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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
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

This announcement is made pursuant to, among others, Rule 13.51(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcement of BAIC Motor Corporation Limited (the “**Company**”) dated 3 May 2018 in relation to the completion of placement of H shares of the Company.

Given the completion of placement of 420,000,000 H shares by the Company on 3 May 2018, the total share capital of the Company has increased from 7,595,338,182 shares to 8,015,338,182 shares. In addition, considering the actual operation of the Company, it is necessary to make adjustment to the business scope of the Company. And the method of calculating the exchange rate of foreign currency against Renminbi in relation to the declaration of the dividends of the Company is no longer applicable. On 15 May 2018, the board of directors (the “**Board**”) of the Company resolved to propose the following amendments to the articles of association of the Company (the “**Articles of Association**”):

Article 11

Original: “The scope of business of the Company shall be based on the items approved by the company registration authorities and business administration authorities.

The scope of business of the Company covers: manufacture and sales of automobiles (including sedan, light off-road vehicles, light and mini truck, multi-purposes passenger vehicle and specialty vehicle), manufacture and sales of internal combustion engines for vehicles, transmission and powertrain and components of automobiles, development of technologies (including new energy for automobiles), services, technical consultation and information consultation (excluding intermediary services), equipment installation and logistics and transportation of goods, and import and export of automobiles and components and related technologies of automobiles, except those commodities and technologies prohibited from operation, import and export according to the regulations of the state.

The Company may adjust its scope and way of operation based on the changes in the market and the needs of business development. If the Company adjusts its scope and way of operation, it shall amend these Articles in accordance with the requirements herein and file the change of registration with the company registration authority. If the adjusted scope of business involves business restricted by the laws and regulations of China, such adjustments shall be subject to the approval of the competent authorities in accordance with laws.”

Proposed amendment: “The scope of business of the Company shall be based on the items approved by the company registration authorities and business administration authorities.

The scope of business of the Company covers: manufacture of automobiles, components and accessories; sales of automobiles, components and accessories; development of technologies, technical services and consultation; economic information consultation; equipment installation, logistics and transportation of goods; import and export of goods and technologies and import and export business agent.

The Company may adjust its scope and way of operation based on the changes in the market and the needs of business development. If the Company adjusts its scope and way of operation, it shall amend these Articles in accordance with the requirements herein and file the change of registration with the company registration authority. If the adjusted scope of business involves business restricted by the laws and regulations of China, such adjustments shall be subject to the approval of the competent authorities in accordance with laws.”

Article 18

Original: “Upon approval of the securities regulatory authority of the State Council, the Company will issue 1,213,520,000 overseas listed foreign shares (H shares). The state-owned shareholders will transfer to the National Council for Social Security Fund 121,352,500 state-owned shares upon the issue of overseas listed foreign shares of the Company in accordance with relevant requirements for reduction in holding of state-owned shares. In addition, such shares will be sold along with the issuance by the Company of the overseas listed foreign shares.

Upon completion of the issue of overseas listed foreign shares, the share capital structure of the Company shall comprise 7,595,338,182 ordinary shares, including 5,494,647,500 domestic shares and 2,100,690,682 H shares.”

Proposed amendment: “Upon approval of the securities regulatory authority of the State Council, the Company will issue 1,213,520,000 overseas listed foreign shares (H shares). The state-owned shareholders will transfer to the National Council for Social Security Fund 121,352,500 state-owned shares upon the issue of overseas listed foreign shares of the Company in accordance with relevant requirements for reduction in holding of state-owned shares. In addition, such shares will be sold along with the issuance by the Company of the overseas listed foreign shares.

Upon completion of the issue of overseas listed foreign shares, the share capital structure of the Company shall comprise 7,595,338,182 ordinary shares, including 5,494,647,500 domestic shares and 2,100,690,682 H shares.

Upon approval of the securities regulatory authority of the State Council, the Company placed 420,000,000 H shares in 2018 and the share capital structure following the completion of the placement shall comprise 8,015,338,182 ordinary shares, including 5,494,647,500 domestic shares and 2,520,690,682 H shares.”

Article 21

Original: “The registered share capital of the Company is RMB6,381,818,182 before the issue of H shares. Upon completion of the issue of H shares, the registered share capital of the Company shall be RMB7,595,338,182.”

Proposed amendment: “The registered share capital of the Company is RMB8,015,338,182.”

Article 199

Original: “The Company may distribute dividends in one or both of the following manners:

- (1) cash;
- (2) shares.

The Company shall maintain consistent and stable profit distribution policies as practicable and shall consider cash dividend as the first priority. The specific ratio of dividend to be distributed shall be resolved by the shareholders at the general meetings.

The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of domestic shares in Renminbi within 3 months after the date of declaration. The Company shall calculate and declare dividends and other amount which are payable to holders of overseas listed foreign shares in Renminbi, and shall pay such amounts in foreign currency within 3 months after the date of declaration. The exchange rate shall be the average closing rate for the relevant foreign currency announced by the People’s Bank of China 5 working days prior to the declaration of the dividend and other amounts. Payment in foreign currency to holders of overseas listed foreign shares shall be made in accordance with the relevant foreign exchange control regulations of China. The dividend distribution of the Company shall be implemented by the board of directors according to the authorization delegated by the general meeting through an ordinary resolution.”

Proposed amendment: “The Company may distribute dividends in one or both of the following manners:

- (1) cash;
- (2) shares.

The Company shall maintain consistent and stable profit distribution policies as practicable and shall consider cash dividend as the first priority. The specific ratio of dividend to be distributed shall be resolved by the shareholders at the general meetings.

The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of domestic shares in Renminbi within 3 months after the date of declaration. The Company shall calculate and declare dividends and other amount which are payable to holders of overseas listed foreign shares in Renminbi, and shall pay such amounts in foreign currency within 3 months after the date of declaration. The exchange rate shall be the average central parity rate for the relevant foreign currency announced by the People’s Bank of China 5 working days prior to the declaration of the dividend and other amounts. Payment in foreign currency to holders of overseas listed foreign shares shall be made in accordance with the relevant foreign exchange control regulations of China. The dividend distribution of the Company shall be implemented by the board of directors according to the authorization delegated by the general meeting through an ordinary resolution.”

The Board also proposes to the general meeting of the Company to authorize the Board and the Company's management authorized by the Board to handle relevant matters, including but not limited to the approval by (filing with) the competent authorities and making adjustments and revisions to the above proposed amendments to the Articles of Association approved by the general meeting of the Company in accordance with the requirements and proposals of relevant government departments and regulatory authorities.

The above amendments to the Articles of Association is subject to approval by the shareholders of the Company at the general meeting by way of special resolution as well as the approval by commerce authorities. A circular of the Company containing detailed information of the above amendments to the Articles of the Association will be despatched to the shareholders of the Company in due course.

The Articles of Association is written in Chinese without an official English version. Therefore, any English translation is for reference only. In case of inconsistency, the Chinese version shall prevail.

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

Beijing, the PRC, 15 May 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*