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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)

VOLUNTARY ANNOUNCEMENT

ENTERING INTO THE FRAMEWORK AGREEMENT IN RELATION TO FURTHER INVESTMENT IN BEIJING BENZ TO INTRODUCE PURE ELECTRIC VEHICLE PRODUCTS

This announcement is made by BAIC Motor Corporation Limited (the “**Company**”) on a voluntary basis.

The Company is pleased to announce that on July 5, 2017, the Company entered into the framework agreement in relation to further investment in Beijing Benz to introduce pure electric vehicle products (the “**Framework Agreement**”) with Daimler AG (“**Daimler**”).

Pursuant to the Framework Agreement, for the purpose of allowing Beijing Benz Automotive Co., Ltd. (“**Beijing Benz**”) to introduce pure electric vehicle products from Daimler, and setting up the production and research and development capacity of locally adapted batteries for new energy vehicles, the Company, Daimler and Daimler Greater China Limited intend to jointly increase their investments in Beijing Benz, with the total planned investment for the aforementioned amounting to approximately RMB5 billion.

China is currently the world’s largest manufacturer and distributor of electric vehicles. The Chinese Government attaches great importance to the industry development of new energy vehicles. In view of the promising development prospects the new energy vehicle industry has in China, based on adequate market research and expert advice, the Company and Daimler have decided to commence cooperation for this project. The cooperation will further deepen the strategic cooperation between the Company and Daimler, and complement both of their strengths, thereby laying a strong foundation for Beijing Benz to become an important production base for pure electric vehicles in China.

The Framework Agreement and the transactions contemplated thereunder do not constitute the notifiable transactions of the Company within the meaning of Chapter 14 nor connected transactions within the meaning of Chapter 14A of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

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

Beijing, the PRC, July 5, 2017

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. Zhang Jianyong, as non-executive Directors; Mr. Chen Hongliang, as executive Director; Mr. Qiu Yinfu, Mr. Hubertus Troska, Mr. Bodo Uebber, Mr. Guo Xianpeng, Ms. Wang Jing and Mr. Zhu Baocheng, 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*