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北京汽车
BAIC MOTOR

北京汽車股份有限公司

BAIC MOTOR CORPORATION LIMITED*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1958)

ANNOUNCEMENT

ISSUANCE OF CORPORATE BONDS IN CHINA

This announcement is made by BAIC Motor Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) announces that, BAIC Investment Co., Ltd. (“**BAIC Investment**”), a subsidiary of the Company considered and approved the matters relating to the issuance of corporate bonds in China on 24 September 2015 (the “**Corporate Bond Issuance**”).

I. PROPOSED CORPORATE BOND ISSUANCE

Given that the resolution regarding the Issuance of Onshore and Offshore Corporate Debt Financing Instruments was passed by the Company at the 2014 annual general meeting, it is agreed that the subsidiaries of the Company in China may issue Renminbi debt financing instruments in China as issuer. To further expand the investment and financing channels of BAIC Investment, fully utilise the strengths of the financing environment of the capital market and control the financing costs, BAIC Investment as a subsidiary of the Company hereby applies for the Corporate Bond Issuance.

Details regarding the Corporate Bond Issuance are as follows:

Issuer	BAIC Investment Co., Ltd.
Issue size	No more than RMB3.0 billion
Term	No more than five years and the exact term shall be determined according to the relevant requirements and market conditions

Method	Public issuance in China in one tranche or more upon obtaining the approval for the Corporate Bond Issuance from relevant regulatory authorities
Use of proceeds	<p>The proceeds will be used for replenishment of liquidity, repayment of bank loans, project development, capital increase for subsidiaries, joint ventures or associates and other purposes as permitted by the laws and regulations</p> <p>In the event that BAIC Investment proceeds with the Corporate Bond Issuance in whole or in part and subject to obtaining the approval, permit or registration from the PRC securities regulatory authorities, BAIC Investment may complete the issuance within the validity period of the same</p>
Validity period	The validity period of the resolution regarding the Corporate Bond Issuance shall be the same as that of the resolution regarding the Issuance of Onshore and Offshore Corporate Debt Financing Instruments approved at the 2014 annual general meeting of the Company (deadline being and including 28 June 2016)

II. GENERAL MANDATE

To effectively coordinate with the matters in the course of the Corporate Bond Issuance, the Board was authorised by the general meeting of BAIC Investment and an authorisation was also granted to the Board to further authorise the management of the Company to process, in their full discretion, the matters relating to the Corporate Bond Issuance according to the specific requirements of BAIC Investment and other market conditions, including but not limited to:

- (1) determine the specific terms, conditions and other matters relating to the corporate bonds, including but not limited to the issue size, actual gross amount, issue price, interest rate or its way of determination, place of issuance, timing of issuance, term, method of issuance, issuance in tranches or not and the number of tranches, creation of buyback terms and redemption terms or not, rating arrangements, term of repayment, use of proceeds, listing and underwriting arrangements and all matters relating to the issuance;
- (2) take all acts and steps as considered to be necessary and incidental to the Corporate Bond Issuance, including but not limited to the engagement of intermediaries to represent BAIC Investment in application to the relevant regulatory authorities for approval, registration and filing in relation to the issuance; execution of all legal documents necessary for the issuance; and handle other matters relating to the issuance and transaction;
- (3) approve, confirm and ratify any acts and steps stated above taken by BAIC Investment in connection with the Corporate Bond Issuance;

- (4) make corresponding adjustments to the matters relating to the Corporate Bond Issuance within the scope of the authorisation by the general meeting in accordance with opinions of the PRC securities regulatory authorities, changes in policies or changes in market conditions, save for the matters that are subject to re-voting at the general meeting of BAIC Investment under relevant laws, regulations and the articles of association, or determine whether or not to proceed with the issuance according to the actual conditions;
- (5) determine and handle the matters relating to the listing of the corporate bonds issued upon completion of the issuance; and
- (6) handle any other specific matters relating to the Corporate Bond Issuance and execute all necessary documents.

By order of the Board
BAIC Motor Corporation Limited
Xu Heyi
Chairman

Beijing, the PRC, 24 September 2015

As at the date of this announcement, the Board comprises Mr. Xu Heyi, as Chairman of the Board and non-executive Director; Mr. Zhang Xiyong and Mr. Li Zhili, as non-executive Directors; Mr. Li Feng, as executive Director; Mr. Ma Chuanqi, Mr. Qiu Yinfu, Mr. Hubertus Troska, Mr. Bodo Uebber, Ms. Wang Jing and Mr. Yang Shi, as non-executive Directors; and Mr. Fu Yuwu, 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*