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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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
PROPOSED DISPOSAL OF ASSETS TO BEIJING BENZ**

The Board hereby announces that on 23 February 2018, the Company and Beijing Benz, a non wholly-owned subsidiary of the Company, entered into the Asset Transfer Agreement, pursuant to which the Company agreed to dispose of, and Beijing Benz agreed to purchase, the Transferred Assets of the Beijing Branch of the Company at a consideration of RMB5,836,765,124.01 (subject to the valuation determined in the appraisal report issued by the PRC Appraiser to be approved by Beijing SASAC).

As at the date of this announcement, Daimler AG is a substantial shareholder (holding 10.08% interest in the Company) and connected person of the Company. Since Daimler AG also directly and indirectly holds 49% interest in Beijing Benz, a non wholly-owned subsidiary of the Company, Beijing Benz is thus a connected subsidiary of the Company pursuant to Chapter 14A of the Listing Rules. Therefore, the transaction proposed to be conducted between the Company and Beijing Benz under the Asset Transfer Agreement constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the transaction proposed to be conducted under the Asset Transfer Agreement is more than 5%, but are all less than 25%, such transaction will constitute a discloseable and connected transaction of the Company, which is subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Chapter 14 & 14A of the Listing Rules.

The Company will convene an extraordinary general meeting for the purpose of, among other things, obtaining the Independent Shareholders' approval for the Asset Transfer Agreement as well as the discloseable and connected transaction of the Company contemplated thereunder. Daimler AG and its associates will abstain from voting on the relevant resolution at the extraordinary general meeting.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders on the terms of the Asset Transfer Agreement and the discloseable and connected transaction of the Company contemplated thereunder. Gram Capital has also been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same matter.

A circular containing, among other things, further details of the Asset Transfer Agreement and the discloseable and connected transaction of the Company contemplated thereunder, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the terms of the Asset Transfer Agreement and the discloseable and connected transaction of the Company contemplated thereunder and a letter from the Independent Board Committee to the Independent Shareholders on the same and its recommendation on voting, together with the notice of the extraordinary general meeting of the Company, will be despatched to the Shareholders in due course.

INTRODUCTION

The Board hereby announces that on 23 February 2018, the Company and Beijing Benz, a non wholly-owned subsidiary of the Company, entered into the Asset Transfer Agreement, pursuant to which the Company agreed to dispose of, and Beijing Benz agreed to purchase, the Transferred Assets of the Beijing Branch of the Company at a consideration of RMB5,836,765,124.01 (subject to the valuation determined in the appraisal report issued by the PRC Appraiser to be approved by Beijing SASAC).

ASSET TRANSFER AGREEMENT

Principal terms of the Asset Transfer Agreement are set out below:

Parties: the Company, as the Seller

Beijing Benz, as the Purchaser

Date: 23 February 2018

Transferred Assets: On the terms and subject to the conditions of the Agreement, the Seller agrees to sell, transfer and deliver to the Purchaser, and the Purchaser agrees to acquire and accept from the Seller, free and clear of any encumbrances (except for the third party consent required under the Assigned Contracts), all rights, title and interests in, to and under the assets located at the production base of the Beijing Branch at No. 19, Dongying Road, Zhaofeng Industry Base, Zhaoquanying Town, Shunyi District, Beijing, and the Assigned Contracts as of the date of the Agreement and as may be further adjusted by the Parties as agreed in the Agreement (collectively, the “**Transferred Assets**”), including, without limitation, the following:

- a) all self-owned real properties and land use rights and structures thereon (the “**Property and Land**”) as set out in Appendix 1 to the Agreement;

- b) all construction work in progress (the “**Construction in Progress**”) as set out in Appendix 1 to the Agreement;
- c) all inventories and spare parts, and all machines, equipment, vehicles, fixtures, furniture, supplies and tools (the “**Inventory and Equipment**”) as set out in Appendix 1 to the Agreement;
- d) all contracts relating to the Transferred Assets as listed in Appendix 2 to the Agreement (the “**Assigned Contracts**”);
- e) to the extent transferrable to the Purchaser under the applicable laws, all permits held by the Seller which are necessary for the Purchaser’s possession or use of the Transferred Assets (the “**Permits**”);
- f) all claims, deposits, prepayments, refunds, causes of action for past, present or future damages for breach, infringement or misappropriation of any Transferred Assets under the Assigned Contracts; and
- g) all books, records and other documents, including without limitation fixed asset records, technical specifications, machinery and equipment maintenance files, architectural plans, drawings and specifications and other materials relating to the Transferred Assets (collectively, the “**Technical Documentation**”).

**Consideration
(Purchase Price):**

The aggregate consideration (“**Purchase Price**”) for the Transferred Assets is RMB5,836,765,124.01 (inclusive of VAT), subject to the valuation determined in the appraisal report to be approved by Beijing SASAC and shall be allocated among the Transferred Assets (the “**Itemized Purchase Price**”) as follows:

Property and Land:	RMB3,977,512,859.00
Construction in Progress:	RMB855,295,910.90
Inventory and Equipment:	<u>RMB1,003,956,354.11</u>
Total:	<u><u>RMB5,836,765,124.01</u></u>

Such consideration was determined based on the exact appraised value of the Transferred Assets as at 31 October 2017, being RMB5,836,765,124.01, as set out in the *Valuation Report regarding the Proposed Disposal of Certain Assets by BAIC Motor Corporation Ltd.* (Tianxingpingbaozi (2017) No. 1440) issued by PAAC on 6 February 2018 based on the cost approach.

Conditions Precedent: The closing of the transaction contemplated under the Agreement shall occur no later than the thirtieth (30th) business day following the date when each of the conditions set out in a) through e) below is satisfied or waived by the Purchaser:

- a) the passing of resolution by the board of directors of Beijing Benz approving the execution of this Agreement, the purchase of the Transferred Assets, and any other related matters;
- b) the passing of resolutions by the shareholders' meeting and the board of directors of the Company approving the execution of this Agreement, the sale of the Transferred Assets, and any other related matters;
- c) the Seller's receipt of the Approval by Beijing SASAC of the asset appraisal report on the Transferred Assets (the "**SASAC Approval**");
- d) the issuance of the Real Property Certificates of the Property and Land registered under the name of the Purchaser;
- e) completion of relocation of the Retained Assets other than the stamping workshop rendering the Transferred Assets clean and tidy by the Seller;
- f) all representations and warranties made by the Seller in the Agreement being true and accurate in all material respects as of the date of the Agreement and as of the Closing Date; and
- g) no occurrence of a material adverse change since the date of the Agreement.

The Seller shall be responsible for applying for and obtaining the approvals and permits from the government authorities as well as third party consents for the purpose of fulfilling the conditions precedent as set out in c) and d) above as soon as reasonably practicable after the date of the Agreement. Each Party shall provide utmost cooperation and assistance and provide in a timely manner any information and documents as required by relevant government authorities if reasonably requested by the other Party.

- Payment and Closing:**
- I. Once the Seller has received the SASAC Approval, it shall promptly notify the Purchaser in writing and provide the Purchaser with a scanned copy of the SASAC Approval. The Purchaser shall pay the Seller an amount of RMB1,752,000,000 within five (5) business days from the date of the Purchaser's receipt of the Seller's notification of the SASAC Approval.
 - II. In the event that the Purchaser has received the real property certificates for all the Property and Land, it shall pay the Seller an amount of RMB2,685,000,000 within five (5) business days from the date when the Purchaser has received all the real property certificates. If the Purchaser has only received the real property certificates for part of the Property and Land and the Seller requests payment for the Land and Property in writing, the Purchaser shall only be obligated to pay the Seller an amount equal to RMB2,685,000,000 minus the aggregate consideration of the Property and Land for which the real property certificates have not been registered under the name of the Purchaser (excluding the structures on the Property and Land), which is calculated on the basis of the Itemized Purchase Price within five (5) Business Days from the date of the Purchaser's receipt of the Seller's written payment request.
 - III. For the purpose of the closing, the Parties shall conduct a physical count and technical audit of the Inventory and Equipment prior to the closing and adjust the Purchase Price as follows:
 - a) not less than fifteen (15) business days prior to the Closing Date, the Seller and the Purchaser shall jointly conduct a physical count and technical audit of the Inventory and Equipment and attach labels to the Inventory and Equipment to be delivered to the Purchaser on the Closing Date;
 - b) the Purchaser shall provide a written technical audit report ("**Technical Report**") to the Seller within five (5) business days after completion of the physical count and technical audit to identify the issues and deficiencies which may adversely affect the Purchaser's use or operation of the Inventory and Equipment as well as the corrective measures that the Seller shall take as confirmed by the Parties through friendly discussions;
 - c) after receipt of the Technical Report, the Seller may at its reasonable discretion decide whether to (i) take necessary corrective measures at its own cost according to the Technical Report as soon as practicable and to cure such deficiencies to the reasonable satisfaction of the Purchaser before the closing; or (ii) remove the relevant Inventory and Equipment from the scope of the Transferred Assets;

- d) following the completion of the corrective measures taken by the Seller (if any), the Purchaser shall carry out a final inspection of the Inventory and Equipment so cured by the Seller. If the Inventory and Equipment so cured by the Seller fails to meet the requirements under the Technical Report, the Purchaser shall have the right to refuse to accept such Inventory and Equipment, provided that such acceptance shall not be unreasonably withheld by the Purchaser. The relevant Inventory and Equipment so rejected by the Purchaser or removed by the Seller shall constitute part of the Retained Assets of the Seller; and
- e) not less than two (2) business days prior to the Closing Date, the Seller and the Purchaser shall, based on the results of physical count, jointly determine the Inventory and Equipment handover list in writing. The Parties agree that the relevant Inventory and Equipment for which the Seller has not completed the corrective measures two (2) business days prior to the Closing Date shall be excluded from the Inventory and Equipment handover list and shall not constitute part of the Transferred Assets unless the Parties mutually agree otherwise. The Parties shall discuss in good faith how to deal with such excluded Inventory and Equipment after closing.
- f) With respect to the Property and Land which are not transferred from the Seller to the Purchaser pursuant to II above,
 - (i) if the Purchaser has received the real property certificates registered in the Purchaser's name in connection therewith two (2) business days prior to the Closing Date, the Purchaser shall make payment in the amount equal to the valuation of such Property and Land on the Closing Date; and
 - (ii) if the Purchaser has not received the real property certificates registered in the Purchaser's name two (2) business days prior to the Closing Date, the Seller shall continue to make its best efforts to complete the registration change after closing and the Purchaser shall make payment in the amount equal to the valuation of each Property and Land within five (5) days after the date when the Purchaser has received the relevant real property certificates registered in its name.

- g) The purchase price payable by the Purchaser to the Seller at the Closing Date is RMB1,399,765,124.01 (x) minus the aggregate consideration of the Inventory and Equipment which are not accepted by or delivered to the Purchaser on the Inventory and Equipment handover list pursuant to III c), d) and e); (y) plus the aggregate consideration of the Property and Land for which the Purchaser has received the real property certificates registered in Purchaser's name two (2) business days prior to the Closing Date pursuant to III f) (i).

Long Stop Date: October 31, 2018, which may be extended for a period of three (3) months by mutual agreement of the Parties pursuant to the Agreement.

The Agreement may be terminated by either Party if the closing has not taken place on or before the long stop date due to the fault of the other Party.

Liabilities and Risks during the Transition Period: The liabilities and risks in relation to the Transferred Assets and the operation of the business and the Transferred Assets shall remain with the Seller prior to the closing. To the extent that the ownership of the Transferred Assets has been transferred to the Purchaser prior to the closing, the liabilities and risks in relation to the possession and use of such Transferred Assets shall remain with the Seller, and other liabilities and risks in relation to such Transferred Assets shall be borne by the Purchaser. From the closing, the liabilities and risks in relation to the Transferred Assets and its operation shall be borne by the Purchaser.

FINANCIAL INFORMATION OF THE TRANSFERRED ASSETS

According to the valuation of the Transferred Assets made by PCAA, the PRC Appraiser, based on the cost approach, the book value as well as the appraised value of the Transferred Assets as at the 31 October 2017 were as follows:

	Book Value (RMB) <i>(as at 31 October 2017)</i>	Appraised Value (RMB) <i>(as at 31 October 2017)</i>
Property and Land	2,982,353,378.88	3,977,512,859.00
Construction in Progress	1,102,000,891.19	855,295,910.90
Inventory and Equipment	720,169,179.97	1,003,956,354.11
Total	4,804,523,450.04	5,836,765,124.01

As at the date of the Asset Transfer Agreement, among the Transferred Assets, certain Property and Construction in Progress, Inventory and Equipment have been held by the Company for 12 months or less, the original acquisition cost (exclusive of tax) of which is RMB81.85 million, RMB27.41 million and RMB2.18 million, respectively.

INFORMATION ON PROPERTY AND MACHINERY AND EQUIPMENT

According to the valuation report prepared by APA, the Independent Valuer, the Property (including the Property and Land and parts of the Construction in Progress as defined in the Asset Transfer Agreement) comprises 2 parcels of land with a total site area of approximately 1,060,386.67 sq.m., 34 buildings and various ancillary structures erected thereon which were completed between 2013 to 2016. The buildings have a total gross floor area of approximately 384,364.32 sq.m. The buildings mainly include industrial plants, office building, storage houses, staff canteen, a gymnasium, a dormitory and ancillary buildings. The structures mainly include boundary walls, roads, bicycle shed, basketball court, car yards and gates. The land use rights of the Property have been granted for a term of 50 years with the expiry date of 21 May 2061 for industrial use.

According to the valuation report prepared by APA, the Independent Valuer, in respect of the Equipment among the Transferred Assets, the Equipment mainly includes the machinery and equipment, motor vehicles, office equipment and work in progress, such as pressing machine, paint line, mechanical arm, assembly line and utilities equipment used in the manufacturing of motor vehicles. The chronological ages of the major machinery range from 1 to 6 years old. Most of major equipment were sourced and fabricated in China, Germany and Japan.

According to the valuation of the Property and Machinery and Equipment made by APA, the Independent Valuer, based on the cost approach (for the Property) and both the cost and market approach (for Machinery and Equipment), the appraised value of the Property and Machinery and Equipment as at the Valuation Date (i.e. 31 December 2017) were as follows:

	Appraised Value (RMB) (as at 31 December 2017)
Property	3,894,760,000
Machinery and Equipment	<u>1,152,640,000</u>
Total	<u><u>5,047,400,000</u></u>

The difference between the appraised value of the Transferred Assets as at 31 October 2017 as set out in the valuation report issued by the PRC Appraiser and the appraised value of the Property and Machinery and Equipment as at the Valuation Date as set out in the valuation report prepared by APA, the Independent Valuer, is mainly due to differences in the valuation date and valuation scope, as well as tax factors, ect.

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL OF THE TRANSFERRED ASSETS

As Beijing Benz is a non wholly-owned subsidiary of the Company whose accounts are consolidated into the accounts of the Group, gains of the Company from the Transaction to be realized on the Closing Date will be offset under the consolidated accounts of the Group. Therefore, it is expected that the Transaction will have no effect on the consolidated income statement of the Group.

The sale proceeds of the Company from the proposed Transaction are intended to be used to adjust product mix and improve brand recognition as well as replenish the liquidity of the Company.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company transfers certain assets of Beijing Branch mentioned above to Beijing Benz in order to adapt to the current market development requirements, which may enable Beijing Benz to rapidly achieve an effective capacity and enlarge the arrangement in the field of new energy automobiles, thus further strengthen the profitability of Beijing Benz and optimizing the capacity allocation in the Group. Meanwhile, the Group will take this opportunity to further enhance the strategic cooperation with Daimler AG, raise the level of cooperation between the Group and the foreign advanced automobile industries, and further improve the brand recognition and international influence of the Group in the automobile market.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Daimler AG is a substantial shareholder (holding 10.08% interest in the Company) and connected person of the Company. Since Daimler AG also directly and indirectly holds 49% interest in Beijing Benz, a non wholly-owned subsidiary of the Company, Beijing Benz is thus a connected subsidiary of the Company pursuant to Chapter 14A of the Listing Rules. Therefore, the transaction proposed to be conducted between the Company and Beijing Benz under the Asset Transfer Agreement constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the transaction proposed to be conducted under the Asset Transfer Agreement is more than 5%, but are all less than 25%, such transaction will constitute a discloseable and connected transaction of the Company, which is subject to the reporting, announcement and Independent Shareholders' approval requirements pursuant to Chapter 14 & 14A of the Listing Rules.

OPINION OF THE DIRECTORS

The Directors of the Company (excluding the independent non-executive Directors, whose view on the Asset Transfer Agreement and the discloseable and connected transaction of the Company contemplated thereunder will be set out in the letter from the Independent Board Committee contained in the circular to be despatched to the Shareholders after considering the advice from the Independent Financial Adviser) considered that (i) the terms and conditions of the Asset Transfer Agreement are fair and reasonable; (ii) the Transaction is 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 where the Transaction was considered, since Mr. Hubertus Troska and Mr. Bodo Uebber, each a Director of the Company, also hold office in Daimler AG, and Mr. Xu Heyi, Mr. Zhang Jianyong and Mr. Chen Hongliang, each a Director of the Company, also hold office in Beijing Benz, all of them 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.

EXTRAORDINARY GENERAL MEETING

The Company will convene an extraordinary general meeting for the purpose of, among other things, obtaining the Independent Shareholders' approval for the Asset Transfer Agreement as well as the discloseable and connected transaction of the Company contemplated thereunder. Daimler AG and its associates will abstain from voting on the relevant resolution at the extraordinary general meeting.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders on the terms of the Asset Transfer Agreement and the discloseable and connected transaction of the Company contemplated thereunder. Gram Capital has also been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same matter.

A circular containing, among other things, further details of the Asset Transfer Agreement and the discloseable and connected transaction of the Company contemplated thereunder, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the terms of the Asset Transfer Agreement and the discloseable and connected transaction of the Company contemplated thereunder and a letter from the Independent Board Committee to the Independent Shareholders on the same and its recommendation on voting, together with the notice of the extraordinary general meeting of the Company, will be despatched to the Shareholders in due course.

GENERAL INFORMATION

Information on the Company

The Company is a company limited by shares incorporated in China. It is a leading manufacturer of passenger vehicles in China. It 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 China. It 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 Beijing Benz

Beijing Benz (previously known as Beijing Jeep Motor Co., Ltd. and Beijing Benz-Daimler Chrysler Automotive Co., Ltd.) is a company incorporated in the PRC on 1 July 1983, a non wholly-owned subsidiary of the Company with 51.0% equity interest owned by the Company, 49.0% directly or indirectly owned by Daimler AG. Its scope of business ranges from research and development, engines and complete vehicles production and sales and related services.

DEFINITIONS

“APA” or “Independent Valuer”	means Asia-Pacific Consulting and Appraisal Limited, the Independent Valuer appointed by the Company for the purpose of the valuation of the Property and Machinery and Equipment
“Asset Transfer Agreement” or “Agreement”	means the asset transfer agreement entered into between the Company and Beijing Benz on 23 February 2018, pursuant to which the Company agreed to dispose of, and Beijing Benz agreed to purchase the Transferred Assets of the Beijing Branch of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Benz”	means Beijing Benz Automotive Co., Ltd. (北京奔馳汽車有限公司) (previously known as Beijing Jeep Motor Co., Ltd. and Beijing Benz-Daimler Chrysler Automotive Co., Ltd.), a company incorporated in the PRC on 1 July 1983, a non wholly-owned subsidiary of the Company with 51.0% equity interest owned by the Company, 49.0% directly or indirectly owned by Daimler AG
“Beijing Branch”	means the Beijing Branch of the Company
“Beijing SASAC”	means the State-Owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality
“Board”	means the board of directors of the Company
“Closing Date”	means the date when the closing under the Asset Transfer Agreement occurs
“Company”	means BAIC Motor Corporation Ltd. (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”	has the meaning ascribed to it under the Listing Rules
“Daimler AG”	means Daimler AG, a company established in Germany in 1886, which is a substantial shareholder (holding 10.08% interest in the Company) and a connected person of the Company
“Director(s)”	means the director(s) of the Company
“Domestic Shares”	means ordinary shares in the capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and credited as fully paid up in RMB
“Group”	means the Company and its subsidiaries

“H Shares”	means overseas-listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and listed on the Hong Kong Stock Exchange
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	means an independent committee of the Board comprising all independent non-executive Directors, namely, Mr. Ge Songlin, Mr. Wong Lung Tak Patrick, Mr. Bao Robert Xiaochen, Mr. Zhao Fuquan and Mr. Liu Kaixiang, which was established to advise the Independent Shareholders in relation to the Asset Transfer Agreement as well as the discloseable and connected transaction of the Company contemplated thereunder
“Gram Capital” or “Independent Financial Adviser”	means Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Asset Transfer Agreement as well as the discloseable and connected transaction of the Company contemplated thereunder
“Independent Shareholders”	means Shareholders (other than Daimler AG and its associates) who are not required to abstain from voting on the resolution to be proposed at the EGM in relation to the Asset Transfer Agreement and the discloseable and connected transaction of the Company contemplated thereunder
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Machinery and Equipment”	means the machinery and equipment listed in the Valuation Report prepared by APA, the Independent Valuer, in respect of the Equipment among the Transferred Assets
“PCAA” or “PRC Appraiser”	Means Beijing Pan-China Assets Appraisal Co., Ltd. (北京天健興業資產評估有限公司)
“PRC”	means The People’s Republic of China, for the purpose of this announcement only, excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan

“Property”	means the properties listed in the Property Valuation Report prepared by APA, the Independent Valuer, which include the Property and Land, and parts of Construction in Progress as defined in the Asset Transfer Agreement
“Retained Assets”	means all assets, properties and rights of the Beijing Branch not included in the Transferred Assets and retained by the Company
“RMB”	means Renminbi, the lawful currency of the PRC
“Shareholder(s)”	means the shareholder(s) of the Company
“Shares”	means Domestic Shares and H Shares
“sq.m”	means square meter
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Transferred Assets”	means the subject of the Asset Transfer Agreement, including, without limitation, all rights, title and interests in, to and under the assets located at the production base of the Beijing Branch at No. 19, Dongying Road, Zhaofeng Industry Base, Zhaoquanying Town, Shunyi District, Beijing as set out in the Agreement, and the Assigned Contracts as of the date of the Agreement and as may be further adjusted by the Parties as agreed in the Agreement
“Transaction”	means the relevant transaction contemplated under the Asset Transfer Agreement, which constitutes a discloseable and connected transaction of the Company
“Valuation Date”	means 31 December 2017
“VAT”	means value added tax
“%”	means percentage

By order of the Board
BAIC Motor Corporation Limited
Gu Xin
Secretary to the Board and Company Secretary

Beijing, the PRC, 23 February 2018

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