Mr. Wang Jianping was appointed as the employee representative Supervisor of the Company with effect from February 25, 2015 until the expiry of the term of the second session of the Board of Supervisors, i.e. September 8, 2016.

| Hyundai All New Tucson



Corporate Governance/Other Information

Mr. Yu Wei was elected by poll at the general meeting of the Company and appointed as a Supervisor of the Company on June 29, 2015, with effective from the date of approval at the general meeting until the expiry of the term of the second session of the Board of Supervisors, i.e. September 8, 2016. Mr. Pang Minjing and Mr. Zhan Zhaohui were elected by poll at the general meeting of the Company and appointed as the Independent Supervisors of the Company on June 29, 2015, with effective from July 24, 2015 until the expiry of the term of the second session of the Board of Supervisors, i.e. September 8, 2016.

On March 22, 2015, Mr. Wang Zhang, Mr. Zhang Huaxie and Mr. Gu Lei were appointed as vice presidents of the Company by the Board for a term of office with effective from March 22, 2015 until the expiry of the term of the second session of the Board of Supervisors, i.e. September 8, 2016.

Apart from the above, the Company did not appoint or dismiss any Director, Supervisor or senior management during the Reporting Period. Meanwhile, as of the Date of Issue of the Report, there is no change in information of the Directors, Supervisors or Chief Executive which shall be disclosed pursuant to 13.51(2) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed securities during the Reporting Period.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

On June 30, 2015, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are deemed to have under such provisions of the SFO), or which was required to be entered in the register pursuant to Section 352 of the SFO, or which was otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

On June 30, 2015, to the knowledge of the Directors, the following entities/persons (except for the Directors, Supervisors or chief executives of the Company) had interests or short positions in the Shares or Underlying Shares of the Company, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept pursuant to Section 336 of the SFO, or who were directly and/or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstance at general meetings of the Company:

Name of Shareholder	Type of Shares	Number of Shares held ^(Note 1)	Percentage of the relevant class of share capital (%) ^(Note 2)	Percentage of the total share capital (%)
BAIC Group	Domestic Shares	3,416,659,704 (L)	62.18	44.98
Beijing Shougang Company Limited	Domestic Shares	1,028,748,707 (L)	18.72	13.54
Shenzhen Benyuanjinghong Equity investment Funds Company (limited partnership)	Domestic Shares	342,138,918 (L)	6.23	4.50
Daimler	H Shares	765,818,182 (L)	36.46	10.08
Easy Smart	H Shares	278,651,500 (L)	13.26	3.67

Notes:

- The letter "L" denotes the person's long position in such shares.
- The percentage is calculated by the number of Shares held by relevant persons/the number of relevant class of Shares issued on June 30, 2015.

MATERIAL LITIGATION AND ARBITRATION

As of June 30, 2015, the Company had no material litigation or arbitration. The Directors were also not aware of any litigation or claims which were pending or had significant adverse effect on the Company.

Directors, Supervisors and Senior Management

As of the Date of Issue of the Report, the Directors, Supervisors and senior management comprised:

DIRECTORS

Mr. Xu Heyi	Chairman and Non-executive Director
Mr. Zhang Xiyong	Non-executive Director
Mr. Li Zhili	Non-executive Director
Mr. Li Feng	Executive Director and President
Mr. Ma Chuanqi	Non-executive Director
Mr. Qiu Yinfu	Non-executive Director
Mr. Hubertus Troska	Non-executive Director
Mr. Bodo Uebber	Non-executive Director
Ms. Wang Jing	Non-executive Director
Mr. Yang Shi	Non-executive Director
Mr. Fu Yuwu	Independent Non-executive Director
Mr. Wong Lung Tak Patrick	Independent Non-executive Director
Mr. Bao Robert Xiaochen	Independent Non-executive Director
Mr. Zhao Fuquan	Independent Non-executive Director
Mr. Liu Kaixiang	Independent Non-executive Director

COMMITTEES UNDER THE BOARD

Strategy Committee

Mr. Xu Heyi (*Chairman*)
 Mr. Zhang Xiyong
 Mr. Li Feng
 Mr. Ma Chuanqi
 Mr. Qiu Yinfu
 Mr. Hubertus Troska
 Mr. Yang Shi
 Mr. Fu Yuwu
 Mr. Zhao Fuquan

Audit Committee

Mr. Wong Lung Tak Patrick (*Chairman*)
 Mr. Ma Chuanqi
 Mr. Liu Kaixiang

Remuneration Committee

Mr. Bao Robert Xiaochen (*Chairman*)
 Mr. Li Feng
 Ms. Wang Jing
 Mr. Wong Lung Tak Patrick
 Mr. Liu Kaixiang

Nomination Committee

Mr. Xu Heyi (*Chairman*)
 Mr. Li Zhili
 Mr. Fu Yuwu
 Mr. Bao Robert Xiaochen
 Mr. Zhao Fuquan

Directors, Supervisors and Senior Management

SUPERVISORS

Mr. Zhang Yuguo	Chairman of the Board of Supervisors
Mr. Yin Weijie	Supervisor
Mr. Yu Wei	Supervisor
Mr. Zhu Zhenghua	Supervisor
Ms. Li Chengjun	Employee Representative Supervisor
Mr. Zhang Guofu	Employee Representative Supervisor
Mr. Wang Jianping	Employee Representative Supervisor
Mr. Pang Minjing	Independent Supervisor
Mr. Zhan Zhaohui	Independent Supervisor

SENIOR MANAGEMENT

Mr. Li Feng	President
Mr. Li Jikai	Vice President
Mr. Zhang Hui	Vice President
Mr. Chen Hongliang	Vice President
Mr. Zhou Yanming	Vice President
Mr. Jiang Xiaodong	Vice President
Mr. Wang Zhang	Vice President
Mr. Yun Tae Hwa	Vice President
Mr. Zhang Huaxie	Vice President
Mr. Chen Bao	Vice President
Mr. Liang Guofeng	Vice President
Mr. Liu Zhifeng	Vice President
Mr. Wu Robin Xuebin	Vice President
Mr. Gu Lei	Vice President
Mr. Yan Xiaolei	Secretary to the Board and Company Secretary

Report on Review of Interim Financial Information



羅兵咸永道

Report on Review of Interim Financial Information
TO THE BOARD OF DIRECTORS OF BAIC MOTOR CORPORATION LIMITED
(incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 20 to 55, which comprise the interim condensed consolidated balance sheet of BAIC Motor Corporation Limited (the "Company") and its subsidiaries (together, the "Group") as at June 30, 2015 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, August 25, 2015

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Condensed Consolidated Interim Balance Sheet

As at June 30, 2015

	Note	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	35,489,135	34,218,190
Land use rights	6	5,284,624	5,347,184
Intangible assets	6	9,248,003	8,251,308
Investments in joint ventures		9,447,402	12,675,306
Investments in associates		1,389,140	1,391,135
Available-for-sale financial assets		4,000	4,000
Deferred income tax assets	7	3,227,498	2,676,059
Prepayment for non-current assets		943,066	976,823
		65,032,868	65,540,005
Current assets			
Inventories	8	10,413,897	11,068,159
Accounts receivable	9	9,507,023	6,422,290
Advances to suppliers		1,540,692	1,029,695
Other receivables and prepayments	10	3,714,880	2,831,500
Restricted cash	11	3,800,137	1,043,710
Cash and cash equivalents	12	20,884,462	21,923,296
		49,861,091	44,318,650
Total assets		114,893,959	109,858,655

Condensed Consolidated Interim Balance Sheet (Continued)

As at June 30, 2015

	Note	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	13	7,595,338	7,508,018
Other reserves		17,208,271	16,677,213
Retained earnings		9,061,925	9,169,736
		33,865,534	33,354,967
Non-controlling interests		11,353,080	8,613,649
Total equity		45,218,614	41,968,616
LIABILITIES			
Non-current liabilities			
Borrowings	14	10,578,885	13,935,190
Deferred income tax liabilities	7	870,290	887,471
Provisions	15	1,231,690	894,901
Deferred income from government grants		730,085	672,609
		13,410,950	16,390,171
Current liabilities			
Accounts payable	16	19,916,857	14,977,797
Advances from customers		1,644,679	2,591,312
Other payables and accruals	17	17,224,860	17,115,051
Current income tax liabilities		677,781	38,787
Borrowings	14	16,183,298	15,983,058
Provisions	15	616,920	793,863
		56,264,395	51,499,868
Total liabilities		69,675,345	67,890,039
Total equity and liabilities		114,893,959	109,858,655

The notes on pages 27 to 55 are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended June 30, 2015

	Note	For the six months ended June 30,	
		2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited) (Restated)
Revenue	5	36,522,319	25,126,877
Cost of sales	19	(30,336,885)	(21,711,810)
Gross profit		6,185,434	3,415,067
Selling and distribution expenses	19	(2,983,114)	(2,071,834)
General and administrative expenses	19	(1,743,033)	(1,308,264)
Other gains, net	18	1,252,401	14,007
Operating profit		2,711,688	48,976
Finance income	20	145,976	159,561
Finance costs	20	(554,697)	(392,851)
Finance costs, net	20	(408,721)	(233,290)
Share of profits of joint ventures		1,941,752	2,777,840
Share of profits of associates		93,178	35,364
Profit before income tax		4,337,897	2,628,890
Income tax expense	21	(847,127)	(318,370)
Profit for the period		3,490,770	2,310,520
Other comprehensive income		–	–
Total comprehensive income for the period		3,490,770	2,310,520
Attributable to:			
Equity holders of the Company		2,170,790	1,780,655
Non-controlling interests		1,319,980	529,865
		3,490,770	2,310,520
Earnings per share for profit attributable to equity holders of the Company during the period (RMB)			
Basic and diluted	22	0.29	0.28

The notes on pages 27 to 55 are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended June 30, 2015

	Attributable to equity holders of the Company					Non-controlling interests	Total
	Share capital	Capital reserve	Statutory surplus reserve	Retained earnings	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the six months ended June 30, 2015 (unaudited)							
Balance at January 1, 2015	7,508,018	15,214,551	1,462,662	9,169,736	33,354,967	8,613,649	41,968,616
Total comprehensive income for the period	–	–	–	2,170,790	2,170,790	1,319,980	3,490,770
Transactions with owners							
Issuance of new shares (Note 13)	87,320	526,113	–	–	613,433	–	613,433
Share issuance costs (Note 13)	–	(5,737)	–	–	(5,737)	–	(5,737)
Contribution from non-controlling interest holder of a subsidiary	–	–	–	–	–	1,409,189	1,409,189
2014 final dividend	–	–	–	(2,278,601)	(2,278,601)	–	(2,278,601)
Others	–	10,682	–	–	10,682	10,262	20,944
	87,320	531,058	–	(2,278,601)	(1,660,223)	1,419,451	(240,772)
Balance at June 30, 2015	7,595,338	15,745,609	1,462,662	9,061,925	33,865,534	11,353,080	45,218,614

Condensed Consolidated Interim Statement of Changes in Equity (Continued)

For the six months ended June 30, 2015

	Attributable to equity holders of the Company					Non-controlling interests	Total
	Share capital	Capital reserve	Statutory surplus reserve	Retained earnings	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the six months ended June 30, 2014							
(unaudited)(restated)							
Balance at January 1, 2014	6,381,818	10,510,438	1,126,461	5,673,114	23,691,831	7,361,645	31,053,476
Total comprehensive income for the period	–	–	–	1,780,655	1,780,655	529,865	2,310,520
Transactions with owners							
Contribution from holding company	–	380,000	–	–	380,000	–	380,000
Dividends declared/paid by the Company	–	–	–	(677,984)	(677,984)	–	(677,984)
Others	–	67	–	–	67	100	167
	–	380,067	–	(677,984)	(297,917)	100	(297,817)
Balance at June 30, 2014	6,381,818	10,890,505	1,126,461	6,775,785	25,174,569	7,891,610	33,066,179

The notes on pages 27 to 55 are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended June 30, 2015

	For the six months ended June 30,	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited) (Restated)
Cash flows from operating activities		
Cash generated from/(used in) operations	3,491,706	(264,349)
Interest paid	(505,994)	(457,696)
Interest received	145,976	159,561
Income tax paid	(774,772)	(846,396)
Net cash generated from/(used in) operating activities	2,356,916	(1,408,880)
Cash flows from investing activities		
Prepayment for the acquisition of a subsidiary	–	(710,928)
Purchase of property, plant and equipment	(4,576,854)	(3,718,250)
Addition of intangible assets	(1,896,575)	(698,724)
Investments in joint ventures	(419,138)	(98,181)
Investments in associates	–	(47,250)
Receipt of government grants for capital expenditures	75,000	12,351
Proceeds from disposals of property, plant and equipment and intangible assets	30,462	437,924
Proceeds from disposal of interests in joint ventures	–	146,939
Proceeds from disposal of interests in associates	–	216,922
Dividends received from joint venture	5,169,655	4,893,572
Dividends received from associates	29,321	30,494
Increase of restricted cash	(2,756,427)	(49,645)
Increase of term deposits with initial term of over three months	–	(1,550)
Net cash (used in)/generated from investing activities	(4,344,556)	413,674

Condensed Consolidated Interim Statement of Cash Flows (Continued)

For the six months ended June 30, 2015

	Note	For the six months ended June 30,	
		2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited) (Restated)
Cash flows from financing activities			
Issuance of new shares	13	613,433	–
Proceeds from borrowings		12,874,735	9,539,241
Repayments of borrowings		(13,549,433)	(9,284,620)
Contribution from holding company		–	380,000
Dividends paid by the Company		–	(1,595,455)
Dividends to non-controlling interests holders of subsidiaries		(436,245)	(31,268)
Contribution from non-controlling interest holder of a subsidiary		1,409,189	–
Net cash generated from/(used in) financing activities		911,679	(992,102)
Net decrease in cash and cash equivalents		(1,075,961)	(1,987,308)
Cash and cash equivalents at January 1		21,923,296	16,789,889
Exchange gains/(losses) on cash and cash equivalents		37,127	(517)
Cash and cash equivalents at June 30		20,884,462	14,802,064

The notes on pages 27 to 55 are an integral part of this condensed consolidated interim financial information.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

1 GENERAL INFORMATION

BAIC Motor Corporation Limited (the “Company” or “Beijing Motor”), 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 the fifth building, Block 25 Shuntong Road, Shunyi District, Beijing, the PRC.

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

This interim condensed consolidated financial information (“Condensed Financial Information”) is presented in thousands of Renminbi Yuan (“RMB”), unless otherwise stated, and is approved for issue by the Board of Directors on August 25, 2015.

This Condensed Financial Information has not been audited.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This Condensed Financial Information has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” and Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This Condensed Financial Information should be read in conjunction with the annual financial statements for the year ended December 31, 2014, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

(a) As at June 30, 2015, the current liabilities of the Group exceeded its current asset by RMB6,403 million. Given the debt obligations and working capital requirements, management has thoroughly considered the Group’s available sources of the funds as follows:

- the Group’s continuous net cash generated from operating and financing activities; and
- undrawn short-term and long-term banking facilities of RMB4,920 million and RMB25,861 million respectively as at June 30, 2015.

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, this Condensed Financial Information has been prepared on a going concern basis.

(b) In July 2014, the Group acquired the entire 100% equity interests of BAIC Guangzhou Automotive Co., Ltd. (“Guangzhou Company”). Given that the Company and Guangzhou Company are under common control of BAIC Group immediately before and after the business combination, the Company applies the principle of merger accounting in preparing this Condensed Financial Information of the Group.

By applying the principle of merger accounting, this Condensed Financial Information also includes the financial positions, results and cash flows of Guangzhou Company as if it had been combined with the Group throughout the six months ended June 30, 2014. Comparative figures for the six months ended June 30, 2014 have been restated as a result of such.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

- (c) The accounting policies applied in this Condensed Financial Information are consistent with those of the annual financial statements for the year ended December 31, 2014, except the adoption of the following amendments which are mandatory for the accounting period beginning on January 1, 2015:

Annual Improvement Project	Annual improvements 2010-2012 cycle and 2011-2013 cycle
IAS 19 (Amendment)	Employee benefits

The adoption of above amendments does not have any significant financial effect on this Condensed Financial Information.

The following are new standards and amendments to standards that have been issued but are not yet effective for the financial year beginning January 1, 2015 and have not been early adopted.

IAS 1 (Amendment)	The disclosure initiative ⁽¹⁾
IAS 16 and IAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortization ⁽¹⁾
IAS 27 (Amendment)	Separate financial statements regarding the equity method ⁽¹⁾
IAS 28 and IFRS 10 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture ⁽¹⁾
IFRS 10, IFRS 12 and IAS 28	Investment entities: applying the consolidation exception ⁽¹⁾
IFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operation ⁽¹⁾
IFRS 14	Regulatory deferral accounts ⁽¹⁾
Annual Improvement Project	Annual Improvements 2012-2014 cycle ⁽¹⁾
IFRS 15	Revenue from contracts with customers ⁽²⁾
IFRS 9	Financial instruments ⁽²⁾

⁽¹⁾ Effective for the accounting period beginning on January 1, 2016

⁽²⁾ Effective for the accounting period beginning on January 1, 2018

The Group will apply the above new standards and amendments to standards when they become effective. The Group is in the process of making an assessment of the impact of the above new standards and amendments to standards.

3 ESTIMATES

The preparation of the Condensed Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these Condensed Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2014.

4 FINANCIAL RISK MANAGEMENT

4.1 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.

This Condensed Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2014.

There have been no changes in the risk management department since year end or in any risk management policies since the year end.

4.2 Liquidity risk

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
At June 30, 2015 (unaudited)				
Borrowings	17,095,606	4,060,718	6,513,845	1,066,879
Accounts payable	19,916,857	—	—	—
Other payables and accruals	15,652,128	—	—	—
At December 31, 2014 (audited)				
Borrowings	17,125,168	4,818,938	9,313,278	1,094,748
Accounts payable	14,977,797	—	—	—
Other payables and accruals	15,740,989	—	—	—

4.3 Fair value estimation

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices 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).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation (Continued)

The following table presents the Group's financial assets/liabilities that are measured at fair value.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets at fair value through profit or loss				
At June 30, 2015 (unaudited)	–	22,599	–	22,599
At December 31, 2014 (audited)	–	–	–	–
Liabilities				
Financial liabilities at fair value through profit or loss				
At June 30, 2015 (unaudited)	–	–	–	–
At December 31, 2014 (audited)	–	6,042	–	6,042

5 SEGMENT INFORMATION

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:

- Passenger vehicles of Beijing Motor: manufacturing and sales of passenger vehicles of BAIC brands, and providing other businesses and related services.
- Passenger vehicles of Beijing Benz Automotive Co., Ltd. ("Beijing Benz"): manufacturing and sales of passenger vehicles and engines of Beijing Benz, and providing other related services.

5 SEGMENT INFORMATION (CONTINUED)

Management defines segment results based on gross profit. Information about reportable segments and reconciliations of reportable segment results are as follows:

	Passenger vehicles – Beijing Motor RMB'000 (Unaudited)	Passenger vehicles – Beijing Benz RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
For the six months ended June 30, 2015			
Total revenue	7,315,330	29,231,445	36,546,775
Inter-segment revenue	(24,456)	–	(24,456)
Revenue from external customers	7,290,874	29,231,445	36,522,319
Segment gross (loss)/profit	(706,009)	6,891,443	6,185,434
Other profit & loss disclosure:			
Depreciation and amortization	(545,812)	(1,528,638)	(2,074,450)
Provisions for impairments on receivables, inventories and property, plant and equipment	(411,701)	–	(411,701)
Finance costs, net	(333,994)	(74,727)	(408,721)
Income tax credit/(expense)	22,868	(869,995)	(847,127)
For the six months ended June 30, 2014 (restated)			
Total revenue	5,982,207	19,156,718	25,138,925
Inter-segment revenue	(12,048)	–	(12,048)
Revenue from external customers	5,970,159	19,156,718	25,126,877
Segment gross (loss)/profit	(195,547)	3,610,614	3,415,067
Other profit & loss disclosure:			
Depreciation and amortization	(440,614)	(595,273)	(1,035,887)
Provisions for impairments on receivables, inventories and property, plant and equipment	(111,041)	–	(111,041)
Finance (costs)/income, net	(278,801)	45,511	(233,290)
Income tax credit/(expense)	5,492	(323,862)	(318,370)

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

5 SEGMENT INFORMATION (CONTINUED)

The revenue from external parties reported to the Group's Executive Committee is measured in a manner consistent with that in the statement of comprehensive income.

Reconciliations of segment results to profit for each of the six months ended June 30, 2015 and 2014 are as follows:

	For the six months ended June 30,	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited) (Restated)
Segment gross profit	6,185,434	3,415,067
Selling and distribution expenses, general and administrative expenses and finance costs, net	(5,134,868)	(3,613,388)
Other gains, net	1,252,401	14,007
Share of profits of joint ventures and associates, net	2,034,930	2,813,204
Profit before income tax	4,337,897	2,628,890
Income tax expense	(847,127)	(318,370)
Profit for the period	3,490,770	2,310,520

There is no customer accounting to 10 percent or more of the Group's revenue for each of the six months ended June 30, 2015 and 2014.

The Group is domiciled in PRC. The percentage of its revenue from external customers residing in the PRC is approximately 99.8% for the six months ended June 30, 2015 (six months ended June 30, 2014: 100%). The Group's long-lived assets are primarily located in Mainland China and Hong Kong.

5 SEGMENT INFORMATION (CONTINUED)

The segment assets and liabilities as at June 30, 2015 and December 31, 2014 are as follows:

	Passenger vehicles – Beijing Motor RMB'000	Passenger vehicles – Beijing Benz RMB'000	Total RMB'000
At June 30, 2015 (unaudited)			
Total assets	60,546,779	54,347,180	114,893,959
Including:			
Investment in joint ventures	9,447,402	–	9,447,402
Investment in associates	1,389,140	–	1,389,140
Total liabilities	(38,633,458)	(31,041,887)	(69,675,345)
At December 31, 2014 (audited)			
Total assets	59,909,305	49,949,350	109,858,655
Including:			
Investment in joint ventures	12,675,306	–	12,675,306
Investment in associates	1,391,135	–	1,391,135
Total liabilities	(35,739,157)	(32,150,882)	(67,890,039)

The total of non-current assets other than financial instruments and deferred tax assets of Beijing Motor and Beijing Benz of June 30, 2015 is approximately RMB23,021,965,000 and RMB26,999,797,000 respectively (December 31, 2014: approximately RMB20,713,797,000 and RMB27,102,885,000 respectively).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

6 PROPERTY, PLANT AND EQUIPMENT, LAND USE RIGHTS AND INTANGIBLE ASSETS

	Property, plant and equipment RMB'000	Land use rights RMB'000	Intangible assets RMB'000
Net book amount at January 1, 2015 (audited)	34,218,190	5,347,184	8,251,308
Additions	3,094,801	–	1,230,338
Disposals	(30,485)	–	–
Depreciation/amortization	(1,793,371)	(62,560)	(233,643)
Net book amount at June 30, 2015 (unaudited)	35,489,135	5,284,624	9,248,003
At June 30, 2015 (unaudited)			
Cost	40,006,307	5,569,747	10,150,104
Accumulated depreciation/amortization	(4,517,172)	(285,123)	(902,101)
Net book amount	35,489,135	5,284,624	9,248,003
	(Restated)	(Restated)	(Restated)
Net book amount at January 1, 2014 (audited)	24,755,041	5,472,043	5,539,639
Additions	4,113,437	–	704,119
Disposals	(26,726)	–	–
Depreciation/amortization	(790,907)	(62,555)	(187,821)
Net book amount at June 30, 2014 (unaudited)	28,050,845	5,409,488	6,055,937
At June 30, 2014 (unaudited)			
Cost	29,627,004	5,569,487	6,520,081
Accumulated depreciation/amortization	(1,576,159)	(159,999)	(464,144)
Net book amount	28,050,845	5,409,488	6,055,937

6 PROPERTY, PLANT AND EQUIPMENT, LAND USE RIGHTS AND INTANGIBLE ASSETS (CONTINUED)

Notes:

- (a) There are no property, plant and equipment, land use rights and intangible assets pledged as collateral under borrowing agreements at June 30, 2015 and December 31, 2014.
- (b) The Group has capitalized borrowing costs amounting to approximately RMB235,192,000 on qualifying assets of property, plant and equipment, land use rights and intangible assets for the six months ended June 30, 2015 (six months ended June 30, 2014: approximately RMB248,097,000 as restated). Borrowing costs were capitalized at the weighted average of its borrowing rate of 4.80% during the six months ended June 30, 2015 (six months ended June 30, 2014: 4.36% as restated).
- (c) Depreciation on property, plant and equipment and amortizations of land use rights and intangible assets of the Group are analyzed as follows:

	For the six months ended June 30,	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited) (Restated)
Cost of sales	1,914,308	858,223
Selling and distribution expenses	5,979	4,735
General and administrative expenses	154,163	172,929
	2,074,450	1,035,887
Transfer to intangible assets – development costs	15,124	5,396
	2,089,574	1,041,283

7 DEFERRED INCOME TAXES

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Deferred income tax assets:		
– to be recovered after more than 12 months	3,029,833	2,521,527
– to be recovered within 12 months	197,665	154,532
	3,227,498	2,676,059
Deferred income tax liabilities:		
– to be settled after more than 12 months	(850,500)	(871,649)
– to be settled within 12 months	(19,790)	(15,822)
	(870,290)	(887,471)

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

7 DEFERRED INCOME TAXES (CONTINUED)

The movement in deferred income tax assets and liabilities of the Group is as follows:

Deferred income tax assets	Provisions for impairment	Accruals	Others	Total
	losses			
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2015 (audited)	123,761	2,481,069	71,229	2,676,059
Credited to statement of comprehensive income	–	371,412	180,027	551,439
At June 30, 2015 (unaudited)	123,761	2,852,481	251,256	3,227,498
	(Restated)	(Restated)	(Restated)	(Restated)
At January 1, 2014 (audited)	298,229	2,369,888	39,540	2,707,657
Charged to statement of comprehensive income	–	(202,176)	(1,162)	(203,338)
At June 30, 2014 (unaudited)	298,229	2,167,712	38,378	2,504,319

Deferred income tax liabilities	Unrealized loss in inventories	Capitalized interest	Valuation surplus	Total
			upon acquisition of a subsidiary	
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2015 (audited)	–	(55,628)	(831,843)	(887,471)
(Charged)/credited to statement of comprehensive income	–	(907)	18,088	17,181
At June 30, 2015 (unaudited)	–	(56,535)	(813,755)	(870,290)
At January 1, 2014 (audited)	–	(72,165)	(874,227)	(946,392)
Credited/(charged) to statement of comprehensive income	–	(8,316)	21,191	12,875
At June 30, 2014 (unaudited)	–	(80,481)	(853,036)	(933,517)

8 INVENTORIES

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Raw materials	4,724,428	5,056,243
Work in progress	493,262	314,260
Finished goods	5,674,196	5,984,106
	10,891,886	11,354,609
Less: provision for impairment (note (a))	(477,989)	(286,450)
	10,413,897	11,068,159

Notes:

- (a) Provision for impairment is recognized for the amount by which the carrying amount of the inventories exceeds its recoverable amount, and was recorded in cost of sales in the statements of comprehensive income.
- (b) The cost of inventories recognized as an expense and included in cost of sales for the six months ended June 30, 2015 amounted to RMB30,337 million (six months ended 2014: RMB21,712 million).
- (c) Finished goods as at June 30, 2015 of RMB1,462 million (December 31, 2014: RMB1,970 million) were pledged as collateral to secure the bank borrowings to the dealers.

9 ACCOUNTS RECEIVABLE

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Trade receivables, gross (note (a))	6,219,383	2,454,837
Less: provision for impairment	(3,459)	(3,496)
	6,215,924	2,451,341
Notes receivable	3,291,099	3,970,949
	9,507,023	6,422,290

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

9 ACCOUNTS RECEIVABLE (CONTINUED)

Notes:

- (a) The majority of the Group's sales are on credit or on advance payments. A credit period of up to 3 to 6 months 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 is as follows:

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Current to 1 year	6,193,306	2,421,937
1 to 2 years	21,472	30,223
2 to 3 years	1,928	70
Over 3 years	2,677	2,607
	6,219,383	2,454,837

- (b) Substantially all notes receivable are bank acceptance notes with average maturity periods of within six months.
- (c) All accounts receivable are denominated in RMB and their carrying amounts approximate fair values.
- (d) There is no trade receivable pledged as collateral.
- (e) The amounts of notes receivable pledged as collateral for notes payable issued by banks and borrowings as at respective balance sheet dates are as follows:

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Pledged notes receivable	1,456,505	1,275,055

10 OTHER RECEIVABLES AND PREPAYMENTS

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Value-added tax, consumption tax recoverable and prepaid income tax	1,897,331	1,535,941
Government grants (note)	835,145	552,263
Receivable from provision of services	269,224	206,621
Disposal of property, plant and equipment	139,431	139,431
Receivable from sales of raw materials	110,500	—
Others	463,774	397,837
	3,715,405	2,832,093
Less: provision for impairment	(525)	(593)
	3,714,880	2,831,500

Note: This mainly includes subsidies from national and local governments for the sales of new energy vehicles.

11 RESTRICTED CASH

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Pledged deposits (note)	3,800,137	1,043,710

Note: Pledged deposits are maintained with banks for issuance of bank notes. They earn interests at annual rates ranging from 2.25% to 3.06% as at June 30, 2015 (December 31, 2014: 2.80% to 3.06%).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

12 CASH AND CASH EQUIVALENTS

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Cash at bank and on hand	12,279,375	9,935,891
Short-term deposits (note (a))	8,605,087	11,987,405
	20,884,462	21,923,296

Notes:

- (a) As at June 30, 2015, approximately RMB5,954,643,000 (December 31, 2014: approximately RMB2,537,879,000) of the Group's deposits were placed in a 20% owned associate, BAIC Group Finance Co., Ltd, which was approved by the China Banking Regulatory Commission as a non-bank financial institution. These deposits can be withdrawn on demand.
- (b) As at June 30, 2015, approximately 95% (December 31, 2014: 60%) 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.

13 SHARE CAPITAL

	Ordinary shares of RMB1 each ('000)	RMB'000
At January 1, 2015 (audited)	7,508,018	7,508,018
Additions (note)	87,320	87,320
At June 30, 2015 (unaudited)	7,595,338	7,595,338
At January 1 (audited) and June 30, 2014 (unaudited)	6,381,818	6,381,818

Note: On December 19, 2014, the Company completed its global public offering of shares ("Global Offering") by issuing 1,126,200,000 new shares with nominal value of RMB1.00 each at a price of HK\$8.90 per share. The Company's shares were then listed on the Main Board of The Stock Exchange of Hong Kong.

On January 9, 2015, the Company issued additional 87,320,000 new shares with nominal value of RMB1.00 each for the exercise of over-allotment of the Global Offering at a price of HK\$8.90 per share.

The total gross proceeds from the exercises of over-allotment of the Global Offering was approximately HK\$777,088,000 (equivalent to approximately RMB613,433,000), of which RMB87,320,000 was credited to share capital and approximately RMB526,113,000 was credited to share premium. The related share issuance costs amounted to approximately RMB5,737,000.

14 BORROWINGS

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Non-current		
Bank borrowings (note (b))	6,048,722	8,342,189
Corporate bonds, unsecured (note (a))	4,530,163	5,593,001
Total non-current borrowings	10,578,885	13,935,190
Current		
Bank borrowings (note (b))	12,155,467	10,454,500
Add: current portion of non-current bank borrowings (note (b))	1,029,742	3,032,553
	13,185,209	13,487,053
Current portion of non-current corporate bonds, unsecured (note (a))	2,998,089	2,496,005
Total current borrowings	16,183,298	15,983,058
Total borrowings	26,762,183	29,918,248

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

14 BORROWINGS (CONTINUED)

Maturity of borrowings

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Within 1 year	16,183,298	15,983,058
Between 1 and 2 years	3,525,731	4,210,666
Between 2 and 5 years	6,054,654	8,726,024
Over 5 years	998,500	998,500
	26,762,183	29,918,248
Wholly repayable:		
– within 5 years	25,763,683	28,919,748
– over 5 years	998,500	998,500
	26,762,183	29,918,248

Contractual repricing dates upon interest rate changes

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Within 6 months	17,611,600	17,681,235
6 to 12 months	794,000	996,507
	18,405,600	18,677,742

14 BORROWINGS (CONTINUED)**Weighted average annual interest rates**

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Bank borrowings	4.64%	5.04%
Corporate bonds	5.37%	5.38%

Currency denomination

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
RMB	23,859,955	24,917,499
Euro	2,810,327	3,459,813
US\$	91,901	1,354,640
HK\$	–	186,296
	26,762,183	29,918,248

Undrawn facilities at floating rates

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Within 1 year	4,919,673	4,640,111
Over 1 year	25,861,123	24,379,185
	30,780,796	29,019,296

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

14 BORROWINGS (CONTINUED)

Notes:

(a) Corporate bonds are analyzed as follows:

Issuer	Issue date	Interest rate per annum	Par value RMB'000	Carrying value RMB'000	Fair value RMB'000	Maturity
At June 30, 2015 (unaudited)						
BAIC Investment Co., Ltd. ("BAIC Investment")	January 29, 2010	5.18%	1,435,500	1,433,163	1,473,858	7 years
The Company	August 14, 2012	5.00%	1,500,000	1,499,266	1,516,247	3 years
The Company	April 10, 2013	4.96%	1,500,000	1,498,823	1,482,746	3 years
The Company	September 22, 2014	5.54%	300,000	299,550	327,155	7 years
The Company	September 22, 2014	5.54%	300,000	299,550	327,155	7 years
The Company	September 10, 2014	5.74%	400,000	399,400	441,722	7 years
The Company	August 12, 2014	5.40%	1,000,000	999,000	1,111,473	3 years
Beijing Benz	December 11, 2014	5.20%	600,000	600,000	586,773	3 years
The Company	February 12, 2015	4.68%	500,000	499,500	516,002	5 years
				7,528,252		
At December 31, 2014 (audited)						
BAIC Investment	January 29, 2010	5.18%	1,500,000	1,496,977	1,564,411	7 years
The Company	February 9, 2012	5.70%	1,000,000	999,573	1,051,712	3 years
The Company	August 14, 2012	5.00%	1,500,000	1,496,432	1,462,150	3 years
The Company	April 10, 2013	4.96%	1,500,000	1,498,524	1,558,536	3 years
The Company	September 22, 2014	5.54%	300,000	299,550	314,706	7 years
The Company	September 22, 2014	5.54%	300,000	299,550	314,706	7 years
The Company	September 10, 2014	5.74%	400,000	399,400	424,982	7 years
The Company	August 12, 2014	5.40%	1,000,000	999,000	1,037,361	3 years
Beijing Benz	December 11, 2014	5.20%	600,000	600,000	595,914	3 years
				8,089,006		

The above fair values are based on cash flows discounted using the market borrowing rates of 3.43% to 4.82% at June 30, 2015 (December 31, 2014: 4.68% to 5.45%). They are within level 2 of the fair value hierarchy.

(b) As at June 30, 2015, bank borrowings of approximately RMB4,396,846,000 are guaranteed by entities within the Group.

15 PROVISIONS

Warranties

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Current	616,920	793,863
Non-current	1,231,690	894,901
Total	1,848,610	1,688,764

Movements of warranties for each of the six months ended June 30, 2015 and 2014 are as follows:

	For the six months ended June 30,	
	2015 RMB'000	2014 RMB'000
At January 1 (audited)	1,688,764	1,028,744
Additions	442,425	275,899
Amortization of discount on non-current provisions	64,095	67,044
Payments	(346,674)	(209,943)
At June 30 (unaudited)	1,848,610	1,161,744

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

16 ACCOUNTS PAYABLE

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Trade payables	15,037,534	13,748,685
Notes payable	4,879,323	1,229,112
	19,916,857	14,977,797

Aging analysis of trade payables is as follows:

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Current to 1 year	14,797,041	13,737,253
1 year to 2 years	234,592	9,576
2 years to 3 years	4,471	827
Over 3 years	1,430	1,029
	15,037,534	13,748,685

17 OTHER PAYABLES AND ACCRUALS

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Sales discounts and rebates	4,423,725	3,666,133
Payables for property, plant and equipment and intangible assets	3,712,273	5,909,446
Dividends payable	2,278,601	436,245
Technology usage fee	1,606,321	815,594
Advertising and promotion	1,231,468	1,486,014
Wages, salaries and other employee benefits	1,226,952	1,139,821
Payables for services and materials	1,133,051	1,305,662
Transportation and warehouse expenses	554,809	347,201
Other taxes	345,780	234,241
Interests payable	268,935	284,327
Deposits	236,707	137,123
Pre-delivery inspection expenses	133,993	126,646
Payables to certain shareholders	–	790,968
Payables for investments	–	419,138
Others	72,245	16,492
	17,224,860	17,115,051

18 OTHER GAINS, NET

	For the six months ended June 30,	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited) (Restated)
Gains from sales of scrap materials	23,804	29,733
Net foreign exchange gains/(losses)	590,835	(52,714)
Government grants (note)	652,384	49,215
Loss on disposal of property, plant and equipment	(22)	(764)
Others	(14,600)	(11,463)
	1,252,401	14,007

Note: The government grants received in the six months ended June 30, 2015 and 2014 mainly include subsidies from national and local government for the sales of new energy vehicles.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

19 EXPENSES BY NATURE

	For the six months ended June 30,	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited) (Restated)
Raw materials used	25,767,688	21,051,690
Changes in inventories of finished goods and work-in-progress	(106,715)	(2,252,697)
Advertising and promotion	972,551	580,616
Employee benefit costs	2,085,172	1,454,146
Transportation and warehouse expenses	486,809	463,006
Depreciation on property, plant and equipment	1,778,247	785,511
Amortization on		
– land use rights	62,560	62,555
– intangible assets	233,643	187,821
Provision for/(reversal of) impairment		
– inventories	411,806	116,897
– receivables	(105)	(5,856)
Warranty expenses	329,935	168,640
Research costs	8,134	14,439
Utilities	273,784	172,622
Operating lease expenses	38,320	70,667
Office and travel expenses	28,688	35,245
Tax and levies	1,255,685	907,252
Conference fees	4,347	5,130
Consulting fees	15,174	8,979
Entertainment	2,376	5,118
Service fees and charges	1,119,339	687,823
Listing expenses	5,266	8,702
Others	290,328	563,602
Total cost of sales, selling and distribution expenses, and general and administrative expenses	35,063,032	25,091,908

20 FINANCE COSTS, NET

	For the six months ended June 30,	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited) (Restated)
Finance income		
Interest on bank deposits	145,976	159,561
Finance costs		
Interest expense on bank borrowings	520,624	429,578
Interest expense on corporate bonds	205,170	144,326
Amortization of discount on non-current provisions (Note 15)	64,095	67,044
	789,889	640,948
Less: amount capitalized in qualifying assets (Note 6(b))	(235,192)	(248,097)
	554,697	392,851
Finance costs, net	(408,721)	(233,290)

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

21 INCOME TAX EXPENSE

	For the six months ended June 30,	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited) (Restated)
Current income tax	1,415,747	127,907
Deferred income tax (Note 7)	(568,620)	190,463
	847,127	318,370

Except for certain Group companies being recognized as new and high-technology enterprises with preferential income tax rate of 15% and a subsidiary which is subject to Hong Kong profits tax at a rate of 16.5%, provision for PRC enterprise income tax is calculated based on the statutory income tax rate of 25% on the assessable income of respective Group entities in accordance with relevant PRC enterprise income tax rules and regulations.

22 EARNINGS PER SHARE

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

	For the six months ended June 30,	
	2015 (Unaudited)	2014 (Unaudited) (Restated)
Profit attributable to equity holders of the Company (RMB'000)	2,170,790	1,780,655
Weighted average number of ordinary shares in issue (thousands)	7,589,032	6,381,818

During the six months ended June 30, 2015 and 2014, there were no potential dilutive ordinary shares and diluted earnings per share was equal to basic earnings per share.

23 DIVIDENDS

The Board of Directors of the Company does not recommend the payment of any interim dividend for the six months ended June 30, 2015 (six months ended June 30, 2014: Nil). The final dividend of RMB2,278,601,000 (RMB0.30 per share) relating to the year ended December 31, 2014 was approved by the shareholders at a meeting held on June 29, 2015 and paid in August 2015.

24 COMMITMENTS

(a) Capital commitments

The Group have the following capital commitments for property, plant and equipment not provided for as at June 30, 2015 and December 31, 2014 respectively.

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Contracted but not provided for	9,073,049	6,050,730
Authorized but not contracted for	10,208,915	15,052,827

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

24 COMMITMENTS (CONTINUED)

(b) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Up to 1 year	48,852	43,221
1 to 5 years	32,575	3,180
	81,427	46,401

25 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The immediate parent company of the Company is BAIC Group, a state-owned enterprise established in the PRC. BAIC Group is 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"). In accordance with IAS 24 "Related Party Disclosures", government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by SASAC Beijing are regarded as related parties of the Group. On that basis, related parties include BAIC Group, other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence, and key management personnel of the Company and BAIC Group, as well as their close family members. 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 this Condensed Financial Information, the following transactions were carried out in the ordinary course of the Group's business and were determined based on mutually agreed terms for each of the six months ended June 30, 2015 and 2014.

25 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant transactions with related parties

	For the six months ended June 30,	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited) (Restated)
Sale of goods, materials and technology to		
– immediate holding company	245	–
– subsidiaries of BAIC Group	2,968,715	729,961
– joint ventures	149,295	144,922
– an associate	23	459
– other related companies	509,533	206,042
Services provided to		
– subsidiaries of BAIC Group	81,161	26
– an associate	977	17,255
– other related companies	15,970	48,165
Purchases of goods and materials from		
– subsidiaries of BAIC Group	4,233,487	1,388,061
– other related companies (note)	11,510,393	9,329,860
Services received from		
– immediate holding company	130,458	87,695
– subsidiaries of BAIC Group	686,495	357,909
– joint ventures	262,204	172,165
– other related companies	1,344,158	1,038,969
Rental expenses paid/payable to		
– subsidiaries of BAIC Group	50,752	58,402
Interest income received from		
– an associate	29,062	34,980
Interest expenses paid/payable to		
– an associate	47,429	35,647
Key management compensations		
– salaries, allowances and other benefits	6,527	5,829
– employer's contribution to pension scheme	308	132
– discretionary bonuses	1,302	1,234

Note:

For the six months ended June 30, 2015, the Group purchased goods and materials from Daimler AG of approximately RMB8,775,437,000 (six months ended June 30, 2014: approximately RMB5,967,371,000).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2015

25 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant balances with related parties:

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Assets		
Accounts receivable		
– immediate holding company	1,286	1,345
– subsidiaries of BAIC Group	1,646,310	452,701
– joint ventures	34,100	33,084
– other related companies	471,632	362,656
Advances to suppliers		
– subsidiaries of BAIC Group	894,903	518,976
– other related companies	28,408	142,088
Other receivables and prepayments		
– immediate holding company	25,779	48,160
– subsidiaries of BAIC Group	253,491	77,332
– joint ventures	1,886	1,886
– associates	81,229	20,730
– other related companies	42,210	170,988
Cash and cash equivalents		
– an associate	5,954,643	2,537,879
Liabilities		
Accounts payable		
– immediate holding company	612	815
– subsidiaries of BAIC Group	2,654,387	1,612,036
– other related companies	6,469,928	6,460,755
Advances from customers		
– immediate holding company	–	327
– subsidiaries of BAIC Group	29,751	14,093
– associates	314	340
Other payables and accruals		
– immediate holding company	79,828	561,055
– subsidiaries of BAIC Group	886,219	297,040
– joint ventures	70,298	135,441
– other related companies	2,147,645	1,557,103
Dividends payable to		
– immediate holding company	1,024,998	–
– other related companies	–	436,245
Borrowings from		
– an associate	2,021,210	1,796,500

25 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Guarantees:

	June 30, 2015 RMB'000 (Unaudited)	December 31, 2014 RMB'000 (Audited)
Guarantees on bank loans provided by:		
– immediate holding company	–	1,105,000

Definitions

In this interim report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

“Articles of Association” or “Articles”	the Articles of Association of BAIC Motor Corporation Limited (as approved at the 2014 Annual General Meeting on June 29, 2015)
“Associate(s)”	has the meaning ascribed thereto in the Listing Rules
“BAIC Group”	Beijing Automotive Group Co., Ltd.
“BAIC Investment”	BAIC Investment Co., Ltd., a company incorporated in the PRC on June 28, 2002, a subsidiary of our Company with 97.95% equity interest owned by our Company and the remaining 2.05% owned by BAIC Group
“Beijing Benz”	Beijing Benz Automotive Co., Ltd. (previously known as Beijing Jeep Motor Co., Ltd. and Beijing Benz-Daimler Chrysler Automotive Co., Ltd.), a company incorporated in the PRC on July 1, 1983, a subsidiary of the Company with 51.0% equity interest owned by our Company, 38.665% owned by Daimler AG and 10.335% owned by Daimler Greater China
“Beijing Brand”	Proprietary brand of BAIC Motor, which is operated through three product series, including Senova Series, BJ Series and Wevan Series
“Beijing Hyundai”	Beijing Hyundai Motor Co., Ltd., a company incorporated in the PRC on October 10, 2002, a joint venture of our Company in which BAIC Investment owns 50.0% equity interest with the remaining 50.0% owned by Hyundai Motor
“Beijing Motor”	When referring to a business segment, it means the consolidated business of our Company and its subsidiaries (excluding Beijing Benz)
“Board” or “Board of Directors”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors of the Company
“CASBE”	Chinese Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this report, Hong Kong SAR, Macau SAR and Taiwan
“Connected Person(s)”	has the meaning ascribed thereto in the Listing Rules
“Corporate Governance Code”	the Code on Corporate Governance as set forth in Appendix 14 to the Listing Rules
“Daimler AG”	Daimler AG, a company established in Germany in 1886 which is a Substantial Shareholder of the Company and a Connected Person of the Company
“Daimler Greater China”	Daimler Greater China Ltd., previously known as Daimler Northeast Asia Ltd., established in January 2001 in Beijing, a wholly-owned subsidiary of Daimler AG and hence a Connected Person of the Company

“Date of Issue of the Report”	August 25, 2015, i.e. the date on which the interim 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 RMB1.00 each, which are subscribed for and paid up in Renminbi
“H Share(s)”	overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, to be subscribed for and traded in HK dollars and listed on the Stock Exchange
“HK\$” or “Hong Kong dollars” or “HK dollars”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hyundai Motor”	Hyundai Motor Company, a company incorporated in the Republic of Korea and whose shares are listed on the Korea Stock Exchange, which owns 50.0% equity interest in Beijing Hyundai
“IFRSs”	International Financial Reporting Standards issued by the International Accounting Standards Board
“Joint Venture”	Beijing BAIC MBtech Development Center Co. Ltd, a company with limited liability to be incorporated under the laws of the PRC, a subsidiary of the Company in which our Company owns 51% equity interest with the remaining 49% owned by MBtech
“Listing”	Listing of the H Shares of the Company 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 the options market), independent of the growth enterprise market of the Stock Exchange and under parallel operation with the growth enterprise market
“MBLC”	Mercedes-Benz Leasing Co., Ltd., a company with limited liability incorporated and existing under the laws of the PRC, a joint venture of the Company in which our Company owns 30% equity interest with the remaining 70% owned by Daimler Greater China
“MBtech”	MBtech Group GmbH & Co. KGaA, a company controlled by AKKA TECHNOLOGIES SA and held by AKKA TECHNOLOGIES SA and Daimler AG as to 65% and 35%, respectively
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set forth in Appendix 10 to the Listing Rules
“PwC”	PricewaterhouseCoopers
“Reporting Period” or “First Half of 2015”	from January 1, 2015 to June 30, 2015

Definitions

“RMB” or “Renminbi”	the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
“Share(s)”	Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed thereto in section 2 of the Companies Ordinance, Chapter 622 of the laws of Hong Kong
“Supervisor(s)”	Supervisor(s) of the Company
“The Company” or “we” or “our”	BAIC Motor Corporation Limited
“The Group” or “Our Group”	The Company and its subsidiaries
“Yuan”	CNY, Chinese Yuan Renminbi