

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CONNECTED TRANSACTION
SUBSCRIPTION OF NEW A SHARES OF BAIC BLUEPARK

The Board announces that, on 3 August 2020, BAIC Guangzhou, a wholly-owned subsidiary of the Company, and BAIC BluePark, an A-share listed subsidiary of BAIC Group, which is a controlling shareholder of the Company, entered into the Share Subscription Agreement, pursuant to which BAIC BluePark agrees to issue to BAIC Guangzhou, and BAIC Guangzhou agrees to subscribe for, not less than 6.25% of the total number of new A shares to be issued by BAIC BluePark, at the subscription price to be determined in accordance with the pricing principle in respect of the A Share Issuance of BAIC BluePark, and up to a maximum subscription amount of RMB343.8753 million. On the same date, each of BAIC Group and its subsidiary, Bohai Automotive, entered into relevant share subscription agreement with BAIC BluePark, for the subscription of not less than 29.57% and 3.01% of the total number of new A shares to be issued by BAIC BluePark, respectively, at the same subscription price and under the same conditions as those agreed with BAIC Guangzhou, and up to a maximum subscription amount of RMB1,626.5805 million and RMB165.7231 million respectively.

The Subscription is subject to the satisfaction of all the conditions precedent under the Share Subscription Agreement, including BAIC BluePark obtaining the approval of the shareholders' general meeting for the A Share Issuance of BAIC BluePark, and the consent of organizations authorized by competent stated-owned assets supervision and management authorities, and the approval of the CSRC. As at the date of this announcement, BAIC Guangzhou, BAIC Group and Bohai Automotive respectively hold 6.25%, 29.57% and 3.01% equity interests in BAIC BluePark. In accordance with relevant requirements of the Share Subscription Agreement, the minimum shareholding percentage of BAIC Guangzhou in BAIC BluePark will remain at 6.25% and the maximum shareholding percentage of BAIC Guangzhou in BAIC BluePark will not exceed 7.32% if the Subscription completes (if the actual subscription price is determined according to the audited net asset value per share of BAIC BluePark as at 31 December 2019, namely RMB5.06).

As at the date of this announcement, BAIC Group is the sole controlling shareholder of the Company and holds 42.63% of the total issued share capital of the Company, and therefore, BAIC Group and its subsidiaries, BAIC BluePark and Bohai Automotive, are connected persons of the Company, pursuant to Chapter 14A of the Listing Rules. The joint subscription by BAIC Guangzhou, a wholly-owned subsidiary of the Company, and BAIC Group and Bohai Automotive for new A shares proposed to be issued by BAIC BluePark constitutes a connected transaction of the Company.

For the purpose of calculation of the size of transactions in accordance with relevant requirements of the Listing Rules, the Company has consolidated the Transaction and the transaction in relation to the additional capital contribution to Beijing New Energy Vehicle Technology Innovation Center Co., Ltd. (北京新能源汽車技術創新中心有限公司) disclosed in the announcement of the Company dated 24 December 2019, the transaction in relation to the additional capital contribution to BAIC Group Finance Co., Ltd. (北京汽車集團財務有限公司) disclosed in the announcement of the Company dated 13 February 2020, and the transaction in relation to the acquisition of a 100% equity interest in BAIC International Development Co., Ltd. (北京汽車國際發展有限公司) and a 24.78% equity interest in BAIC Yunnan Ruili Motor Co., Ltd. (北汽雲南瑞麗汽車有限公司) from BAIC Group disclosed in the announcement of the Company dated 13 March 2020. As one or more of the applicable percentage ratios calculated, based on the maximum subscription amount (RMB343.8753 million) of BAIC Guangzhou and the maximum increase (namely 1.07%) of BAIC Guangzhou's shareholding percentage in BAIC BluePark upon completion of the Transaction, and after the consolidation of the above transactions, is more than 0.1%, but are all less than 5%, the Company shall, in relation to the Transaction, comply with the reporting and announcement requirements, but is exempt from circular and independent Shareholders' approval requirements, pursuant to Chapter 14A of the Listing Rules. The maximum increase of BAIC Guangzhou's shareholding percentage in BAIC BluePark upon completion of the aforesaid transaction is calculated, assuming that BAIC Guangzhou subscribes for relevant new A shares at the lowest subscription price under the Reserve Issue Price for the A Share Issuance of BAIC BluePark, namely the audited net asset value per share of BAIC BluePark as at 31 December 2019. If the issuance period of the A Share Issuance of BAIC BluePark is later than the publication date of its audited accounts for 2020, there may be changes in the aforesaid lowest subscription price, leading to the maximum increase of BAIC Guangzhou's shareholding percentage in BAIC BluePark upon completion of the Transaction exceeding 1.07%. In such case, the Company will conduct the size tests again, based on the finally determined subscription price, in accordance with the Listing Rules. If the Subscription is subject to stricter approval and disclosure requirements according to the result of the tests, the Company will further comply with such requirements on the Subscription in accordance with the Listing Rules.

INTRODUCTION

The Board announces that, on 3 August 2020, BAIC Guangzhou, a wholly-owned subsidiary of the Company, and BAIC BluePark, an A-share listed subsidiary of BAIC Group, which is a controlling shareholder of the Company, entered into the Share Subscription Agreement, pursuant to which BAIC BluePark agrees to issue to BAIC Guangzhou, and BAIC Guangzhou agrees to subscribe for, not less than 6.25% of the total number of new A shares to be issued by BAIC BluePark, at the subscription price to be determined in accordance with the pricing principle in respect of the A Share Issuance of BAIC BluePark, and up to a maximum subscription amount of RMB343.8753 million. On the same date, each of BAIC Group and its subsidiary, Bohai Automotive, entered into relevant share subscription agreement with BAIC BluePark, for the subscription of not less than 29.57% and 3.01% of the total number of new A shares to be issued by BAIC BluePark, respectively, at the same subscription price and under the same conditions as those agreed with BAIC Guangzhou, and up to a maximum subscription amount of RMB1,626.5805 million and RMB165.7231 million respectively.

The Subscription is subject to the satisfaction of all the conditions precedent under the Share Subscription Agreement, including BAIC BluePark obtaining the approval of the shareholders' general meeting for the A Share Issuance of BAIC BluePark, and the consent of organizations authorized by competent stated-owned assets supervision and management authorities, and the approval of the CSRC. As at the date of this announcement, BAIC Guangzhou, BAIC Group and Bohai Automotive respectively hold 6.25%, 29.57% and 3.01% equity interests in BAIC BluePark. In accordance with relevant requirements of the Share Subscription Agreement, the minimum shareholding percentage of BAIC Guangzhou in BAIC BluePark will remain at 6.25% and the maximum shareholding percentage of BAIC Guangzhou in BAIC BluePark will not exceed 7.32% if the Subscription completes (if the actual subscription price is determined according to the audited net asset value per share of BAIC BluePark as at 31 December 2019, namely RMB5.06).

SHARE SUBSCRIPTION AGREEMENT

The principal terms of the Share Subscription Agreement are as follows:

Parties:	BAIC Guangzhou (as the subscriber) BAIC BluePark (as the issuer)
Date:	3 August 2020
Effective date and conditions precedent:	The Agreement comes into force after signed by the legal or authorized representatives and chopped with the official chops of both parties, and upon the satisfaction of the following conditions: <ol style="list-style-type: none">(1) the board of directors of BAIC BluePark passes a resolution to approve the A Share Issuance of BAIC BluePark;(2) the shareholders' general meeting of BAIC BluePark passes a resolution to approve the A Share Issuance of BAIC BluePark;

- (3) the competent decision-making authorities of BAIC Guangzhou approves the subscription by BAIC Guangzhou of new A shares issued under the A Share Issuance of BAIC BluePark;
- (4) BAIC Guangzhou obtains the confirmation or consent of the Hong Kong Stock Exchange, for the subscription of new A shares issued under the A Share Issuance of BAIC BluePark, which constitutes a connected transaction of the Company under the Listing Rules and is subject to relevant regulatory requirements;
- (5) organizations authorized by competent state-owned assets supervision and management authorities approve the A Share Issuance of BAIC BluePark; and
- (6) CSRC approves the A Share Issuance of BAIC BluePark.

**Subscription price,
basis of pricing and
maximum subscription
amount:**

The pricing benchmark date for the A Share Issuance of BAIC BluePark is the first day of the issuance period (the “**Pricing Benchmark Date**”). The issue price shall not be less than 80% of the average trading price of shares of BAIC BluePark for 20 trading days prior to the Pricing Benchmark Date (excluding the Pricing Benchmark Date, similarly hereinafter), and the latest audited net asset value per share of BAIC BluePark prior to the issuance (the “**Reserve Issue Price**”). The final issue price will be determined through negotiation between BAIC BluePark and its sponsor (lead underwriter) in accordance with the Implementing Rules for Non-public Issuance of Shares by Listed Companies (《上市公司非公開發行股票實施細則》) (the “**Implementing Rules**”), the subscription quotation of subscribers, and the principle of price priority, after BAIC BluePark obtains the approval of the CSRC for the A Share Issuance of BAIC BluePark.

According to the Implementing Rules, BAIC Guangzhou, BAIC Group and Bohai Automotive will not participate in the enquiry process for the A Share Issuance of BAIC BluePark, but will accept the bidding results of other subscribers, and to subscribe for shares at the same price with other subscribers. If there is no quotation or valid quotation for the A Share Issuance of BAIC BluePark, BAIC Guangzhou, BAIC Group and Bohai Automotive shall subscribe for new A shares issued under the A Share Issuance of BAIC BluePark, at the above Reserve Issue Price. The total subscription price of BAIC Guangzhou shall not exceed RMB343.8753 million, regardless of the method of participation in the subscription.

The above Pricing Benchmark Date, issue price, Reserve Issue Price and pricing principle are determined in accordance with relevant opinions and relevant regulatory requirements on stated-owned assets in the Article 38 of the Administrative Measures for the Issuance of Securities by Listed Companies (as Amended in 2020) (《上市公司證券發行管理辦法(2020年修正)》) published by the CSRC on 14 February 2020, Article 7 of the Implementing Rules for Non-public Issuance of Shares by Listed Companies (as Amended in 2020) (《上市公司非公開發行股票實施細則(2020年修正)》), and the Reply of National Administrative Bureau of State Owned Property in Relation to Issues Including Conversion of State-owned Assets into Shares for Companies Which Conducting A Public Issuance (GZQHF<1993>No.94, 13 August 1993) (《國家國有資產管理局關於公開發行股票公司國有資產折股等問題的覆函》(國資企函發<1993>94號, 1993年8月13日)).

Number of new A shares to be subscribed for:

BAIC BluePark proposes to conduct a non-public issuance of up to 1,048,097,801 new A shares (inclusive) to target subscribers. BAIC Guangzhou intends to subscribe for not less than 6.25% of the shares actually issued under the A Share Issuance of BAIC BluePark, with the subscription amount of up to RMB343.8753 million, and the specific number of shares to be subscribed for will be confirmed at the issuance stage.

If dividend payment, bonus issue, conversion of capital reserve into share capital and other ex-right and ex-dividend matters of BAIC BluePark occur during the period from the Pricing Benchmark Date and the issuance date, the issue price for the A Share Issuance of BAIC BluePark will be correspondingly adjusted in accordance with relevant rules of the CSRC and the SSE.

If bonus issue, conversion of capital reserve into share capital and other ex-right matters of BAIC BluePark occur during the period from the Pricing Benchmark Date and the issuance date, the number of shares to be issued under the A Share Issuance of BAIC BluePark will be correspondingly adjusted in accordance with relevant rules of the CSRC and the SSE.

If the CSRC adjusts the number of shares to be subscribed for the A Share Issuance of BAIC BluePark, BAIC BluePark has the right to unilaterally adjust the number of A shares to be subscribed for by BAIC Guangzhou, but the amount of subscription to be paid by BAIC Guangzhou after the adjustment shall not exceed RMB343.8753 million.

Payment arrangements: After the A Share Issuance of BAIC BluePark is approved by CSRC, and subject to relevant requirements of the next paragraph, BAIC Guangzhou shall, within 5 working days following the receipt of the Payment Notice sent by BAIC BluePark and the lead underwriter of the A Share Issuance of BAIC BluePark, make a cash lump-sum payment of the total subscription price to the bank account specially opened by the lead underwriter for the A Share Issuance of BAIC BluePark, and to the proceeds deposit account of BAIC BluePark after deduction of relevant expenses.

If the trading price of shares of BAIC BluePark is lower than the latest audited net asset value per share of BAIC BluePark for 20 consecutive trading days, and BAIC BluePark intends to carry out the A share issuance work, it shall negotiate and reach an agreement with BAIC Guangzhou.

After payment of the subscription price by BAIC Guangzhou in accordance with relevant rules and requirements on the A Share Issuance of BAIC BluePark, BAIC BluePark shall, according to the issuance situation, amend its current articles of associations in a timely manner, and go through relevant procedures for registration of changes with the original registration authority of BAIC BluePark; and shall apply to the SSE and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the registration of the Subscription for BAIC Guangzhou, in a timely manner.

The accumulated undistributed profits prior to the A Share Issuance of BAIC BluePark will be shared among new and existing shareholders of BAIC BluePark who appear as such upon the completion of the issuance.

Lock-up period: The new A shares issued by BAIC BluePark and subscribed for by BAIC Guangzhou shall not be transferred within 36 months following the completion of the issuance. If there are changes in relevant laws, regulations, and normative documents of securities regulatory authorities subsequently, the lock-up period will be adjusted accordingly.

INFORMATION ON BAIC BLUEPARK

BAIC BluePark, whose A shares are listed in the SSE, is a subsidiary of BAIC Group, which is a controlling shareholder of the Company. The major businesses of BAIC BluePark include: research and development, design and sales of automobiles, auto parts, mechanical equipment, electrical equipment and parts processing equipment; automobile decoration; technical development, service and consultation, and transfer of technology; advertising design, production, agency and publication; economic and trade consultation; property management; import and export of goods and technology, and agency service for import and export. As at the date of this announcement, BAIC Group, BAIC Guangzhou and Bohai Automotive respectively and directly hold 1,033,221,469, 218,433,267 and 105,269,045 A shares of BAIC BluePark, accounting for approximately 29.57%, 6.25% and 3.01% of the total issued share capital of BAIC BluePark, respectively.

As at 31 March 2020, the book value of unaudited consolidated total assets of BAIC BluePark was RMB58,703,679,638, and the book value of owner's equity attributable to the parent company was RMB16,961,546,670. The following table sets forth the financial information of BAIC BluePark for the two years ended 31 December 2019 and for the three months ended 31 March 2020, prepared in accordance with the China Accounting Standards for Business Enterprises:

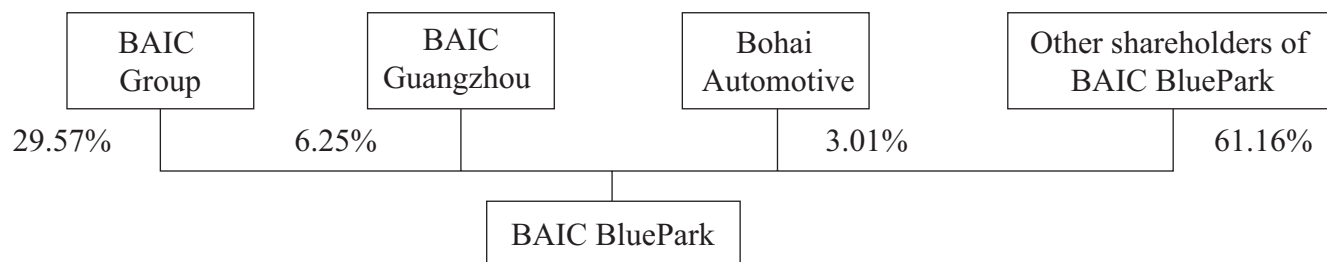
	For the year ended 31 December 2018	For the year ended 31 December 2019	For the three months ended 31 March 2020
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
Net profit/(loss) before taxation and non-recurring items	-20,140,435.20	-155,521,535.03	-487,246,989.44
Net profit/(loss) after taxation and non-recurring items	-1,080,706,990.10	-1,264,420,958.07	-493,507,311.79

Note: Amounts of non-recurring profit or loss items, calculated according to the requirements of the CSRC and relevant regulatory authorities, mainly include government grants included in profit or loss for the current period (except government grants which are closely related to the company's normal operations, meet the national policies and regulations, and are continuously obtained with a certain quota or amount according to a certain standard), profit or loss from disposal of non-current assets, profit or loss from investment or asset management by other persons engaged, current net profit or loss of subsidiaries between the beginning of the period to the consolidation date arising out of business combinations involving enterprises under common control, other non-operating income and expenditures, and corresponding income tax impacts.

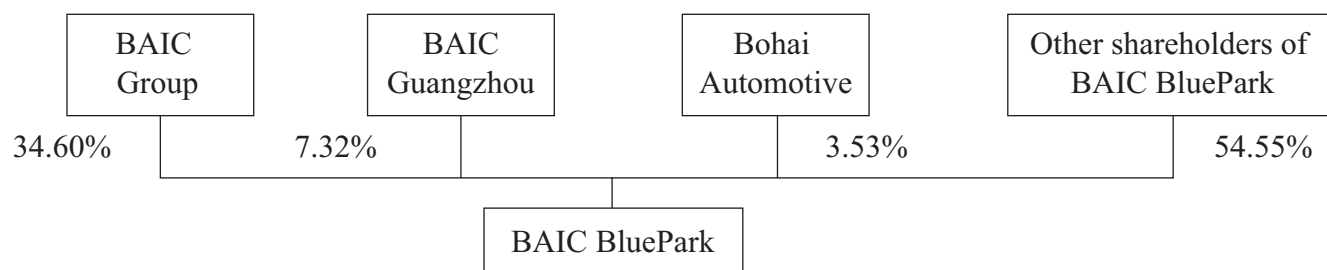
SHAREHOLDING STRUCTURE OF BAIC BLUEPARK PRIOR TO AND UPON THE COMPLETION OF THE TRANSACTION

The shareholding structure of BAIC BluePark as at the date of this announcement and the largest possible shareholding percentages of BAIC Guangzhou, BAIC Group and Bohai Automotive in BAIC BluePark upon completion of the A Share Issuance of BAIC BluePark are set out as below:

As at the date of this announcement:



Upon completion of the A Share Issuance of BAIC BluePark*:



* *If there is no quotation or valid quotation for the A Share Issuance of BAIC BluePark, and BAIC Guangzhou, BAIC Group and Bohai Automotive subscribe for relevant new A shares respectively subject to their respective maximum subscription amounts of RMB343.8753 million, RMB1,626.5805 million, RMB165.7231 million, and the minimum subscription price of RMB5.06 per new A share (namely the audited net asset value per share of BAIC BluePark as at 31 December 2019) under the Reserve Issue Price, then BAIC Guangzhou, BAIC Group and Bohai Automotive will respectively subscribe for up to 67,959,545, 321,458,596 and 32,751,600 new A shares proposed to be issued by BAIC BluePark, respectively accounting for approximately 7.32%, 34.60% and 3.53% of the enlarged total issued share capital of BAIC BluePark. The mantissa may be different due to rounding.*

In accordance with relevant agreements between BAIC Guangzhou and BAIC BluePark under the Share Subscription Agreement in relation to the minimum number of shares to be subscribed, the shareholding percentage of BAIC Guangzhou in BAIC BluePark will at least remain at 6.25% upon completion of the A Share Issuance of BAIC BluePark.

REASONS FOR AND BENEFITS OF THE TRANSACTION

1. As the global energy crisis and environmental pollution issues become increasingly prominent, great attention has been given to energy saving and environmentally friendly development of industries. In recent years, Chinese competent authorities have successively issued a number of policies and measures with the aim of promoting the development of the new energy vehicle industry. The New Energy Vehicle Industry Development Plan (2021-2035) (exposure draft) issued by the Ministry of Industry and Information Technology of the PRC at the end of 2019 sets out that by 2025, the sales volume of new energy vehicles will account for 20% of the total vehicle sales volume in the year. According to the data from China Association of Automobile Manufactures, the wholesale sales volume of domestic new energy vehicles in 2019 was 1.206 million units, accounting for less than 5% of the total sales volume of vehicles. It can be seen that the long-term development trend of new energy vehicles is relatively clear, and the industry development is at a window of strategic opportunity, while active participation in the arrangements in the new energy vehicle industry has become the strategic consensus and investment direction of automobile enterprises at the current stage.
2. Beijing Electric Vehicle Co., Ltd., a wholly-owned subsidiary of BAIC BluePark, is the first enterprise in China obtaining the qualification for the production of new energy vehicles. After years of development, it has a relatively strong competitive strength in the field of pure electric passenger vehicles. The Company has strategic cooperation with BAIC BluePark in product research and development, production, marketing and other aspects, while owning a 6.25% equity interest in BAIC BluePark. Through participation in the A Share Issuance of BAIC BluePark, the Company can prevent the dilution of its shareholding in BAIC BluePark at a reasonable cost, and enhance its strategic engagement in the new energy business.
3. The proceeds from the A Share Issuance of BAIC BluePark are proposed to be invested in the development of the ARCFox brand high-end vehicle model and network construction, the development of battery-swapping business systems, the improvement in 5G intelligent networking systems and other project construction, and the replenishment of working capital. Relevant investment projects are in line with industrial policy and national strategic orientation. The implementation of investment projects and the increase in working capital can also enhance the business and product competitiveness of BAIC BluePark, which is in the interest of investors.
4. In spite of broad development prospects, compared with the overall size of the vehicle market, the size of the new energy vehicle market is still limited, and it is difficult for players to obtain large-scale profits. Affected by significant reduction in subsidies for new energy vehicles in 2019, the overall impact of the outbreak of novel coronavirus pneumonia on the vehicle industry since 2020 and other factors, new energy vehicle enterprises are generally under pressure in terms of operating results. However, based on the aforesaid factors including macro factors, strategic factors, policies and strategic arrangements of enterprise, the Company has positive expectations for the improvement in the medium and long-term profitability of competitive new energy vehicle enterprises.
5. The subscription price for BAIC Guangzhou to participate in the A Share Issuance of BAIC BluePark is subject to the Implementing Rules of the CSRC. Meanwhile, the Share Subscription Agreement between both parties also includes the clause that if the trading price of shares of BAIC BluePark is continuously lower than the latest audited net asset value per share, the issuance shall not be initiated without an agreement with BAIC Guangzhou. The Company is of the opinion that the inclusion of the aforesaid mechanism is more conducive to ensuring that the Company participates in the subscription under the A Share Issuance of BAIC BluePark at a reasonable and fair consideration.

LISTING RULES IMPLICATIONS

As at the date of this announcement, BAIC Group is the sole controlling shareholder of the Company and holds 42.63% of the total issued share capital of the Company, and therefore, BAIC Group and its subsidiaries, BAIC BluePark and Bohai Automotive, are connected persons of the Company, pursuant to Chapter 14A of the Listing Rules. The joint subscription by BAIC Guangzhou, a wholly-owned subsidiary of the Company, and BAIC Group and Bohai Automotive for new A shares proposed to be issued by BAIC BluePark constitutes a connected transaction of the Company.

For the purpose of calculation of the size of transactions in accordance with relevant requirements of the Listing Rules, the Company has consolidated the Transaction and the transaction in relation to the additional capital contribution to Beijing New Energy Vehicle Technology Innovation Center Co., Ltd. disclosed in the announcement of the Company dated 24 December 2019, the transaction in relation to the additional capital contribution to BAIC Group Finance Co., Ltd. disclosed in the announcement of the Company dated 13 February 2020, and the transaction in relation to the acquisition of a 100% equity interest in BAIC International Development Co., Ltd. and a 24.78% equity interest in BAIC Yunnan Ruili Motor Co., Ltd. from BAIC Group disclosed in the announcement of the Company dated 13 March 2020. As one or more of the applicable percentage ratios calculated, based on the maximum subscription amount (RMB343.8753 million) of BAIC Guangzhou and the maximum increase (namely 1.07%) of BAIC Guangzhou's shareholding percentage in BAIC BluePark upon completion of the Transaction, and after the consolidation of the above transactions, is more than 0.1%, but are all less than 5%, the Company shall, in relation to the Transaction, comply with the reporting and announcement requirements, but is exempt from circular and independent Shareholders' approval requirements, pursuant to Chapter 14A of the Listing Rules. The maximum increase of BAIC Guangzhou's shareholding percentage in BAIC BluePark upon completion of the aforesaid transaction is calculated, assuming that BAIC Guangzhou subscribes for relevant new A shares at the lowest subscription price under the Reserve Issue Price for the A Share Issuance of BAIC BluePark, namely the audited net asset value per share of BAIC BluePark as at 31 December 2019. If the issuance period of the A Share Issuance of BAIC BluePark is later than the publication date of its audited accounts for 2020, there may be changes in the aforesaid lowest subscription price, leading to the maximum increase of BAIC Guangzhou's shareholding percentage in BAIC BluePark upon completion of the Transaction exceeding 1.07%. In such case, the Company will conduct the size tests again, based on the finally determined subscription price, in accordance with the Listing Rules. If the Subscription is subject to stricter approval and disclosure requirements according to the result of the tests, the Company will further comply with such requirements on the Subscription in accordance with the Listing Rules.

OPINION OF THE DIRECTORS

The Directors of the Company (including the independent non-executive Directors) considered that (i) the terms and conditions of the Transaction are fair and reasonable; (ii) the Transaction is in the ordinary and usual course of business of the Company and 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 at which the Transaction was considered, since Mr. Xu Heyi, Ms. Shang Yuanxian and Mr. Xie Wei, each being a Director of the Company, also held office in BAIC Group and its subsidiaries, they were deemed to have material interests in the Transaction and have abstained from voting on the resolution in relation to the Transaction. In addition, considering that Daimler Greater China Ltd., a wholly-owned subsidiary of Daimler AG, which is a substantial shareholder of the Company, holds 3.01% of the total issued share capital of BAIC BluePark and the executive vice president of Daimler Greater China Ltd. concurrently acts as a director of BAIC BluePark, Mr. Hubertus Troska and Mr. Harald Emil Wilhelm, both of who work for Daimler AG and act as Directors of the Company, are 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.

GENERAL INFORMATION

Information on BAIC Guangzhou

Established in 2000, BAIC Guangzhou is a wholly-owned subsidiary of the Company. It mainly engages in manufacturing of whole vehicles and other businesses, and is one of the two major production bases of the Company's proprietary brand.

Information on BAIC Group

BAIC Group is the controlling shareholder of the Company, and its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality. Its principal businesses include manufacturing, sale, import and export of vehicles and components, operation and management of state-owned assets, investment and investment management, technology development, service and consultancy, and real property development and sales and other businesses.

Information on Bohai Automotive

Bohai Automotive was established in December 1999, with its A shares listed on the SSE. BAIC Group is a shareholder holding more than 5% of the shareholding of Bohai Automotive and holds 60% equity interest in Beijing Hainachuan Automobile Components Corporation Limited, the controlling shareholder of Bohai Automotive. Bohai Automotive's principal businesses include: production and sale of pistons; production and sale of mechanical components; production and sale of automotive, internal combustion engines, compressors and motorcycle components and other businesses.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“BAIC BluePark”	BAIC BluePark New Energy Technology Co., Ltd.* (北汽藍穀新能源科技股份有限公司), a company limited by shares incorporated under the laws of the PRC, whose A shares are listed on the SSE (Stock Code: 600733; Stock Abbreviation: BAIC BluePark)
“BAIC Group”	Beijing Automotive Group Co., Ltd.* (北京汽車集團有限公司), a state-owned enterprise incorporated in the PRC, the sole controlling shareholder of the Company
“BAIC Guangzhou”	BAIC Guangzhou Automotive Co., Ltd.* (北汽(廣州)汽車有限公司), a limited liability company incorporated under the laws of the PRC as well as a wholly-owned subsidiary of the Company
“Bohai Automotive”	Bohai Automotive Systems Co., Ltd.* (渤海汽車系統股份有限公司), a company limited by shares incorporated under the laws of the PRC, whose A shares are listed on the SSE (Stock Code: 600960; Stock Abbreviation: Bohai Automotive)
“Board”	the board of Directors of the Company
“Company”	BAIC Motor Corporation Limited* (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(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“A Share Issuance of BAIC BluePark”	proposed non-public issuance by BAIC BluePark of up to 1,048,097,801 new A shares (inclusive) to up to 35 target subscribers (inclusive) who meet conditions specified by the CSRC, including BAIC Group, BAIC Guangzhou and Bohai Automotive, in which BAIC Group intends to subscribe for not less than 29.57% of the shares actually issued under the non-public issuance, with the subscription amount of up to RMB1,626.5805 million; BAIC Guangzhou intends to subscribe for not less than 6.25% of the shares actually issued under the non-public issuance, with the subscription amount of up to RMB343.8753 million; Bohai Automotive intends to subscribe for not less than 3.01% of the shares actually issued under the non-public issuance, with the subscription amount of up to RMB165.7231 million.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“Share Subscription Agreement” or “Agreement”	the Conditional Subscription Agreement for the Non-public Issuance of Shares dated 3 August 2020 entered into by and between BAIC Guangzhou and BAIC BluePark, in relation to the subscription of new A shares proposed to be issued by BAIC BluePark under the A Share Issuance of BAIC BluePark
“SSE”	the Shanghai Stock Exchange
“Transaction” or “Subscription”	the connected transaction under the Share Subscription Agreement in respect of the subscription by BAIC Guangzhou of new A shares proposed to be issued by BAIC BluePark under the A Share Issuance of BAIC BluePark
“%”	percentage

By Order of the Board
BAIC Motor Corporation Limited
Wang Jianhui
Secretary to the Board and Company Secretary

Beijing, the PRC, 3 August 2020

As at the date of this announcement, the Board comprises Mr. Xu Heyi, as Chairman of the Board and non-executive Director; Ms. Shang Yuanxian, as non-executive Director; Mr. Chen Hongliang, as executive Director; Mr. Xie Wei, Mr. Qiu Yinfu, Mr. Hubertus Troska, Mr. Harald Emil Wilhelm, Mr. Jin Wei and Mr. Lei Hai, 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*