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# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your Shares in BAIC Motor Corporation Limited, you should at once hand this circular and the accompanying proxy form to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)**

**Report of the Board of Directors for 2016**  
**Report of the Board of Supervisors for 2016**  
**Financial Report for 2016**  
**Profits Distribution and Dividends Distribution Plan for 2016**  
**Re-appointment of International Auditor and Domestic Auditor for 2017**  
**Appointment of Executive Director**  
**General Mandate for the Issuance of Onshore and Offshore**  
**Corporate Debt Financing Instruments**  
**General Mandate for the Issuance of Shares**  
**General Mandate for the Repurchase of Shares**  
**Notice of 2016 Annual General Meeting**  
**Notice of 2017 First Domestic Shareholders Class Meeting**  
**and**  
**Notice of 2017 First H Shareholders Class Meeting**

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A letter from the Board is set out on pages 4 to 12 of this circular.

The notices of the AGM and Shareholders Class Meetings to be held at 9:30 a.m. on Friday, June 23, 2017 at Multi-purpose Hall, 1st Floor, the South Tower of Beijing Automotive Industry R&D Base, No.99 Shuanghe Road, Shunyi District, Beijing, the PRC are set out on pages 16 to 22 of this circular. The forms of proxy for use at the AGM and Shareholders Class Meetings are also enclosed. Such form of proxy is also published on the HKExnews website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).

Whether or not you propose to attend the AGM and/or the Shareholders Class Meetings, holders of H Shares of the Company are requested to complete and return the enclosed form of proxy in accordance with the instruction printed thereon and return it to the Hong Kong Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and for holders of Domestic Shares, the form of proxy shall be returned to the Board of Directors' Office of the Company at the Investor Relationship Center, 9th Floor, Peng Long Building, No. 10 Hua Wei Li, Chaoyang District, Beijing, the PRC as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the AGM, the Shareholders Class Meetings or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the AGM, the Shareholders Class Meetings or any adjournment thereof if they so wish.

In the event that you attend or appoint a proxy to attend the AGM and/or Shareholders Class Meeting(s) in person, you are requested to complete and return the enclosed reply slip in accordance with the instruction printed thereon and return it to the Hong Kong H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares), or to the Board of Directors' Office of the Company at the Investor Relationship Center, 9th Floor, Peng Long Building, No. 10 Hua Wei Li, Chaoyang District, Beijing, the PRC (for holders of Domestic Shares), on or before Saturday, June 3, 2017.

\* For identification purpose only

May 9, 2017

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company for the year 2016 to be convened and held
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Beijing Benz”	Beijing Benz Automotive Co., Ltd. (北京奔馳汽車有限公司)
“Board”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Company” or “our Company”	BAIC Motor Corporation Limited, a joint stock limited company incorporated in the People’s Republic of China with limited liability, whose H Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1958)
“Director(s)”	the 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
“Domestic Shareholders Class Meeting”	The First Domestic Shareholders Class Meeting to be convened and held by the Company in 2017
“General Mandate for the Issuance of Shares”	means the general mandate granted to the Board to, independently or simultaneously, allot, issue and deal with the new Shares that shall not exceed 20% of Domestic Shares and/or overseas listed foreign invested shares (H Shares) of the Company respectively as at the date of the passing of relevant resolution, and make corresponding amendments to the Articles of Association as it thinks fit for allotment, issuance of and dealing with such Shares

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## DEFINITIONS

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“General Mandate for the Repurchase of Shares”	means the general mandate granted to the Board to, independently or simultaneously, repurchase Shares that shall not exceed 10% of Domestic Shares and/or overseas listed foreign invested shares (H Shares) of the Company respectively as at the date of the passing of relevant resolution, and make corresponding amendments to the Articles of Association as it thinks fit for repurchasing and dealing with such Shares
“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
“H Shareholders Class Meeting”	the First H Shareholders Class Meeting to be convened and held by the Company in 2017
“Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	April 21, 2017
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of our Company
“Shareholders Class Meeting”	the H Shareholders Class Meeting and the Domestic Shareholders Class Meeting
“Share(s)”	Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary” or “Subsidiaries”	has the meaning ascribed to it under the Listing Rules

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## DEFINITIONS

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“Supervisor(s)”	the supervisor(s) of the Company
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases, as amended from time to time
“%”	per cent

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## LETTER FROM THE BOARD

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**北京汽车**  
**BAIC MOTOR**

**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)**

*Directors:*

**Name**

**Position**

Mr. Xu Heyi

Chairman of the Board and  
non-executive Director

Mr. Zhang Xiyong

Non-executive Director

Mr. Li Feng

Executive Director

Mr. Zhang Jianyong

Non-executive Director

Mr. Qiu Yinfu

Non-executive Director

Mr. Hubertus Troska

Non-executive Director

Mr. Bodo Uebber

Non-executive Director

Mr. Guo Xianpeng

Non-executive Director

Ms. Wang Jing

Non-executive Director

Mr. Zhu Baocheng

Non-executive Director

Mr. Ge Songlin

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

*Registered Address:*

The fifth building  
Block 25 Shuntong Road  
Shunyi District  
Beijing 101300, China

*Headquarter:*

No. 99 Shuanghe Road  
Renhe Town  
Shunyi District  
Beijing 101300, China

*Principal place of  
business in Hong Kong:*

36/F, Tower Two  
Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

*To the Shareholders,*

**Report of the Board of Directors for 2016**  
**Report of the Board of Supervisors for 2016**  
**Financial Report for 2016**  
**Profits Distribution and Dividends Distribution Plan for 2016**  
**Re-appointment of International Auditor and Domestic Auditor for 2017**  
**Appointment of Executive Director**  
**General Mandate for the Issuance of Onshore and Offshore**  
**Corporate Debt Financing Instruments**  
**General Mandate for the Issuance of Shares**  
**General Mandate for the Repurchase of Shares**

### I. INTRODUCTION

The Company intends to hold the AGM and Shareholders Class Meetings at 9:30 a.m. on Friday, June 23, 2017 at Multi-purpose Hall, 1st Floor, the South Tower of Beijing Automotive Industry R&D Base, No.99 Shuanghe Road, Shunyi District, Beijing, the PRC. The notices to convene the AGM and Shareholders Class Meetings has been dispatched on May 9, 2017, and is set out on pages 16 to 22 of this circular.

\* For identification purpose only

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with details of the resolutions to be proposed by the Board, Board of Supervisors and the Shareholders for them to consider and approve as ordinary resolutions or special resolutions, as the case may be, at the AGM and Shareholders Class Meetings and provide all the information reasonably required to enable you to make an informed decision on whether to vote for or against or abstain from voting at those resolutions. Such resolutions and details are set out in the letter from the Board.

### II. MATTERS TO BE RESOLVED AT THE AGM

#### ORDINARY RESOLUTIONS

##### 1. REPORT OF THE BOARD OF DIRECTORS FOR 2016

An ordinary resolution will be proposed at the AGM to approve the report of the Board of Directors for 2016, the full text of which is included in the annual report published by the Company on April 26, 2017 at the Company's website and the HKExnews website of the Stock Exchange.

##### 2. REPORT OF THE BOARD OF SUPERVISORS FOR 2016

An ordinary resolution will be proposed at the AGM to approve the report of the Board of Supervisors for 2016, the full text of which is included in the annual report published by the Company on April 26, 2017 at the Company's website and the HKExnews website of the Stock Exchange.

##### 3. FINANCIAL REPORT FOR 2016

An ordinary resolution will be proposed at the AGM to approve the financial report for 2016.

The financial report for 2016 prepared by the Company according to Chinese Accounting Standards is summarized as follows:

###### *(1) Revenue and profit*

In 2016, the Company's consolidated statements recorded operating income of RMB121,315.297 million; cost of sales and tax of RMB96,130.035 million. The net profit for the year was RMB11,536.155 million, of which RMB6,366.930 million was attributable to the equity holders of the Company.

###### *(2) Cash flows*

In 2016, the net cash generated from operating activities in the Company's consolidated statements was RMB17,407.651 million. The net cash used in investing activities was RMB-8,625.565 million. The net cash generated from financing activities was RMB3,245.364 million. The net increase of cash and cash equivalents was RMB12,117.412 million.

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## LETTER FROM THE BOARD

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### *(3) Assets and liabilities*

As of December 31, 2016, the total assets in the consolidated statements of the Company were RMB168,900.386 million, of which total liabilities and total equity amounted to RMB110,867.065 million and RMB58,033.321 million respectively.

The financial report for 2016 prepared by the Company according to International Financial Reporting Standards is summarized as follows:

### *(1) Revenue and profit*

In 2016, the Company's consolidated statements recorded revenue of RMB116,198.983 million, cost of sales of RMB89,967.328 million, and distribution and administrative costs of RMB14,900.517 million. The net profit for the year was RMB11,536.155 million, of which RMB6,366.930 million was attributable to the equity holders of the Company.

### *(2) Cash flows*

In 2016, the net cash generated from operating activities in the Company's consolidated statements was RMB16,646.313 million. The net cash used in investing activities was RMB-8,625.565 million. The net cash generated from financing activities was RMB4,006.703 million. The net increase of cash and cash equivalents was RMB12,027.451 million.

### *(3) Assets and liabilities*

As of December 31, 2016, the total assets in the consolidated statements of the Company were RMB168,900.386 million, of which total liabilities and total equity amounted to RMB110,867.065 million and RMB58,033.321 million respectively. The total capital and reserves attributable to the equity holders of the Company were RMB40,160.107 million.

## **4. PROFITS DISTRIBUTION AND DIVIDENDS DISTRIBUTION PLAN FOR 2016**

Pursuant to the Articles of Association, an ordinary resolution will be proposed at the AGM to approve profits distribution and dividends distribution plan of the Company.

The Board proposed to pay a final dividend of RMB0.29 per Share (inclusive of tax, with dividends on Domestic Shares to be paid in Renminbi and dividends on H Shares to be paid in Hong Kong dollars. The exchange rate of Hong Kong dollars shall be calculated on the basis of the average closing price of Renminbi to Hong Kong dollars as announced by the People's Bank of China five working days prior to the declaration of distribution of dividends) with an aggregate amount of RMB2,202,648,072.78. The Board recommended to distribute final dividend for the year ended December 31, 2016 in cash to the Shareholders whose names appear on the register of members of the Company on Tuesday, July 4, 2017. The above dividend is subject to the approval of Shareholders at the AGM to be held on Friday, June 23, 2017. It is expected that the final dividend will be paid on Friday, September 8, 2017.



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## LETTER FROM THE BOARD

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Pursuant to the Enterprise Income Tax Law of PRC effective from January 1, 2008 and its implementation provisions and relevant regulations, the Company is obliged to withhold and pay enterprise income tax at a rate of 10% when it distributes the 2016 final dividend to the non-resident enterprise shareholders whose names are registered in the register of members of H Shares. Any shares which are not registered in the name(s) of individual H Shareholder(s), including the HKSCC Nominees Limited, other agents or trustees, or other organizations and societies shall be deemed to be Shares held by non-resident enterprise shareholders, and therefore the PRC enterprise income tax shall be deducted from their dividends payable.

Pursuant to the provisions and relevant laws and regulations under Guoshui Han [2008] No.897 and Guoshui Han [2008] No. 112, the Company shall withhold and pay enterprise income tax on the dividends at the tax rate of 10% for overseas non-resident enterprise shareholders. Non-resident enterprise shareholders receiving the dividends may, or may entrust a withholding agent or our Company to, apply to the competent tax authorities for the entitlement of tax treatment under the tax treaty (arrangements) by providing all the materials of the actual beneficial owner in compliance with the provisions of the tax treaty (arrangements). The difference of the tax shall be refunded by the competent tax authority upon audit.

Pursuant to the provisions and relevant laws and regulations under Caishui [2014] No. 81, for individual domestic investors who receive dividend gains derived from investment via the Shanghai-Hong Kong Stock Connect, the Company shall withhold and pay individual income tax at the rate of 20% on their behalf in accordance with the register of individual domestic investor as provided by the China Securities Depository and Clearing Corporation Limited. For domestic securities investment funds receiving dividend gains derived from investment via the Shanghai-Hong Kong Stock Connect, the taxable personal income shall be in accordance with the aforesaid provisions.

The record date of equity of investors of Hong Kong Stock Connect and the date of distribution of cash dividends and time and other arrangements will be the same as those for holders of H Shares of the Company.

Should the holders of H Shares of the Company have any doubt in relation to the aforesaid arrangements, please consult their tax advisers for relevant tax impact in the PRC, Hong Kong and other countries (regions) on the possession and disposal of the H Shares of the Company.

### **5. RE-APPOINTMENT OF INTERNATIONAL AUDITOR AND DOMESTIC AUDITOR FOR 2017**

An ordinary resolution will be proposed at the AGM to approve the re-appointment of PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP as the international auditor and domestic auditor of the Company for 2017 respectively for a term of office until next annual general meeting, and authorize the management of the Company to determine their respective audit fees.

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## LETTER FROM THE BOARD

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### 6. APPOINTMENT OF EXECUTIVE DIRECTOR

Reference is made to the announcement dated May 8, 2017 of our Company in respect of appointment of executive Director. The Board proposed to appoint Mr. Chen Hongliang as an executive Director with term of office commencing from the date of the approval by the AGM until the expiry of the term of the third session of the Board. Mr. Chen Hongliang will receive the senior management's remuneration from our Company according to the relevant requirements, but he will not receive any Directors' allowance from our Company. If the appointment of such new executive Director is passed at the AGM, the Company will enter into a service contract with him as soon as his term of office as an executive Director takes effect.

The biographical details of Mr. Chen Hongliang to be disclosed under Rule 13.51(2) of the Listing Rules are set out as below:

**Mr. Chen Hongliang (陳宏良)**, aged 52, holds a master's degree in engineering and is a researcher-level senior engineer. At present, Mr. Chen is the president and vice secretary of the party committee of our Company. Mr. Chen has more than 20 years of experience in the automobile industry. He has held various positions from January 1996 to September 2008, including the deputy director of the chassis plant (mainly responsible for the technical quality system), head of the procurement department, director of the assembly plant and deputy general manager of NAVECO Ltd.. He was the vice secretary of the party committee of NAVECO Ltd. from September 2008 to February 2009, and the deputy general manager of passenger vehicle department of Beijing Automotive Industry Holding Co., Ltd. (the predecessor of Beijing Automotive Group Co., Ltd.), and vice president of the head office of operation and production, chief project director of our Company, and general manager and secretary of the party committee of Zhuzhou branch from February 2009 to January 2014. He was the vice president of our Company, and the senior executive vice-president and the secretary of the party committee of Beijing Benz from January 2014 to March 2017, the director of Beijing Benz from January 2014 to now, and the president and vice secretary of the party committee of the Company since March 2017.

Save as disclosed above, Mr. Chen Hongliang confirmed that (1) he had not held any position in our Company or any of its subsidiaries, and over the past three years, had not served as a director or supervisor in any other listed companies; (2) he had no relationship with any other Directors, Supervisors, senior management or substantial or controlling shareholders of our Company or any of its subsidiaries; (3) as of the date of this circular, he had not owned any interest in the Shares of our Company within the meaning of Part XV of the SFO of Hong Kong.

Save as disclosed above, Mr. Chen Hongliang confirmed there was no other information that was required to be disclosed under Rule 13.51(2) (h) to (v) of the Listing Rules, and there were no other matters related to the appointment of Mr. Chen Hongliang as an executive Director of the Company that were required to be brought to the Shareholders' attention.

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## LETTER FROM THE BOARD

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### SPECIAL RESOLUTIONS

#### **7. GENERAL MANDATE FOR THE ISSUANCE OF ONSHORE AND OFFSHORE CORPORATE DEBT FINANCING INSTRUMENTS**

In order to control the financial cost by further expanding the financing channels and taking full advantage of the capital market for financing, the Company proposed to grant a mandate for the issuance of onshore and offshore debt financing instruments to the Board. The sizes of the issuance will be no more than RMB15 billion (inclusive) with a period of no more than 10 years (inclusive). One or more types of debt financing instruments will be issued either in one tranche or multiple tranches.

The general mandate for the issuance of onshore and offshore corporate debt financing instruments will remain in effect from the date of considering and approving the resolution by special resolution at the AGM until the expiry date of 12 months.

If the Company has determined the issuance or part of the issuance during the said effective period and has also obtained the approval, permission, enrollment or registration from regulatory authorities during such period, the Company may complete the issuance within the effective period as confirmed by such approval, permission, enrollment or registration. Under the general mandate, any power exercised by the Board should be in compliance with the related requirements of the Listing Rules, the Articles of Association and the relevant PRC laws and regulations.

#### **8. GENERAL MANDATE FOR THE ISSUANCE OF SHARES**

With a view to fully leveraging on the financing advantages of the capital market and capitalizing on the financing channel in the market, the Company, with reference to market practices, proposed to grant General Mandate for the Issuance of Shares to the Board, namely, in line with market conditions and the needs of the Company, the Board decides to issue and allot (“**issue**”), either separately or concurrently, additional shares not exceeding 20% of each of the number of Domestic Shares and/or H Shares in issue of the Company at the time of being approved at the AGM within the scope of authorization. Such 20% is based on the total share capital of Domestic Shares and/or H Shares in issue of the Company at the time of being approved at the AGM. Such additional shares include but not limited to Domestic Shares and/or H Shares, securities convertible into Shares and options, warrants or similar rights to subscribe for any Shares or such convertible securities.

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## LETTER FROM THE BOARD

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Relevant Period of the General Mandate for the Issuance of Shares means the period from the date of considering and approving the resolution by special resolution at the AGM until the earliest of:

1. the conclusion of the 2017 annual general meeting of the Company;
2. the expiry date of 12 months from the passing of the resolution at the AGM of the Company;
3. the date on which the mandate mentioned in the resolution thereof is revoked or amended by a resolution in any of the general meetings of the Company.

Under the General Mandate for the Issuance of Shares, any power exercised by the Board should be in compliance with the related requirements of the Listing Rules, the Articles of Association and the relevant PRC laws and regulations.

As of the Latest Practicable Date, the Board had no plan to issue new Shares according to the General Mandate for the Issuance of Shares.

### **III. MATTERS TO BE RESOLVED AT THE AGM AND SHAREHOLDERS CLASS MEETINGS**

#### **9. GENERAL MANDATE FOR THE REPURCHASE OF SHARES**

To guarantee the flexibility of the Board to adjust the capital structure, the Company proposed to grant General Mandate for the Repurchase of Shares to the Board to repurchase Domestic Shares and/or H Shares which, each of them, shall not exceed 10% of the respective aggregate nominal amount of the Domestic Shares and H Shares in issue of the Company at the date of the passing of this resolution.

The General Mandate for the Repurchase of Shares will remain in effect from the date of considering and approving the resolution by special resolution at the AGM until the earliest of:

1. the conclusion of the 2017 annual general meeting of the Company;
2. the expiry date of 12 months from the passing of the resolution at the AGM of the Company;
3. the date on which the mandate mentioned in the resolution thereof is revoked or amended by a resolution in any of the general meetings of the Company.

Under the General Mandate for the Repurchase of Shares, any power exercised by the Board should be in compliance with the related requirements of the Listing Rules, the Articles of Association and the relevant PRC laws and regulations.

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## LETTER FROM THE BOARD

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The Listing Rules prescribe that the requisite information of the recommended repurchase of Shares shall be provided to enable the Shareholders to make an informed decision on whether to vote for or against the resolution on the repurchase of Shares at the AGM and Shareholders Class Meetings. The explanatory statement containing such information is set out in Appendix I to this circular.

### **POLL PROCEDURE**

Pursuant to Rules 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting and a shareholders class meeting must be taken by poll. Therefore, all the resolutions set out in the notices of the AGM and Shareholders Class Meetings shall be voted by poll. Votes may be given either personally or by proxy.

### **RECOMMENDATION**

The Board considers that the above-mentioned resolutions are in the interests of the Company and the Shareholders as a whole, and thereby recommends the Shareholders to vote in favour of the resolutions at the AGM and Shareholders Class Meetings.

### **THE AGM AND SHAREHOLDERS CLASS MEETINGS**

The Notices of the AGM and Shareholders Class Meetings to be held at 9:30 a.m. on Friday, June 23, 2017 at Multi-purpose Hall, 1st Floor, the South Tower of Beijing Automotive Industry R&D Base, No.99 Shuanghe Road, Shunyi District, Beijing, the PRC are set out on pages 16 to 22 of this circular. The forms of proxy for use at the AGM and Shareholders Class Meetings are enclosed. Such forms of proxy are also published on the HKExnews website of the Stock Exchange and the website of the Company.

If you wish to attend the AGM and/or the Shareholders Class Meetings (in person or by proxy), please complete and return the enclosed reply slip to the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), or the Board of Directors' Office of the Company at the Investor Relationship Center, 9th Floor, Peng Long Building, No. 10 Hua Wei Li, Chaoyang District, Beijing, the PRC (for holders of Domestic Shares) on or before Saturday, June 3, 2017. The Company will convene an annual general meeting and/or Shareholders Class Meetings if Shareholders intending to attend the meetings hold Shares with voting rights exceeding half of the total number of Shares with voting rights in the Company. If not, the Company will convene the meetings by informing the Shareholders once again of the matters to be examined at the meetings as well as the date and place of the meetings in the form of a public announcement or other forms prescribed by the Articles of Association within five days.

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## LETTER FROM THE BOARD

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Whether or not you propose to attend the AGM and Shareholders Class Meetings, holders of H Shares are requested to complete and return the enclosed form of proxy in accordance with the instruction printed thereon and return it to the Hong Kong H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and for holders of Domestic Shares, the form of proxy shall be returned to the Board of Directors' Office of the Company at the Investor Relationship Center, 9th Floor, Peng Long Building, No. 10 Hua Wei Li, Chaoyang District, Beijing, the PRC as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the AGM and Shareholders Class Meetings or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the AGM and Shareholders Class Meetings or any adjournment thereof if they so wish.

### CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements of the Shareholders to attend the AGM and Shareholders Class Meetings, the register of members of the Company will be closed from Wednesday, May 24, 2017 to Friday, June 23, 2017 (both days inclusive), during which period no transfer of Shares of the Company will be effected. To be eligible to attend and vote at the AGM and Shareholders Class Meetings, all transfer documents must be lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares no later than 4:30 p.m. on Tuesday, May 23, 2017 or China Securities Depository and Clearing Corporation Limited at No. 17 Tai Ping Qiao Street, Xicheng District, Beijing, the PRC for holders of Domestic Shares no later than 4:00 p.m. on Tuesday, May 23, 2017.

In order to ascertain the entitlements of the Shareholders to receive the proposed final dividend, the register of members of the Company will be closed from Thursday, June 29, 2017 to Tuesday, July 4, 2017 (both days inclusive), during which period no transfer of Shares of the Company will be effected. To be eligible to receive the proposed final dividend, all the transfer documents must be lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares no later than 4:30 p.m. on Wednesday, June 28, 2017, or China Securities Depository and Clearing Corporation Limited at No. 17 Tai Ping Qiao Street, Xicheng District, Beijing, the PRC for holders of Domestic Shares no later than 4:00 p.m. on Wednesday, June 28, 2017.

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

May 9, 2017

This appendix serves as an explanatory statement, as required by Rule 10.06(1)(b) of the Listing Rules, to provide the requisite information for the Shareholders to consider the proposed repurchase of Shares.

### **1. DESCRIPTION AND NUMBER OF SHARES PROPOSED TO BE REPURCHASED**

As of the Latest Practicable Date, the total number of Shares issued by the Company is 7,595,338,182 (including 5,494,647,500 Domestic Shares and 2,100,690,682 H Shares). If the repurchase is carried out in full, the Shares to be repurchased shall not exceed 759,533,818 shares with a maximum of 549,464,750 Shares for Domestic Shares and a maximum of 210,069,068 Shares for H Shares. The exact number of Shares to be repurchased shall be determined by the actual number of Shares repurchased by the end of the repurchase period.

### **2. REASONS FOR REPURCHASE**

In order to enable the Company to make full use of Share repurchase as a means for adjusting the capital structure in line with market conditions and the needs of the Company, the net asset value and/or earnings per Share may be increased under the principle of protecting investor interests.

The Board believes that the repurchase of Shares is in the interests of the Shareholders and the Company, and conducive to boosting investors' confidence.

### **3. SOURCE OF FUNDS**

The Company shall, in accordance to the Articles of Association and the applicable PRC laws, regulations and statutes, legally set aside funds for purposes related to its internal resources (which may include surplus reserves and retained earnings) at the time of share repurchase.

### **4. IMPACT ON WORKING CAPITAL**

The Directors believe that the exercise of the Mandate for the Repurchase of Shares in full at any time during the proposed repurchase period would not cause a material adverse impact on the working capital or gearing ratio of the Company (as opposed to the disclosures of the latest audited accounts set out in the Company's annual report for the year ended December 31, 2016). However, if the provision exercise of the of the Company's working capital or assets and liabilities level would be materially and adversely affected as a result of the repurchase of Shares, then the Directors shall not propose the exercise of the Mandate for the Repurchase of Shares to that degree. The Directors shall at an appropriate time consider the prevailing market conditions, and in the best interest of the Company, make decisions on the number, price and other terms of Shares to be repurchased.

**5. PRESENT INTENTION OF DIRECTORS AND THEIR CLOSE ASSOCIATES**

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their close associates (whose definition is set out in the Listing Rules), have any present intention to sell to the Company any of the Shares according to the General Mandate for the Repurchase of Shares if the relevant resolution is approved by the Shareholders.

**6. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that so far as the same may be applicable, they will exercise the powers of the Company to repurchase Shares pursuant to the Listing Rules and the applicable PRC laws and in accordance with the special resolution set out in the AGM notice and notices of Shareholders Class Meetings respectively.

**7. EFFECT OF THE TAKEOVER CODE**

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the power of the Company to repurchase Shares pursuant to the General Mandate for the Repurchase of Shares, such an increase will be treated as an acquisition of the voting rights pursuant to Rule 32 of the Takeovers Code. If such an increase results in the change in control, it could, under certain circumstances, result in the recommendation for a mandatory acquisition in accordance with Rule 26 of the Takeovers Code.

As of the Latest Practicable Date, to the best knowledge and belief of the Directors, the Directors are not aware of any consequence which may arise under the Takeovers Code and any similarly applicable laws as a consequence of any repurchase of Shares under the General Mandate for the Repurchase of Shares.

**8. SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) six months up to the Latest Practicable Date.

**9. CORE CONNECTED PERSON**

No core connected person (as defined in the Listing Rules) has notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so in the event that the repurchase of Shares is approved by the Shareholders.



**10. MARKET PRICES**

The highest and lowest closing prices of each month at which the H Shares have been traded on the Stock Exchange over the last 12 months are as follows:

	<b>Highest</b> <i>Hong Kong</i> <i>dollars</i>	<b>Lowest</b> <i>Hong Kong</i> <i>dollars</i>
<b>2016</b>		
May	6.31	5.22
June	5.60	4.89
July	7.22	5.22
August	7.90	6.64
September	8.69	7.57
October	8.67	7.71
November	7.94	6.99
December	7.37	6.56
<b>2017</b>		
January	7.67	6.74
February	9.12	7.36
March	8.83	8.25
April (up to the Latest Practicable Date)	8.93	7.60

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## NOTICE OF 2016 AGM

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**北京汽车**  
**BAIC MOTOR**

**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)**

### **NOTICE OF 2016 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 2016 annual general meeting (“**2016 AGM**”) of BAIC Motor Corporation Limited (the “**Company**”) will be held at 9:30 a.m. on Friday, June 23, 2017 at Multi-purpose Hall, 1st Floor, the South Tower of Beijing Automotive Industry R&D Base, No.99 Shuanghe Road, Shunyi District, Beijing, the PRC for the purpose of considering, among others, and if thought fit, passing the following resolutions (with or without modifications). Unless the context otherwise requires, capitalised terms used wherein shall have the same meanings as those defined in the circular of the Company dated May 9, 2017:

#### **Ordinary Resolutions**

1. Report of the Board of Directors for 2016
2. Report of the Board of Supervisors for 2016
3. Financial Report for 2016
4. Profits Distribution and Dividends Distribution Plan for 2016
5. Re-appointment of International Auditor and Domestic Auditor for 2017
6. Appointment of Executive Director

\* *For identification purpose only*

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## NOTICE OF 2016 AGM

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### Special Resolutions

7. General Mandate for the Issuance of Onshore and Offshore Corporate Debt Financing Instruments
8. General Mandate for the Issuance of Shares
9. General Mandate for the Repurchase of Shares

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

Beijing, the PRC, May 9, 2017

*Notes:*

- (A) The register of members will be closed from Wednesday, May 24, 2017 to Friday, June 23, 2017 (both days inclusive), during which period no transfer of Shares will be effected. Holders of H Shares of the Company whose names appear on the register of H Shares of the Company, as maintained by Computershare Hong Kong Investor Services Limited at the close of business hours on Tuesday, May 23, 2017 are entitled to attend and vote at the 2016 AGM following completion of the registration procedures. To be eligible to attend and vote at the 2016 AGM, all the transfer documents must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares no later than 4:30 p.m. on Tuesday, May 23, 2017 or the China Security Depository and Clearing Corporation Limited at No. 17 Tai Ping Qiao Street, Xicheng District, Beijing, the PRC for holders of Domestic Shares no later than 4:00 p.m. on Tuesday, May 23, 2017.
- (B) In order to ascertain the entitlements of the Shareholders to receive the proposed final dividend, the register of members of the Company will be closed from Thursday, June 29, 2017 to Tuesday, July 4, 2017 (both days inclusive), during which period no transfer of shares of the Company will be effected. To be eligible to receive the proposed final dividend, all the transfer documents must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares no later than 4:30 p.m. on Wednesday, June 28, 2017, or China Securities Depository and Clearing Corporation Limited at No. 17 Tai Ping Qiao Street, Xicheng District, Beijing, the PRC for holders of Domestic Shares no later than 4:00 p.m. on Wednesday, June 28, 2017.
- (C) Shareholders intending to attend the 2016 AGM should complete and return the reply slip for attending the 2016 AGM in person, by facsimile or by post to the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares or the Board of Directors' Office of the Company at the Investor Relationship Center, 9th Floor, Peng Long Building, No. 10 Hua Wei Li, Chaoyang District, Beijing, the PRC for holders of Domestic Shares on or before Saturday, June 3, 2017.
- (D) Each shareholder entitled to attend and vote at the 2016 AGM may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the 2016 AGM on its behalf. A proxy need not be a Shareholder of the Company. With respect to any Shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
- (E) A proxy shall be appointed by a Shareholder by a written instrument signed by the appointor or his attorney duly authorized in writing. In case of a corporation, the same must be either under its common seal or under the hand of its legal representative or duly authorized attorney(s). If the written instrument is signed by an attorney of the appointor, the power of attorney or other documents of authorization of such attorney shall be notarized.

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## NOTICE OF 2016 AGM

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- (F) To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in Note (D) above must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares or the Board of Directors' Office of the Company at the Investor Relationship Center, 9th Floor, Peng Long Building, No. 10 Hua Wei Li, Chaoyang District, Beijing, the PRC for holders of Domestic Shares, not less than 24 hours before the time appointed for the 2016 AGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the meeting if he so desires.
  
- (G) A Shareholder or his proxy should produce proof of identity when attending the 2016 AGM. Where a Shareholder is a legal person, the legal representative of that Shareholder or the person authorized by its board of directors or other governing body shall produce a copy of the authorization documents of the board of directors or other governing body of such Shareholder appointing such person to attend the meeting.
  
- (H) The 2016 AGM is expected to last for half a day. Shareholders who attend the 2016 AGM shall bear their own travelling and accommodation expenses.

# NOTICE OF 2017 FIRST DOMESTIC SHAREHOLDERS CLASS MEETING



**北京汽车**  
**BAIC MOTOR**

**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)**

## NOTICE OF 2017 FIRST DOMESTIC SHAREHOLDERS CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the 2017 First Domestic Shareholders Class Meeting (the “**Domestic Shareholders Class Meeting**”) of BAIC Motor Corporation Limited (the “**Company**”) will be held on Friday, June 23, 2017 right after the 2016 Annual General Meeting at Multi-purpose Hall, 1st Floor, South Tower of Beijing Automotive Industry R&D Base, No.99 Shuanghe Road, Shunyi District, Beijing, the PRC for the purpose of considering, among others, and if thought fit, passing the following resolutions (with or without modifications). Unless the context otherwise requires, capitalised terms used wherein shall have the same meanings as those defined in the circular of the Company dated May 9, 2017:

### **Special Resolution**

1. General Mandate for the Repurchase of Shares

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

Beijing, the PRC, May 9, 2017

#### *Notes:*

- (A) The register of members of the Company will be closed from Wednesday, May 24, 2017 to Friday, June 23, 2017 (both days inclusive), during which period no transfer of the Domestic Shares will be effected. Holders of Domestic Shares of the Company whose names appear on the register of members of Domestic Shares of the Company, as maintained by China Securities Depository and Clearing Corporation Limited, at the close of business hours on Tuesday, May 23, 2017 are entitled to attend and vote at the Domestic Shareholders Class Meeting following completion of the registration procedures. To be eligible to attend and vote at the Domestic Shareholders Class Meeting, all the documents on transfers of domestic shares of the Company must be lodged with China Securities Depository and Clearing Corporation Limited at No. 17, Tai Ping Qiao Street, Xicheng District, Beijing, the PRC, for holders of Domestic Shares no later than 4:00 p.m. on Tuesday, May 23, 2017.

\* *For identification purpose only*

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## NOTICE OF 2017 FIRST DOMESTIC SHAREHOLDERS CLASS MEETING

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- (B) In order to ascertain the entitlements of the Shareholders to receive the proposed final dividend, the register of members of the Company will be closed from Thursday, June 29, 2017 to Tuesday, July 4, 2017 (both days inclusive), during which period no transfer of shares of the Company will be effected. To be eligible to receive the proposed final dividend, all transfer documents must be lodged with China Securities Depository and Clearing Corporation Limited at No. 17 Tai Ping Qiao Street, Xicheng District, Beijing, the PRC for holders of Domestic Shares of the Company no later than 4:00 p.m. on Wednesday, June 28, 2017.
- (C) Holders of Domestic Shares intending to attend the Domestic Shareholders Class Meeting shall complete and return the reply slip for attending the Domestic Shareholders Class Meeting to the Board of Directors' Office of the Company at the Investor Relationship Center, 9th Floor, Peng Long Building, No. 10 Hua Wei Li, Chaoyang District, Beijing, the PRC by hand, by fax or by post on or before Saturday, June 3, 2017.
- (D) Each shareholder entitled to attend and vote at the Domestic Shareholders Class Meeting may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the Domestic Shareholders Class Meeting on its behalf. A proxy need not be a Shareholder of the Company. With respect to any Shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
- (E) A proxy shall be appointed by a Shareholder by a written instrument signed by the appointor or his attorney duly authorized in writing. In case of a corporation, the same must be either under its common seal or under the hand of its legal representative or duly authorized attorney(s). If the written instrument is signed by an attorney of the appointor, the power of attorney or other documents of authorization of such attorney shall be notarized.
- (F) To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in Note (D) above must be delivered to the Board of Directors' Office of the Company at the Investor Relationship Center, 9th Floor, Peng Long Building, No. 10 Hua Wei Li, Chaoyang District, Beijing, the PRC not less than 24 hours before the time appointed for the Domestic Shareholders Class Meeting or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the meeting if he so desires.
- (G) A Shareholder or his proxy should produce proof of identity when attending the Domestic Shareholders Class Meeting. Where a Shareholder is a legal person, the legal representative of that Shareholder or the person authorized by its board of directors or other governing body shall produce a copy of the authorization documents of the board of directors or other governing body of such Shareholder appointing such person to attend the meeting.
- (H) The Domestic Shareholders Class Meeting is expected to last for half a day. Shareholders who attend the Domestic Shareholders Class Meeting shall bear their own travelling and accommodation expenses.

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## NOTICE OF 2017 FIRST H SHAREHOLDERS CLASS MEETING

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**北京汽车**  
**BAIC MOTOR**

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**BAIC MOTOR CORPORATION LIMITED\***

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

**(Stock Code: 1958)**

### NOTICE OF 2017 FIRST H SHAREHOLDERS CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the 2017 First H Shareholders Class Meeting (the “**H Shareholders Class Meeting**”) of BAIC Motor Corporation Limited (the “**Company**”) will be held on Friday, June 23, 2017 right after the 2017 First Domestic Shareholders Class Meeting at Multi-purpose Hall, 1st Floor, the South Tower of Beijing Automotive Industry R&D Base, No.99 Shuanghe Road, Shunyi District, Beijing, the PRC for the purpose of considering, among others, and if thought fit, passing the following resolutions (with or without modifications). Unless the context otherwise requires, capitalised terms used wherein shall have the same meanings as those defined in the circular of the Company dated May 9, 2017:

#### **Special Resolution**

1. General Mandate for the Repurchase of Shares

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

Beijing, the PRC, May 9, 2017

#### *Notes:*

- (A) The register of members will be closed from Wednesday, May 24, 2017 to Friday, June 23, 2017 (both days inclusive), during which period no transfer of the H Shares will be effected. Holders of H Shares of the Company whose names appear on the register of H Shares of the Company, as maintained by Computershare Hong Kong Investor Services Limited, at the close of business hours on Tuesday, May 23, 2017 are entitled to attend and vote at the H Shareholders Class Meeting following completion of the registration procedures. To be eligible to attend and vote at the H Shareholders Class Meeting, all the documents on transfers of H Shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares not later than 4:30 p.m., Tuesday, May 23, 2017.

\* *For identification purpose only*

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## NOTICE OF 2017 FIRST H SHAREHOLDERS CLASS MEETING

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- (B) In order to ascertain the entitlements of the Shareholders to receive the proposed final dividend, the register of members of the Company will be closed from Thursday, June 29, 2017 to Tuesday, July 4, 2017 (both days inclusive), during which period no transfer of shares of the Company will be effected. To be eligible to receive the proposed final dividend, all the transfer documents must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares of the Company no later than 4:30 p.m. on Wednesday, June 28, 2017.
- (C) Holders of H Shares intending to attend the H Shareholders Class Meeting shall complete and return the reply slip for attending the H Shareholders Class Meeting by hand, by fax or by post to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before Saturday, June 3, 2017.
- (D) Each shareholder entitled to attend and vote at the H Shareholders Class Meeting may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the H Shareholders Class Meeting on its behalf. A proxy need not be a Shareholder of the Company. With respect to any Shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
- (E) A proxy shall be appointed by a Shareholder by a written instrument signed by the appointor or his attorney duly authorized in writing. In case of a corporation, the same must be either under its common seal or under the hand of its legal representative or duly authorized attorney(s). If the written instrument is signed by an attorney of the appointor, the power of attorney or other documents of authorization of such attorney shall be notarized.
- (F) To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in Note (D) above must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at (17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) for holders of H Shares, not less than 24 hours before the time appointed for the H Shareholders Class Meeting or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the meeting if he so desires.
- (G) A Shareholder or his proxy should produce proof of identity when attending the H Shareholders Class Meeting. Where a Shareholder is a legal person, the legal representative of that Shareholder or the person authorized by its board of directors or other governing body shall produce a copy of the authorization documents of the board of directors or other governing body of such Shareholder appointing such person to attend the meeting.
- (H) The H Shareholders Class Meeting is expected to last for not more than half a day. Shareholders who attend the H Shareholders Class Meeting shall bear their own travelling and accommodation expenses.