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北京汽车
BAIC MOTOR

北京汽車股份有限公司

BAIC MOTOR CORPORATION LIMITED*

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

(Stock Code: 1958)

**CONNECTED TRANSACTION IN RELATION TO
ACQUISITION OF 100% EQUITY INTEREST IN BAIC INTERNATIONAL
AND 24.78% EQUITY INTEREST IN BAIC RUILI FROM BAIC GROUP**

The Board announces that on 13 March 2020, the Company and BAIC Group entered into the Equity Transfer Agreement, pursuant to which the Company agreed to purchase, and BAIC Group agreed to dispose of 100% equity interest in BAIC International and 24.78% equity interest in BAIC Ruili held by BAIC Group respectively, at a total consideration of RMB80,593,622.82. Upon the completion of the transaction under the Equity Transfer Agreement, BAIC International will become a wholly-owned subsidiary of the Company, while BAIC Ruili will become a non wholly-owned subsidiary of the Company.

As at the date of this announcement, BAIC Group is the sole controlling shareholder of the Company and holds 42.63% of the total issued share capital of the Company, thus it is a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the acquisition of the Target Equity by the Company from BAIC Group constitutes a connected transaction of the Company.

For the purpose of calculation of the size of transactions in accordance with relevant requirements of the Listing Rules, the Company has aggregated the Transaction, the transaction in relation to the capital increase to Beijing New Energy Vehicle Technology Innovation Center Co., Ltd.* (北京新能源汽車技術創新中心有限公司) disclosed in the announcement of the Company dated 24 December 2019 and the transaction in relation to the capital increase to BAIC Group Finance Co., Ltd.* (北京汽車集團財務有限公司) disclosed in the announcement of the Company dated 13 February 2020. As one or more of the applicable percentage ratios calculated after the aggregation is more than 0.1% but less than 5%, the Company shall, in relation to the Transaction, comply with the reporting and announcement requirements, but is exempt from dispatch of circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

INTRODUCTION

The Board announces that on 13 March 2020, the Company and BAIC Group entered into the Equity Transfer Agreement, pursuant to which the Company agreed to purchase, and BAIC Group agreed to dispose of 100% equity interest in BAIC International and 24.78% equity interest in BAIC Ruili held by BAIC Group respectively, at a total consideration of RMB80,593,622.82. Upon the completion of the transaction under the Equity Transfer Agreement, BAIC International will become a wholly-owned subsidiary of the Company, while BAIC Ruili will become a non wholly-owned subsidiary of the Company.

EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are as follows:

- Parties:** The Company, as the Purchaser
BAIC Group, as the Seller
- Date:** 13 March 2020
- Effective date:** The Equity Transfer Agreement shall take effect on the date of being signed by the legal representatives or authorised representatives of both parties and chopped with official chops or special chops for contractual uses.
- Target Equity:** 100% equity interest in BAIC International (excluding the Excluded Asset) and 24.78% equity interest in BAIC Ruili held by BAIC Group.
- The assets included in the 100% equity interest in BAIC International proposed to be acquired by the Company under the Transaction exclude Jingdezhen BAIC Changhe Import and Export Co., Ltd.* (景德鎮北汽昌河進出口有限公司) (the “**Excluded Asset**”). The Excluded Asset remained a non wholly-owned subsidiary of BAIC International as at the Valuation Benchmark Date of the Target Equity. BAIC International has completed the disposal of the Excluded Asset and completed all the relevant formalities for the industrial and commercial registration of changes on 21 January 2020.
- Consideration:** Pursuant to the asset valuation on BAIC International (excluding the Excluded Asset) using the asset-based approach as set out in the Asset Valuation Report (ZTHPBZ (2019) No. 051187) issued by China Alliance Appraisal Co., Ltd.* (北京中同華資產評估有限公司) on 13 November 2019, as at the Valuation Benchmark Date (i.e. 31 July 2019), the appraised value of the net assets of BAIC International (excluding the Excluded Asset) was RMB-117,730,490.76.

Pursuant to the asset valuation on BAIC Ruili using the asset based-approach as set out in the Asset Valuation Report (ZTHPBZ (2019) No. 051188) issued by China Alliance Appraisal Co., Ltd. on 13 November 2019, as at the Valuation Benchmark Date, the appraised value of the net assets of BAIC Ruili was RMB325,236,569.08.

The Company and BAIC Group agreed through consultation that the consideration for 100% equity interest in BAIC International (excluding the Excluded Asset) is RMB1 and the consideration for 24.78% equity interest in BAIC Ruili is RMB80,593,621.82 (being RMB325,236,569.08 × 24.78%), and the total consideration for the Transaction is RMB80,593,622.82.

Conditions precedent:

The disposal of the Target Equity by the Seller to the Purchaser is subject to the satisfaction of, or the waiver by the Seller of, all the following conditions:

- (a) The board of directors of the Purchaser has passed a resolution to approve the Transaction and authorise the signing of the Equity Transfer Agreement, and the Purchaser has gone through required announcement and disclosure procedures in relation to the Transaction;
- (b) The representations and warranties made by the Purchaser under the Equity Transfer Agreement are true, accurate, complete and not misleading in any material aspect on the date of signing the Equity Transfer Agreement and the Closing Date (as defined below);
- (c) All obligations, agreements and undertakings of the Purchaser under the Equity Transfer Agreement and the transaction documents which shall be fulfilled prior to the Closing Date have been properly fulfilled in all aspects, and there is no breach or continuation of the breach of such obligations, agreements, or undertakings; and
- (d) There are no laws, regulations, court decisions, rulings, decisions of stock exchanges, regulatory bodies or other government agencies with jurisdiction that prohibit or restrict the transaction under the Equity Transfer Agreement.

The payment of the consideration by the Purchaser to the Seller under the Equity Transfer Agreement is subject to the satisfaction of, or the waiver by the Purchaser of, all the following conditions:

- (e) The board of directors of the Seller has passed a resolution to approve the Transaction and authorise the signing of the Equity Transfer Agreement, and the Seller has provided the Purchaser with copies of the written resolution;

- (f) The Seller has completed the filing in relation to the Asset Valuation Report (ZTHPBZ (2019) No. 051187) in relation to 100% equity interest in BAIC International and the Asset Valuation Report (ZTHPBZ (2019) No. 051188) in relation to 24.78% equity interest in BAIC Ruili respectively issued by China Alliance Appraisal Co., Ltd.;
- (g) BAIC Ruili has passed a written shareholders' resolution, and BAIC International has passed a written shareholders' decision, to approve the amendments to their respective articles of association, and the Seller has provided the Purchaser with copies of the written resolution and decision;
- (h) Other shareholders of BAIC Ruili have waived their right of first refusal with regard to the transfer of 24.78% equity interest in BAIC Ruili, and the Seller has provided the Purchaser with a written certificate of such waiver;
- (i) The Seller has gone through relevant transaction procedures required by China Beijing Equity Exchange Co., Ltd. with regard to the Transaction, and has obtained the equity transaction certificate issued by China Beijing Equity Exchange Co., Ltd.* (北京產權交易所有限公司) with regard to the Transaction, and has provided the Purchaser with the certificate;
- (j) BAIC International and BAIC Ruili have completed the formalities for the industrial and commercial registration and filing of changes in relation to the Transaction, the amendments to the articles of association and other relevant matters, and have provided the Purchaser with relevant documentary evidence;
- (k) With regard to the transfer of the Target Equity under the Transaction, BAIC International and BAIC Ruili have updated their registers of shareholders, respectively recording the Purchaser as a shareholder holding 100% equity interest in BAIC International and 24.78% equity interest in BAIC Ruili, and have respectively issued a corresponding capital contribution certificate to the Purchaser;
- (l) The representations and warranties made by the Seller under the Equity Transfer Agreement are true, accurate, complete and not misleading in any material aspect during the period from the date of signing the Equity Transfer Agreement to the Closing Date (both days inclusive);

- (m) All obligations, agreements, and undertakings of the Seller under the Equity Transfer Agreement and transaction documents which shall be fulfilled prior to the Closing Date have been properly fulfilled in all aspects, and there is no breach or continuation of the breach of such obligations, agreements, or undertakings;
- (n) No material adverse change in BAIC International and BAIC Ruili have taken place or is reasonably expected to take place; and
- (o) There are no laws, regulations, court decisions, rulings, decisions of stock exchanges, regulatory bodies or other government agencies with jurisdiction that prohibit or restrict the transaction under the Equity Transfer Agreement.

Payment arrangements: The Company shall pay 50% of the total consideration (i.e. RMB40,296,811.41) on the fifth working day following the satisfaction of, or the waiver by the Company of, all the aforementioned precedent conditions (e) to (o) (other than (j) and (k)) and the remaining 50% of the total consideration on the Closing Date, to the bank account designated by BAIC Group.

Except for the aforementioned consideration, the Company is not required to make any other payment to BAIC Group for the Transaction. BAIC Group has agreed to waive its rights under the undistributed profits (if any) of BAIC International and BAIC Ruili.

Taxes arising out of the Transaction shall be respectively borne by both parties by laws.

Closing: Closing shall take place at the office of the Company on the fifth working day following the satisfaction of, or the waiver by the party with the right to grant the waiver of, all the aforementioned precedent conditions, or at such other place and on such other date or time as otherwise agreed in writing by BAIC Group and the Company (the date on which the closing takes place is the “**Closing Date**”).

On or prior to the Closing Date, the Purchaser shall, at the closing place or such other place as agreed by both parties, deliver the originals of the following deliverables to the Seller:

- (a) copies of the written resolution of the board of directors of the Purchaser to approve the Transaction and authorise the signing of the Equity Transfer Agreement, and copies of relevant announcement of the Purchaser in relation to the Transaction; and
- (b) the confirmation signed by the Purchaser or its senior management that all the aforementioned precedent conditions (a) to (d) have been satisfied or waived.

On or prior to the Closing Date, the Seller shall, at the closing place or such other place as agreed by both parties, deliver and procure BAIC International and BAIC Ruili to deliver the originals of the following deliverables to the Purchaser:

- (a) the written resolution of the board of directors of the Seller to approve the Transaction and authorise the signing of the Equity Transfer Agreement;
- (b) copies of the Asset Valuation Report (ZTHPBZ (2019) No. 051187) and the Asset Valuation Report (ZTHPBZ (2019) No. 051188) filed by the Seller and relevant filing certificates;
- (c) copies of the written shareholders' resolution or decision of BAIC Ruili and BAIC International to approve the amendments to their respective articles of association;
- (d) the written certificate that other shareholders of BAIC Ruili have waived their right of first refusal with regard to the transfer of 24.78% equity interest in BAIC Ruili;
- (e) the equity transaction certificate issued by China Beijing Equity Exchange Co., Ltd. in respect of the Transaction;
- (f) copies of industrial and commercial files and other documents issued after BAIC International and BAIC Ruili complete the industrial and commercial registration of changes in relation to the Transaction, amendments to the articles of association and other relevant matters;
- (g) copies of updated registers of shareholders of BAIC International and BAIC Ruili in which the Purchaser is recorded as a shareholder holding 100% equity interest in BAIC International and 24.78% equity interest in BAIC Ruili respectively, and the certificate of capital contribution by the Purchaser to BAIC Ruili and BAIC International; and
- (h) the confirmation signed by the Seller or its senior management that all the aforementioned precedent conditions (e) to (o) have been satisfied or waived.

INFORMATION ON BAIC INTERNATIONAL AND BAIC RUILI

Information on BAIC International

BAIC International was established with the capital contribution of RMB200 million made by BAIC Group on 16 April 2013. As at the date of this announcement, BAIC International, with the registered capital of RMB1,252,442,014, is a wholly-owned subsidiary of BAIC Group. BAIC International, which is mainly engaged in project investment, investment management and whole vehicle export business, is an overall overseas business platform of BAIC Group, responsible for overseas business expansion, production bases and sales management of international business for independently developed passenger vehicles of BAIC Group. Following the completion of the disposal of the Excluded Asset and up to the date of this announcement, subsidiaries of BAIC International include Investment Universe Co., Limited and BAIC DE MAXICO SA DE CV, both of which were wholly-owned subsidiaries of BAIC International, and BAIC Automobile SA Proprietary Limited, a non wholly-owned subsidiary of BAIC International.

As at 30 September 2019, the unaudited and consolidated book value of total assets of BAIC International (excluding the Excluded Asset) was RMB2,802.4045 million, and the unaudited and consolidated book value of net assets was RMB-174.7517 million. The following table sets forth the relevant figures of net profit of BAIC International for the two years ended 31 December 2018 and for the nine months ended 30 September 2019, prepared in accordance with the China Accounting Standards for Business Enterprises and on a consolidated basis:

	For the year ended 31 December 2017 (RMB in ten thousand)	For the year ended 31 December 2018 (RMB in ten thousand)	For the nine months ended 30 September 2019 (RMB in ten thousand)
Net profit/(loss) before taxation and extraordinary items	-34,582.70	-22,435.44	-14,563.64
Net profit/(loss) after taxation and extraordinary items	<u>-34,582.76</u>	<u>-22,394.14</u>	<u>-14,587.77</u>

Note: The relevant figures of BAIC International (excluding the Excluded Asset) set forth in the above table are extracted from the management accounts and unaudited.

Information on BAIC Ruili

BAIC Ruili was established with the capital contributions of RMB20 million, RMB15 million and RMB15 million respectively by BAIC Group, BAIC International and an independent third-party shareholder. As at the date of this announcement, BAIC Ruili has the registered capital of RMB296.6547 million, of which RMB73.5117 million and RMB53.7892 million are respectively contributed by BAIC Group and BAIC International and a total of RMB169.3538 million is contributed by two other independent third-party shareholders, accounting for 24.78%, 18.13% and 57.09% of the registered capital of BAIC Ruili respectively. It is mainly engaged in the design, research and development, production and sale of vehicles and vehicle parts, import and export of goods and technologies, vehicle rental, etc.

As at 30 September 2019, the unaudited and consolidated book value of total assets of BAIC Ruili was RMB1,846.3199 million, and the unaudited and consolidated book value of net assets was RMB251.3234 million. The following table sets forth the consolidated financial information of BAIC Ruili for the two years ended 31 December 2018 and for the nine months ended 30 September 2019, prepared in accordance with the China Accounting Standards for Business Enterprises:

	For the year ended 31 December 2017 <i>(RMB in ten thousand) (Audited)</i>	For the year ended 31 December 2018 <i>(RMB in ten thousand) (Audited)</i>	For the nine months ended 30 September 2019 <i>(RMB in ten thousand) (Unaudited)</i>
Net profit/(loss) before taxation and extraordinary items	-2,407.06	-2,637.55	-1,915.78
Net profit/(loss) after taxation and extraordinary items	<u>-2,315.46¹</u>	<u>-2,543.75¹</u>	<u>-2,154.04</u>

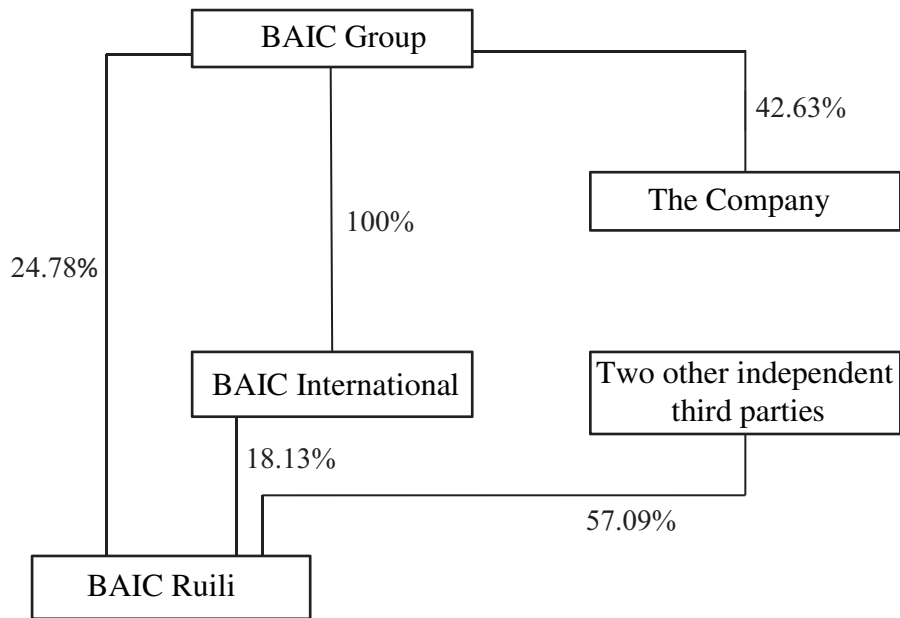
Note:

1. For the two years ended 31 December 2017 and 31 December 2018, there were losses arising out of extraordinary items of BAIC Ruili.

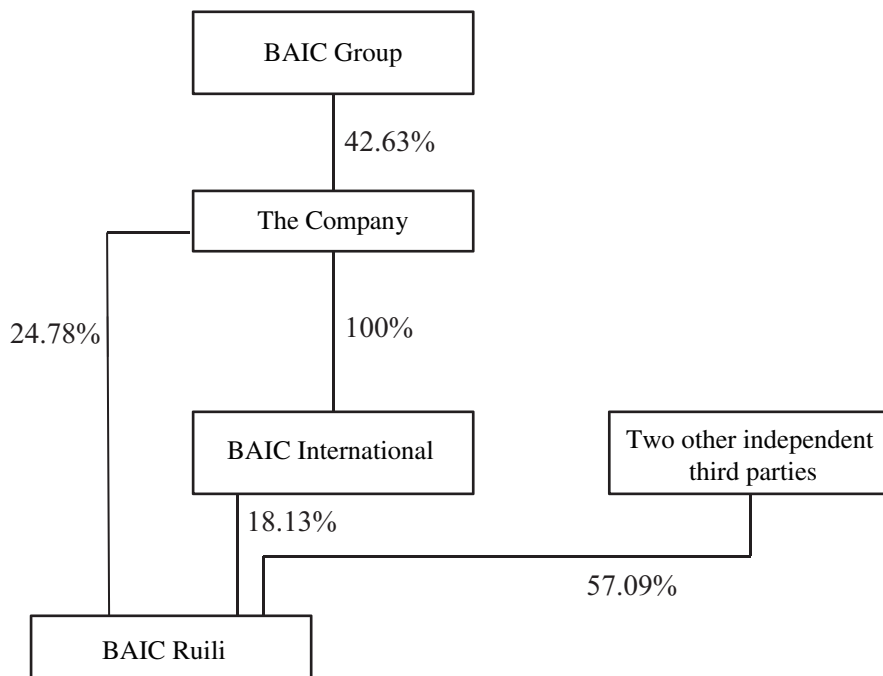
SHAREHOLDING STRUCTURES OF BAIC INTERNATIONAL AND BAIC RUILI PRIOR TO AND UPON THE TRANSACTION

The shareholding structures of BAIC International and BAIC Ruili as at the date of this announcement and upon the completion of the Transaction are set out as below:

As at the date of this announcement:



Upon the completion of the Transaction:



REASONS AND BENEFITS OF THE TRANSACTION

- 1. At present, the domestic passenger vehicle market is weak, and the Company is able to actively participate in the global development of the vehicle industry through the Transaction, thus taking the lead in seizing a share of emerging markets.**

Affected by the macro-economic situation, industrial policies and market factors, the domestic passenger vehicle market operates at a low level. Vehicle industries in main emerging-market countries in Asia, Africa and Latin America grow far more rapidly than China. Against the background of globalisation of the vehicle industries, automobile enterprises in the world fiercely compete with each other in terms of production and sales volumes, and market shares. By way of the Transaction, the overseas business and experience of BAIC International and BAIC Ruili, and existing business of the Company, will form a strong synergy, which will help the Company further participate in competition in main emerging markets in Asia, Africa and Latin America and even the global vehicle market.

- 2. The Transaction is conducive to optimizing the business structure of the Company, enhancing the proportion of the international business of the Company, and extending the product life cycle.**

After nearly ten years of development, the Company has accumulated rich experience and system capabilities in the automotive industry. At present, the Company has a wealth of automobile products. In vehicle markets in developing countries in Asia, Africa and Latin America, products meeting the demand are mainly A0-Class, A-Class sedans and SUVs, while BAIC has obtained rich experience in the development of such products. The subsidiaries of BAIC International include two production bases (BAIC Automobile SA Proprietary Ltd. and BAIC Ruili) and one local marketing company (BAIC DE MAXICO SA DE CV). After years of preparation, BAIC International has built production bases and a dealer network overseas, and BAIC Ruili has also built a production base, and the preliminary construction and investment for the subject of the acquisition have been basically completed. Upon the completion of the Transaction, the Company may use its successful production and sale experience in domestic markets for overseas emerging markets, extend the product life cycle and promote its business expansion in overseas markets, so that its international development strategies can be rapidly carried out in overseas markets.

- 3. At present, the Company does not have any independent overseas production base or sales network, while the acquisition of the Target Equity may enable the Company to rapidly obtain overseas production and sales resources.**

BAIC International and BAIC Ruili, as a whole business segment, are important platforms for the international business of BAIC Group. Specifically:

BAIC International, a vehicle export business platform of BAIC Group, holds an 18.13% equity interest in BAIC Ruili and carries out overall management of the production and sales business of BAIC Ruili and BAIC Automobile SA Proprietary Limited. After years of preparation, the overseas production bases and dealer network of BAIC International have matured, and its product and market positioning are highly in line with the business of the Company.

BAIC Ruili, located at the China-Myanmar border in Ruili City, Yunnan Province, is an important production base of BAIC International and is targeted towards Myanmar and to cover Southeast Asia. The construction of Phase I has been generally completed. In January 2020, China and Myanmar entered into the Memorandum of Understanding on Accelerating Negotiation on the Muse-Ruili Cross-border Economic Cooperation Zone Framework Agreement, which stated that the two sides agree to enhance the cooperation in the joint construction of the “Belt and Road Initiative”, advance the shift of CMEC from a conceptual stage to a substantial construction stage. The factory of BAIC Ruili is located in the Muse Border Economic Cooperation Zone, and it will be conducive to the development of the markets in Myanmar and Southeast Asia.

The acquisition of the equity interest in BAIC International and BAIC Ruili and the use of their overall overseas business arrangements can enable the Company to quickly obtain overseas production and sales resources and promote the development of its international business.

4. Through acquisition and integration, BAIC International and BAIC Ruili are expected to have good profitability.

After years of preparation, the construction and investment for the production bases of BAIC International and BAIC Ruili have been basically completed, and overseas sales channels of BAIC International have matured. BAIC International was in the period of channel construction and market development, and its production bases (including BAIC Ruili) were under construction. Prior to the Transaction, BAIC International and BAIC Ruili operated at a loss. After nearly ten years of development, the Company has accumulated rich experience and system capabilities in the vehicle industry. Upon the completion of the Transaction, the Company will make use of its production base management, product advantages and sales experience to realize synergy in product research and development, production and sales through business integration. It is expected that BAIC International and BAIC Ruili will turn losses into profits in around 3 years. In the long run, BAIC International and BAIC Ruili are expected to have good profitability.

Based on the above, under the circumstance of growth rate adjustment of the domestic passenger vehicle market and steady development of emerging economies in Asia, Africa and Latin America, the Transaction will provide the Company with a driver of overseas business growth and is of great significance for international development of the Company. At the same time, in determining the terms and conditions of the Transaction, the Company also comprehensively considered the business value of the new business opportunities expected to be obtained by BAIC International and BAIC Ruili during the period from the Valuation Benchmark Date (i.e. 31 July 2019) to the date of signing the Equity Transfer Agreement. That is to say, the Transaction is of positive significance to the future development of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, BAIC Group is the sole controlling shareholder of the Company and holds 42.63% of the total issued share capital of the Company, thus it is a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the acquisition of the Target Equity by the Company from BAIC Group constitutes a connected transaction of the Company.

For the purpose of calculation of the size of transactions in accordance with relevant requirements of the Listing Rules, the Company has aggregated the Transaction, the transaction in relation to the capital increase to Beijing New Energy Vehicle Technology Innovation Center Co., Ltd. disclosed in the announcement of the Company dated 24 December 2019 and the transaction in relation to the capital increase to BAIC Group Finance Co., Ltd. disclosed in the announcement of the Company dated 13 February 2020. As one or more of the applicable percentage ratios calculated after the aggregation is more than 0.1% but less than 5%, the Company shall, in relation to the Transaction, comply with the reporting and announcement requirements, but is exempt from dispatch of circular and independent shareholders' approval requirements, pursuant to Chapter 14A of the Listing Rules.

OPINION OF THE DIRECTORS

The Directors of the Company (including the independent non-executive Directors) considered that (i) the terms and conditions of the Transaction are fair and reasonable; (ii) the Transaction is in the ordinary and usual course of business of the Company and on normal commercial terms; and (iii) the Transaction is in the interests of the Company and its shareholders as a whole.

At the meeting of the Board at which the Transaction was considered, since Mr. Xu Heyi, Ms. Shang Yuanxian, Mr. Yan Xiaolei and Mr. Xie Wei, each being a Director of the Company, also held office in BAIC Group and its subsidiaries, they were deemed to have material interests in the Transaction and have abstained from voting on the resolution in relation to the Transaction. Save for the above persons, none of the other Directors has any interest in the Transaction.

GENERAL INFORMATION

Information on the Company

The Company is a company limited by shares duly incorporated in the PRC. The Company is a leading manufacturer of passenger vehicles in the PRC. The Company is engaged in the design, research and development, manufacture and sale of an extensive and diversified portfolio of passenger vehicle models, and the provision of related services in the PRC. The Company offers a variety of passenger vehicle models, including mid- to large-size sedan, mid-size sedan, compact sedan, small-size sedan, SUV, MPV and CUV products to satisfy customer demands for different types of vehicles.

Information on BAIC Group

BAIC Group is a state-owned enterprise established on 30 June 1994. Its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality. Its principal businesses include manufacturing, sale, import and export of vehicles and components, operation and management of state-owned assets, investment and investment management, technology development, service and consultancy, and real property development and sales.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“BAIC Group”	Beijing Automotive Group Co., Ltd.* (北京汽車集團有限公司), a state-owned enterprise incorporated in the PRC, the sole controlling shareholder of the Company
“BAIC International”	BAIC International Development Co., Ltd.* (北京汽車國際發展有限公司), a limited liability company incorporated in the PRC
“BAIC Ruili”	BAIC Yunnan Ruili Motor Co., Ltd.* (北汽雲南瑞麗汽車有限公司), a limited liability company incorporated under the laws of the PRC
“Board”	the board of Directors of the Company
“Company”	BAIC Motor Corporation Limited* (北京汽車股份有限公司), a company limited by shares duly incorporated and validly existing under the laws of the PRC, whose H shares are listed on the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Equity Transfer Agreement”	the Equity Transfer Agreement dated 13 March 2020 entered into by and between the Company and BAIC Group, in relation to the acquisition by the Company of 100% equity interest in BAIC International and 24.78% equity interest in BAIC Ruili from BAIC Group
“Excluded Asset”	Jingdezhen BAIC Changhe Import and Export Co., Ltd.* (景德鎮北汽昌河進出口有限公司), a non wholly-owned subsidiary of BAIC International as at the Valuation Benchmark Date
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Target Equity”	100% equity interest in BAIC International (excluding the Excluded Asset) and 24.78% equity interest in BAIC Ruili held by BAIC Group
“Transaction”	the connected transaction contemplated under the Equity Transfer Agreement in respect of the acquisition by the Company of 100% equity interest in BAIC International and 24.78% equity interest in BAIC Ruili from BAIC Group
“Valuation Benchmark Date”	31 July 2019
“%”	percentage

By order of the Board
BAIC Motor Corporation Limited
Wang Jianhui
Secretary to the Board and Company Secretary

Beijing, the PRC, 13 March 2020

As at the date of this announcement, the Board comprises Mr. Xu Heyi, as Chairman of the Board and non-executive Director; Ms. Shang Yuanxian and Mr. Yan Xiaolei, as non-executive Directors; Mr. Chen Hongliang, as executive Director; Mr. Xie Wei, Mr. Qiu Yinfu, Mr. Hubertus Troska, Mr. Harald Emil Wilhelm, Mr. Jin Wei and Mr. Lei Hai, as non-executive Directors; and Mr. Ge Songlin, Mr. Wong Lung Tak Patrick, Mr. Bao Robert Xiaochen, Mr. Zhao Fuquan and Mr. Liu Kaixiang, as independent non-executive Directors.

* *For identification purpose only*