

BMW BRILLIANCE AUTOMOTIVE LTD.

BANKERS DAY

JULY 21st 2020

悦 创造奇迹



之诺
ZINORO



BBA IS A JOINT-VENTURE OF BMW GROUP AND BRILLIANCE GROUP – A SINO-GERMAN COLLABORATION.

BMW Group

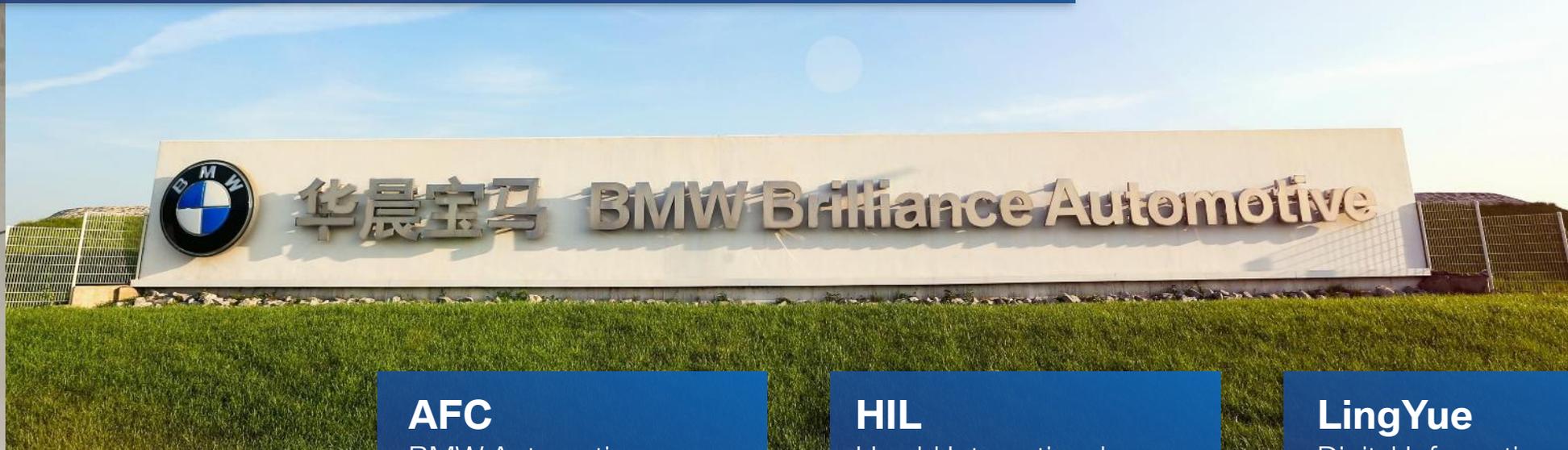
BMW N.V. Holding, Netherlands



China Brilliance Auto.

China Brilliance Automotive, Hong Kong

JOINT VENTURE CONTRACT EXTENSION UNTIL 2040.



AFC

BMW Automotive
Finance (China) Co., Ltd.

42%

HIL

Herald International
Financial Leasing Co., Ltd.

42%

LingYue

Digital Information
Technology Co., Ltd.

100%

BBA IS FURTHER GROWING THE LOCAL PRODUCT PORTFOLIO AND OFFERING A HIGH DEGREE OF SUPPLY FLEXIBILITY: “THE POWER OF CHOICE”.



MADE IN SHENYANG AND PREPARED FOR THE WORLD.

First locally produced BEV in China for China and the World.

First model offering the “Power of Choice”.



BBA IS THE EPITOME OF A PROFITABLE AND SUCCESSFUL GROWTH STORY.

NON-FINANCIAL FIGURES 2019.

Deliveries	545 kUnits	+ 17 %
Associates	19,841	+ 4.7 %
Indirect Jobs (throughout BBA's value chain)	> 100,000	



FINANCIAL FIGURES 2019.

Profit before Tax	20 bn. CNY	+ 23 %
Revenue	169 bn. CNY	+ 22 %
Largest Taxpayer (Shenyang)	since 2006	



CAPABLE TO HANDLE ANY LIQUIDITY RISKS: **BBA'S PROFESSIONAL FINANCE MANAGEMENT.**

FULLY INTERNALLY FINANCED.

BBA's investments and dividends are financed via own cash flow.

LIQUIDITY MANAGEMENT.

Successfully proven during COVID-19 Crisis.

VALUE CHAIN MANAGEMENT.

Managing >15 bn. CNY cash flow per month on average.



OUR SHAREHOLDER COMMITMENTS ARE ENSURING BBA'S FUTURE GROWTH IN CHINA.

R&D and HVB Extension

Plant Dadong Extension

Tiexi Greenfield



63 BN. CNY SINCE 2009 AND MORE THAN **25 BN. CNY** IN THE NEXT YEARS.

MANAGING RAW MATERIAL VOLATILITY IS MORE CRUCIAL FOR OEM'S THAN EVER.



Raw Material Price Volatility



E-MOBILITY COSTS
DEPEND ON RAW MATERIAL PRICES.

TAKING ACTIONS
TO REDUCE THE RAW MATERIAL VOLATILITY.

COMPETENT PARTNERS
TO SUPPORT THIS RISK MANAGEMENT IDEA.



BBA'S BUSINESS MODEL HAS PROVEN TO BE SUSTAINABLY SUCCESSFUL.

BMW Revenue Strength

**Cost Advantages
in Shenyang**

Productivity Growth

**State-of-the-Art
Technology**

**Highest Quality
Standards**



BBA'S PRODUCTIVITY ON A CONTINUOUSLY HIGH LEVEL.

BBA'S PRODUCTIVITY 2017 - 2019.



COST PRODUCTIVITY



EMPLOYEE PRODUCTIVITY
(Wholesales Units per Employee)



PRODUCTIVITY IS ALSO THE NAME OF THE DIGITAL GAME.

PRODUCTIVITY IMPROVEMENT IN AUTOMOTIVE SUPPLIER INDUSTRY.

(Source: Arthur D. Little)



HIGH-QUALITY DEVELOPMENT IS AT THE CORE OF BBA'S BUSINESS ATTITUDE.

DIRECTION.

Quality-orientation is a critical success factor for BBA.

Best quality is our customers expectation.

Our products are high quality products.



REQUIREMENTS.

Excellent quality products require extensive validation.

We need to know future regulatory premises right from the beginning.

Only stable and foreseeable regulations could reduce development costs and allow earlier implementation of innovations.

**HIGH QUALITY PRODUCTS
REQUIRE STABLE AND
FORSEEABLE PREMISES.**

ASSURANCE.

We are listening to our customers.

We established a comprehensive and excellent quality management system.

Every BMW car represents high quality.



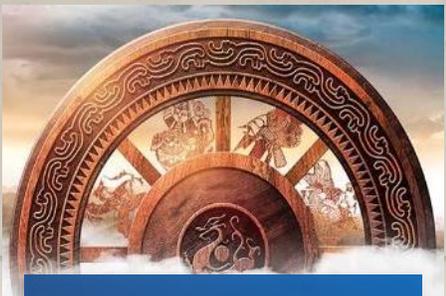
ANOTHER SUCCESS FACTOR OF BBA: A BALANCED COOPERATION WITH ALL OUR STAKEHOLDERS.



ASSOCIATES



**CUSTOMERS
+ DEALERS**



**SOCIETY
+ MUNICIPALITIES**



**BUSINESS
PARTNERS**



**SHAREHOLDERS
+ INVESTORS**

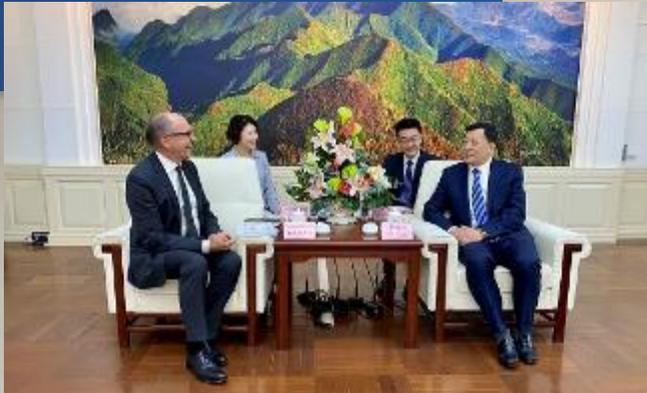


BBA HAS BUILD UP WIN-WIN RELATIONSHIPS WITH ALL STAKEHOLDERS AT AN EARLY STAGE AND THIS APPROACH HAS BEEN IMPRESSIVELY PROVEN THROUGHTOUT THE COVID-19 CRISIS.

IN A PERFECTLY BALANCED BUSINESS NETWORK EVERY STAKEHOLDER IS A WINNER.

GOVERNMENTAL SUPPORT.

BBA received strong support from the City of Shenyang and the Government of Liaoning.



SOCIAL RESPONSIBILITY.

BBA contributes as a good Corporate Citizen and is investing into China's Green, Sustainable Future.



WORKING CAPITAL MANAGEMENT IS ABOUT **KEEPING THE VALUE CHAIN IN BALANCE.**

BASIC PRINCIPLES.

A resilient business requires sufficient liquidity along the value chain.

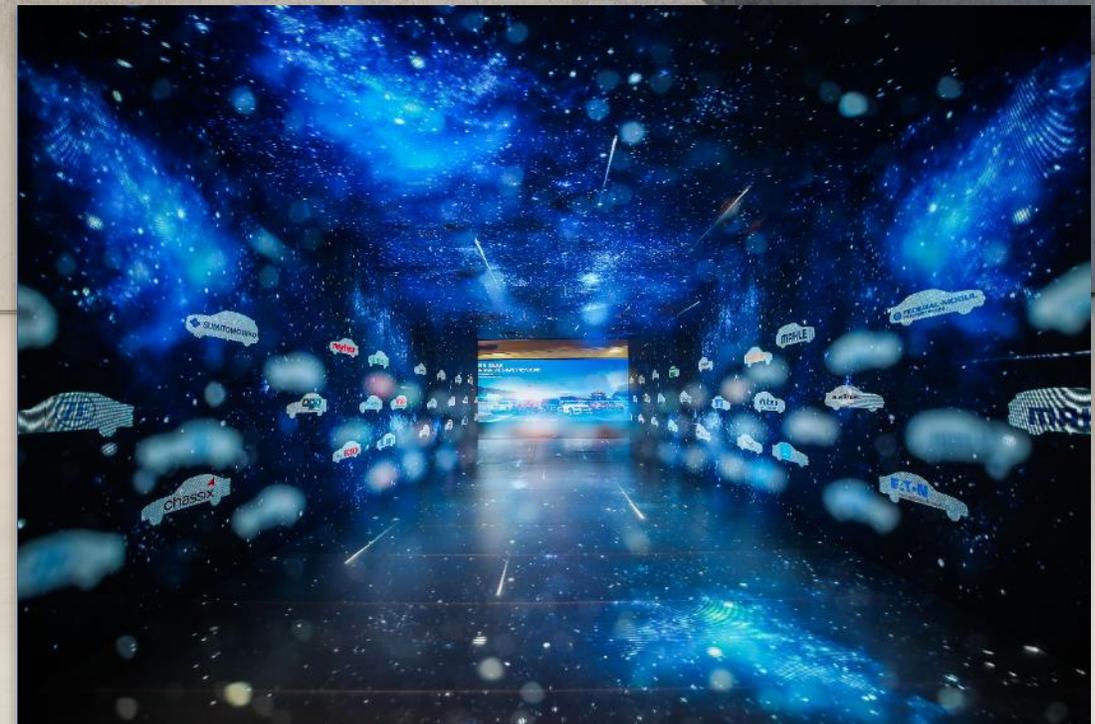
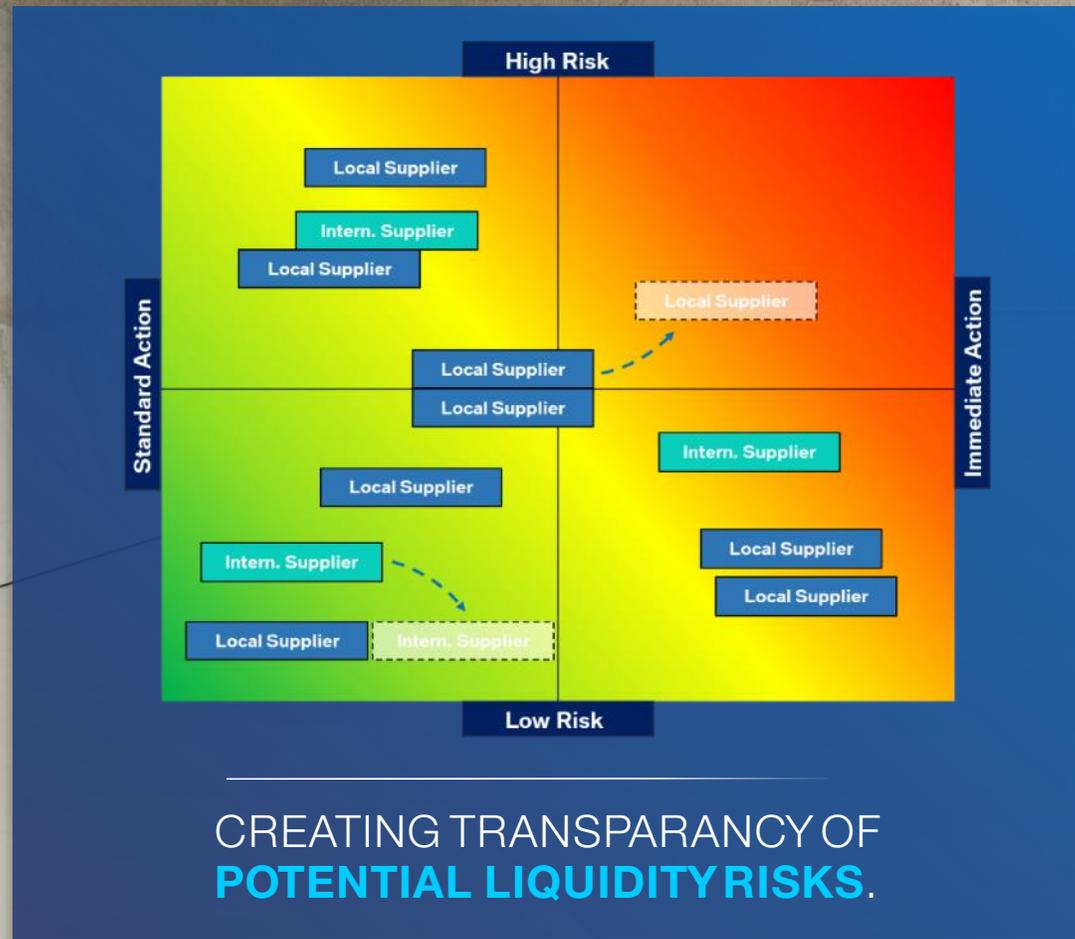
A value chain is only as strong as its weakest link.

MANAGING CASH CHAIN.

Balancing the payment terms keeps the value chain stable and profitable.



EFFECTIVE WORKING CAPITAL MANAGEMENT ALSO REQUIRES PERMANENT RISK MANAGEMENT.



STRENGTHENING **SUPPLY FLEXIBILITY** THROUGH COMPETITION.

BBA IS A WIN-WIN-MODEL AND WE WILL KEEP ON DRIVING.

LONG-TERM BUSINESS POTENTIAL
IN CHINA IS ENORMOUS AND REMAINS ENORMOUS.

DEEP COMMITMENT TO BBA'S FUTURE
REPRESENTED THROUGH THE JOINT VENTURE
CONTRACT EXTENSION UNTIL 2040.

SHAREHOLDER STRUCTURE CHANGE
AS GREAT MESSAGE FOR BMW INVESTORS
AND SHAREHOLDERS.

