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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)

CONNECTED TRANSACTION

DISPOSAL OF EQUITY INTERESTS IN NATIONAL INNOVATION CENTER

Reference is made to the announcement of the Company dated 27 April 2022 in relation to, among other things, the proposed disposal of equity interests in National Innovation Center through CBEX.

The Company announces that the public tender for the disposal of 43.63% equity interests in National Innovation Center has ended, and CBEX has notified the Company that the transferee is Yitang Shenglong. On 15 July 2022, the Company, together with BJEV, Beiqi Foton and Hainachuan (as the transferors), entered into the Equity Transaction Agreement with Yitang Shenglong, pursuant to which the Company agreed to dispose of, and Yitang Shenglong agreed to acquire, 12.02% equity interests in National Innovation Center at a consideration of RMB67,544,785, while BJEV, Beiqi Foton and Hainachuan agreed to dispose of, and Yitang Shenglong agreed to acquire, 12.38%, 12.02% and 7.21% equity interests in National Innovation Center held by them, respectively. The aggregate equity interests in National Innovation Center to be acquired by Yitang Shenglong pursuant to the Equity Transaction Agreement are 43.63%, representing the equity interests subject to the public tender.

After completion of the Disposal, the Company will cease to hold any equity interest in National Innovation Center.

As at the date of this announcement, BJEV, Beiqi Foton and Hainachuan are subsidiaries of BAIC Group (the controlling shareholder of the Company) and hence, are associates of BAIC Group, and therefore connected persons of the Company. As BJEV, Beiqi Foton and Hainachuan jointly entered into the Equity Transaction Agreement with the Company in respect of the Disposal, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios for the Disposal is more than 0.1% and less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under the Listing Rules.

EQUITY TRANSACTION AGREEMENT

Reference is made to the announcement of the Company dated 27 April 2022 in relation to, among other things, the proposed disposal of equity interests in National Innovation Center through CBEX.

The Company announces that the public tender for the disposal of Equity Interest has ended, and CBEX has notified the Company that the transferee is Yitang Shenglong. On 15 July 2022, the Company, together with BJEV, Beiqi Foton and Hainachuan (as the transferors), entered into the Equity Transaction Agreement with Yitang Shenglong. The principal terms of the Equity Transaction Agreement are set out below:

Date

15 July 2022

Parties

Transferors: The Company, BJEV, Beiqi Foton and Hainachuan

Transferee: Yitang Shenglong

To the best knowledge of the Directors, having made reasonable enquiry, as at the date of this announcement, Yitang Shenglong and its ultimate beneficial owners are third parties independent of, and not connected with, the Company and connected persons of the Company.

Subject Matter

The Company, BJEV, Beiqi Foton and Hainachuan agreed to dispose of, and Yitang Shenglong agreed to acquire, 12.02%, 12.38%, 12.02% and 7.21% equity interests in National Innovation Center held by them, respectively, subject to the terms and conditions of the Equity Transaction Agreement. The aggregate equity interests in National Innovation Center to be acquired by Yitang Shenglong pursuant to the Equity Transaction Agreement are 43.63%, representing the equity interests subject to the public tender. After completion of the Disposal, the Company will cease to hold any equity interest in National Innovation Center.

Consideration and Payment Terms

The consideration for the disposal of 12.02% the Equity Interests in National Innovation Center payable to the Company is RMB67,544,785, i.e., the listing price. As disclosed in the Announcement, the listing price was determined with reference to the appraised value of the total shareholders' equity interests of National Innovation Center as at 30 June 2021 based on a valuation report issued by Beijing Pan-China Assets Appraisal Co., Ltd.* (北京天健興業資產評估有限公司), an independent valuer and filed by BAIC Group.

As at the date of this announcement, Yitang Shenglong has paid a deposit to CBEX as required under the Equity Transaction Agreement, pursuant to which the deposit will be directly converted to the payment for the consideration under the Equity Transaction Agreement. Yitang Shenglong shall pay the remaining consideration for the disposal of the Equity Interests to the designated bank account of CBEX within five working days from the effective date of the Equity Transaction Agreement. After completion of the registration procedures in respect of the change of ownership of the Equity Interests, CBEX will remit the consideration for the disposal of the Equity Interests to the account designated by the Company.

Completion of the transfer of the Equity Interests

The transferors shall cooperate for processing the registration procedures in respect of the change of ownership of the Equity Interests within 20 business days upon the issuance of the transfer certificate by CBEX.

GENERAL INFORMATION

Information on the Company

The Company was established in September 2010 and listed on the Main Board of the Hong Kong Stock Exchange in December 2014. 42.63% of the equity interests in the Company are directly owned by BAIC Group, which is the controlling shareholder of the Company. The Company's brands cover joint venture premium passenger vehicles, joint venture premium multi-purpose passenger vehicles, joint venture mid- to high-end passenger vehicles, proprietary brand passenger vehicles and other vehicles, which can maximally satisfy various customers' demands.

Information on BAIC Group

Established in June 1994, BAIC Group is one of the main automobile manufacturing groups in China. 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.

Information on BJEV

BJEV was established in October 2009 and its direct controlling shareholder is BAIC BluePark New Energy Technology Co., Ltd.* (北汽藍谷新能源科技股份有限公司), which is listed on the Main Board of the Shanghai Stock Exchange. BJEV is mainly engaged in the production and sale of passenger electric vehicles. BJEV is a subsidiary of BAIC Group.

Information on Beiqi Foton

Established in August 1996 and listed on the Main Board of the Shanghai Stock Exchange, Beiqi Foton's principal business is the production and sale of commercial vehicles. Beiqi Foton is a subsidiary of BAIC Group.

Information on Hainachuan

Established in January 2008, Hainachuan's principal business is the manufacture and assembly of automotive parts and components. Hainachuan is a subsidiary of BAIC Group.

Information on Yitang Shenglong

Established in November 2015, Yitang Shenglong's principal businesses include investment and asset management, the general partner of which is Beijing E-town International Industrial Investment Management Co., Ltd.* (北京亦莊國際產業投資管理有限公司), whose ultimate beneficial owner is the Fiscal Audit Bureau of Beijing Economic-Technological Development Area.

INFORMATION ON NATIONAL INNOVATION CENTER

As disclosed in the Announcement, National Innovation Center was established in November 2017, the principal businesses of which include technology development, technology transfer, technology consultation, technical services and technology promotion; engineering and technical research and experimental development; product design, industrial design services; sale of electrical equipment, automobiles, electronic products and auto parts; undertaking exhibition and presentation activities; economic and trade consultation; automobile decoration; software development; import and export of commodities and technology and acting as an import and export agency; technical testing, etc.

As at the date of this announcement, the Company, BJEV, Beiqi Foton and Hainachuan directly hold 12.02%, 12.38%, 12.02% and 7.21% of the equity interests in National Innovation Center, respectively. In addition, BAIC Group holds 12.38% of the equity interests in National Innovation Center.

As at 31 December 2021, the book value of the audited consolidated total assets of National Innovation Center was RMB1,161.39 million. The following table sets forth the financial information of National Innovation Center for the two years ended 31 December 2021 prepared in accordance with the China Accounting Standards for Business Enterprises:

	For the year ended 31 December 2020 <i>(RMB ten thousand)</i> (Audited)	For the year ended 31 December 2021 <i>(RMB ten thousand)</i> (Audited)
Net profit/(loss) before taxation	3,364.60	(4,968.76)
Net profit/(loss) after taxation	3,364.60	(4,968.76)

REASONS FOR AND THE BENEFITS OF THE DISPOSAL AND THE IMPACT ON THE COMPANY

As disclosed in the Announcement, the reasons for and benefits of the Disposal are as follows and such reasons and benefits remain applicable as at the date of this announcement:

1. The Disposal will support the Company to obtain proceeds and investment income.

The transfer of the equity interests in National Innovation Center will help the Company focus its resources on the Company's principal business areas and avoid the dispersion of resources, and also obtaining proceeds and generating a certain amount of investment gain.

2. The Company can continue to enjoy the scientific research achievements of National Innovation Center through BAIC Group.

Upon completion of the Disposal, BAIC Group continues to retain 12.38% equity interests in National Innovation Center. The Company can establish a stable strategic cooperative relationship with National Innovation Center and through any such cooperative relationship access the technological and innovative achievements of National Innovation Center.

As a result of the Disposal, it is expected that the Company would record a gain (after deducting the relevant taxes and expenses) on the Disposal of approximately RMB20,670,000, which is calculated with reference to the consideration less (i) the audited book value of the Equity Interests as at 31 December 2021; and (ii) the related costs and expenses of the Company for the Disposal. Shareholders should note that the actual gain from the Disposal to be recorded by the Company shall be subject to review by the Company's auditor.

The Company intends to use the net proceeds from the Disposal as general working capital.

OPINIONS OF THE DIRECTORS

The terms of the Equity Transaction Agreement and the Disposal were determined after arms' length negotiations among the parties thereto. The Directors (including independent non-executive Directors) are of the view that (i) the terms and conditions of the Disposal are fair and reasonable; (ii) the Disposal is in the ordinary and usual course of business of the Company and on normal commercial terms; and (iii) the Disposal is in the interests of the Company and its Shareholders as a whole.

As disclosed in the Announcement, since each of Mr. Chen Hongliang, Mr. Hu Hanjun, Mr. Hubertus Troska, Mr. Harald Emil Wilhelm, Mr. Gu Tiemin and Mr. Ye Qian (being Directors) is considered to be materially interested in the Disposal, each of them has abstained from voting on the Board resolutions for approving the Disposal. Save for the above persons, none of the other Directors has any interest in the Disposal.

LISTING RULES IMPLICATIONS

As at the date of this announcement, BJEV, Beiqi Foton and Hainachuan are subsidiaries of BAIC Group (the controlling shareholder of the Company) and hence, are associates of BAIC Group, and therefore connected persons of the Company. As BJEV, Beiqi Foton and Hainachuan jointly entered into the Equity Transaction Agreement with the Company in respect of the Disposal, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios for the Disposal is more than 0.1% and less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under the Listing Rules.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 27 April 2022 in relation to, among other things, the proposed disposal of equity interests in National Innovation Center by the Company
“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
“Beiqi Foton”	Beiqi Foton Motor Co., Ltd.* (北汽福田汽車股份有限公司), a company limited by shares incorporated under the laws of the PRC, and a subsidiary of BAIC Group
“BJEV”	Beijing Electric Vehicle Co., Ltd.* (北京新能源汽車股份有限公司), a company limited by shares incorporated under the laws of the PRC, and a subsidiary of BAIC Group
“Board”	the board of Directors of the Company
“CBEX”	China Beijing Equity Exchange Co., Ltd.* (北京產權交易所有限公司), an institution authorised by the State-owned Assets Supervision and Administration Commission for transaction of assets and equity of state-owned enterprises
“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
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 12.02% equity interests in National Innovation Center by the Company through CBEX
“Equity Interests”	the 12.02% equity interests in National Innovation Center owned by the Company to be transferred as contemplated under the Disposal
“Equity Transaction Agreement”	the equity transaction agreement to be entered into among the Company, BJEV, Beiqi Foton, Hainachuan and Yitang Shenglong dated 15 July 2022 in relation to the Disposal
“Hainachuan”	Beijing Hainachuan Automobile Components Corporation Limited* (北京海納川汽車部件股份有限公司), a limited company limited by shares incorporated under the laws of the PRC, and a subsidiary of BAIC Group
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“National Innovation Center”	Beijing National New Energy Vehicle Technology Innovation Center Co., Ltd.* (北京國家新能源汽車技術創新中心有限公司), a limited liability company incorporated under the laws of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company

“Yitang Shenglong”

Beijing Yitang Shenglong Semiconductor Industry Investment Center (Limited Partnership)* (北京屹唐盛龍半導體產業投資中心(有限合夥)), a limited partnership incorporated under the laws of the PRC, being the transferee of the public tender for the Disposal

“%”

percentage

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

Beijing, the PRC, 15 July 2022

As at the date of this announcement, the Board comprises Mr. Chen Wei, as Chairman of the Board and non-executive Director; Mr. Chen Hongliang and Mr. Hu Hanjun, as non-executive Directors; Mr. Huang Wenbing and Mr. Zhang Guofu, as executive Directors; Mr. Ye Qian, Mr. Hubertus Troska, Mr. Harald Emil Wilhelm, Mr. Gu Tiemin and Mr. Sun Li, as non-executive Directors; and Mr. Ge Songlin, Ms. Yin Yuanping, Mr. Xu Xiangyang, Mr. Tang Jun and Mr. Edmund Sit, as independent non-executive Directors.

* *For identification purpose only*