BBA | July 3rd, 2019

BMW Brilliance Automotive Ltd.

Bankers Day

BMW Brilliance Automotive
BBA
a highly successful automotive JV
Securing high returns to both Shareholders

BMW Group
Four brands, one vision and an uncompromising focus on “premium”.

Brilliance Auto Group
The leading enterprise of Liaoning automobile industry.
### BBA’s Legal & Corporate Structure

**BBA is not consolidated in BMW Group’s P&L**

<table>
<thead>
<tr>
<th>Company</th>
<th>Ownership Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BMW Group</strong></td>
<td>BMW N.V. Holding, Netherlands 50%</td>
</tr>
<tr>
<td><strong>China Brilliance Auto.</strong></td>
<td>China Brilliance Automotive, Hongkong 50%</td>
</tr>
<tr>
<td>AFC</td>
<td>BMW Automotive Finance (China) Co., Ltd. 42%</td>
</tr>
<tr>
<td>HIL</td>
<td>Herald International Financial Leasing Co., Ltd. 42%</td>
</tr>
<tr>
<td>LingYue</td>
<td>Digital Information Technology Co., Ltd. 100%</td>
</tr>
</tbody>
</table>
THE BUSINESS SCOPE OF BMW-BRILLIANCE AUTOMOTIVE - A FULLY FLEDGED CAR BUSINESS.
BBA - A HIGHLY PROFITABLE JOINT VENTURE AND GROWTH ENGINE.

Profit before Tax (PbT)

Production Volume

2016 2017 2018

Profit before Tax (PbT)

Production Volume

2016 2017 2018

492,000+
BBA Business KPI’s - not consolidated in the BMW Group

**Revenue [bn. CNY]**
- 2013: 76
- 2018: 138

**Tax Payment [bn. CNY]**
- 2013: 20
- 2018: 31

**Employment [k headcount]**
- 2013: 13.1
- 2018: 18.9

+ 81%
+ 54%
+ 45%
PROFITABILITY ENABLES A COMPLETE INTERNAL FUNDING OF BMW-BRILLIANCE.

Cash Ending Balance

All operations and all investments are FINANCED INTERNALLY

DIVIDENDS could be INCREASED
BBA adopts **Currency Hedging** against exchange rate fluctuations.

BBA applies BMW **Raw Material Hedging** to reduce commodity market volatility.

Allows to **minimize foreign exchange risks** and a **fair sharing of commodity price risks**.
OUR SUCCESS MODEL - COMBINING HIGH MANAGERIAL- AND OPERATIONAL COMPETENCE WITH A CLEAR FOCUS ON COST COMPETITIVENESS.
BBA is improving cost productivity significantly year by year
(Fix Cost per Unit)

Employee Productivity is improving significantly year-by-year
(Wholesale Units per Employee)

… ALLOWS US TO COMPENSATE INCREASING COMPETITION IN
SALES AND INCREASING COSTS OF NEW ENERGY VEHICLES.
SHENYANG IS HIGHLY COST COMPETITIVE.

BBA is capitalizing on the cost advantage of Liaoning and Shenyang.

This secures significant savings vs. Germany.

But this also secures significant savings vs. Beijing and Shanghai.

Labor Cost Differences:
- Germany: -50% compared to Shenyang
- UK: -75% compared to Shenyang
- Japan: -75% compared to Shenyang
- Shanghai: -75% compared to Shenyang
- Beijing: -75% compared to Shenyang
HIGH-QUALITY IS THE CRITICAL SUCCESS FACTOR FOR PREMIUM VEHICLES SUCCESS IN CHINA.

A BMW produced in Shenyang has the same quality as a BMW produced in Munich, Dingolfing or Spartanburg.

ALL QUALITY NUMBERS PROVE THIS.
PERFORMING STATE-OF-THE-ART-TECHNOLOGY IN SHENYANG ENABLES OUTSTANDING PROFITABILITY.

SIGNIFICANT COST ADVANTAGE
+ HIGH PRODUCTIVITY
+ HIGH QUALITY

SECURES BUSINESS SUCCESS FOR BMW-BRILLIANCE.

*) We are the first automotive plants globally to use 5G technology as an enabler for innovation.
56 BN. CNY invested since 2009 and another 25+ BN. CNY will be invested until 2022.
PLANT DADONG

The forerunner of innovative manufacturing technology and visionary industry 4.0 applications.

Area: 1,051,000 m²
SoP: 2003
Extension: 2007
Employees: 6,000

PRODUCTION VOLUME [in ‘000 units]

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>143</td>
</tr>
<tr>
<td>2016</td>
<td>144</td>
</tr>
<tr>
<td>2017</td>
<td>127</td>
</tr>
<tr>
<td>2018</td>
<td>192</td>
</tr>
</tbody>
</table>

142,995 48,893
PLANT TIEXI

One of the most advanced and sustainable premium car manufacturers in the world.

Area: 2,070,000 m²
SoP: 2011
Employees: 8,000

<table>
<thead>
<tr>
<th>Year</th>
<th>Production Volume [in '000 units]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>145</td>
</tr>
<tr>
<td>2016</td>
<td>162</td>
</tr>
<tr>
<td>2017</td>
<td>269</td>
</tr>
<tr>
<td>2018</td>
<td>300</td>
</tr>
</tbody>
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42,467  9,460  102,915  144,930  61
POWERTRAIN PLANT

Latest BMW engines and high-voltage batteries for BBA’s locally-produced vehicles.

Area: 900,000 m²
SoP: 2016
Employees: 2,030

PRODUCTION VOLUME [in ‘000 units]

<table>
<thead>
<tr>
<th>Year</th>
<th>Area (239)</th>
<th>SoP (250)</th>
<th>Employees (390)</th>
<th>Employees (505)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>110,665</td>
<td>380,825</td>
<td>13,525</td>
<td></td>
</tr>
</tbody>
</table>
And we understand **LOCALIZATION** as pre-requisite for our future growth.
DEEPENING OUR ROOTS IN CHINA - BBA’S NEXT PHASE OF HIGH-QUALITY DEVELOPMENT HAS ALREADY STARTED.

BBA’s Joint Venture contract extended UNTIL 2040.

SIGNIFICANT INVESTMENTS in new and existing plants.
THANK YOU!