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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 TRANSACTION
CAPITAL INJECTION INTO BEIJING HYUNDAI BY BAIC INVESTMENT**

CAPITAL INJECTION

The Company hereby announces that on 11 December 2024, BAIC Investment, a non-wholly owned subsidiary of the Company, and Hyundai Motor entered into the Agreement, pursuant to which BAIC Investment and Hyundai Motor agreed to jointly inject US\$1,095,466,000 into Beijing Hyundai, a joint venture owned as to 50% by each of BAIC Investment and Hyundai Motor, in proportion to their respective interests in the registered capital of Beijing Hyundai, with each party injecting US\$547,733,000. The Capital Injection will be conducted in instalments. Upon completion of the Capital Injection, the registered capital of Beijing Hyundai will be increased to US\$4,074,005,464 and Beijing Hyundai will remain owned as to 50% by each of BAIC Investment and Hyundai Motor and continue to be accounted as a joint venture of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Capital Injection are more than 5% but all the applicable percentage ratios are less than 25%, the Capital Injection constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, neither Beijing Hyundai nor Hyundai Motor is a connected person of the Company. Therefore, the Capital Injection does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the completion of the Capital Injection is subject to the execution of the Revised JV Agreement by BAIC Investment and Hyundai Motor and the fulfilment of the conditions precedent set out thereunder, the Capital Injection may or may not proceed. Shareholders and potential investors should exercise caution when dealing in shares of the Company and are recommended to consult their professional advisers if they are in any doubt about their position and actions that they should take.

INTRODUCTION

The Company hereby announces that on 11 December 2024, BAIC Investment, a non-wholly owned subsidiary of the Company, and Hyundai Motor entered into the Agreement, pursuant to which BAIC Investment and Hyundai Motor agreed to jointly inject US\$1,095,466,000 into Beijing Hyundai, a joint venture owned as to 50% by each of BAIC Investment and Hyundai Motor, in proportion to their respective interests in the registered capital of Beijing Hyundai, with each party injecting US\$547,733,000. The Capital Injection will be conducted in instalments. Upon completion of the Capital Injection, the registered capital of Beijing Hyundai will be increased to US\$4,074,005,464 and Beijing Hyundai will remain owned as to 50% by each of BAIC Investment and Hyundai Motor and continue to be accounted as a joint venture of the Company.

AGREEMENT

Principal terms of the Agreement are set out below:

Date: 11 December 2024

Parties: BAIC Investment

Hyundai Motor

Conditions precedent: Unless otherwise agreed upon by both parties, the closing of the Capital Injection is conditional upon the satisfaction, or waiver by the party entitled to grant such waiver (as permitted under applicable laws, rules and regulations), of the following conditions:

- (1) all internal approval procedures and formalities for the authorisation of the Capital Injection having been fulfilled by Beijing Hyundai;
- (2) all internal approval procedures and formalities for the authorisation of the Capital Injection, having been fulfilled by the Company and Hyundai Motor;
- (3) regulatory formalities in connection with the Capital Injection as required by the competent state-owned assets supervision and management authorities, or organisations authorised by them, having been completed; and
- (4) other conditions precedent to the closing of the Capital Injection as stipulated under the Revised JV Agreement.

Total capital contribution to be made by each of BAIC Investment and Hyundai Motor: US\$547,733,000

Basis of consideration: The subscription price for each US\$1 of the registered capital of Beijing Hyundai is US\$1. The total capital contribution to be made by BAIC Investment was determined comprehensively based on the business needs, development plans and funding plans of Beijing Hyundai.

Registered capital: As at the date of signing the Agreement, the registered capital of Beijing Hyundai was US\$2,978,539,464. Upon completion of the Capital Injection, the registered capital of Beijing Hyundai shall be increased to US\$4,074,005,464.

Payment arrangements: The total capital contribution shall be paid by each party in two instalments, each amounting to US\$273,866,500. The RMB-equivalent for each instalment (converted based on the mid-price of the exchange rate between RMB and US\$ as announced by the head office of the People's Bank of China on the date of payment) shall be paid to an account designated by Beijing Hyundai after the closing of the Capital Injection and as separately agreed between the parties.

Revised JV Agreement: BAIC Investment and Hyundai Motor shall enter into the Revised JV Agreement in accordance with the principles of the Agreement.

REGISTERED CAPITAL STRUCTURE OF BEIJING HYUNDAI BEFORE AND AFTER THE COMPLETION OF THE CAPITAL INJECTION

The capital contribution in the registered capital of Beijing Hyundai as at the date of this announcement and upon completion of the Capital Injection are as follows:

Name of joint venture partner	As at the date of this announcement		Upon completion of the Capital Injection	
	Capital contribution in registered capital (US\$)	Proportion (%)	Capital contribution in registered capital (US\$)	Proportion (%)
BAIC Investment	1,489,269,732	50	2,037,002,732	50
Hyundai Motor	1,489,269,732	50	2,037,002,732	50
Total	<u>2,978,539,464</u>	<u>100</u>	<u>4,074,005,464</u>	<u>100</u>

FINANCIAL INFORMATION OF BEIJING HYUNDAI

The following table sets out the financial information of Beijing Hyundai for the two financial years ended 31 December 2023 and the nine months ended 30 September 2024 prepared under the China Accounting Standards for Business Enterprises:

	For the year ended		For the nine
	31 December	31 December	months ended
	2022	2023	30 September
	(RMB million)		2024
	(audited)		(unaudited)
Net profit (loss) before tax	(4,765.89)	(5,250.82)	(2,576.01)
Net profit (loss) after tax	<u>(5,064.66)</u>	<u>(5,441.41)</u>	<u>(2,576.01)</u>
Total assets	<u>35,517.37</u>	<u>28,059.07</u>	<u>21,937.67</u>

REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION

Beijing Hyundai, a Sino-Korean joint venture established in 2002, has launched 42 models and achieved cumulative sales exceeding 12 million units. The company boasts a comprehensive operational system and a strong market foundation. Under the "In China, For the World" development strategy, Beijing Hyundai aims to leverage its systemic capabilities, shareholder-backed new energy technology, and resource advantages to accelerate its transition to new energy and intelligent technologies. The company plans to introduce more products tailored to Chinese consumer needs and expand its export scale in international markets.

The Capital Injection into Beijing Hyundai aligns with the strategic collaboration between the Company's proprietary brands and joint venture brands. The Capital Injection by both parties will support Beijing Hyundai in maintaining capital stability in the short term and achieving transformation and development strategies through investment in new technologies and products in the long run.

Moreover, Hyundai Motor is one of the globally renowned automotive companies with a substantial market position and influence. It is advancing an extensive layout in electrification, high-performance vehicles, hydrogen energy, and future mobility solutions. The Capital Injection by BAIC Investment and Hyundai Motor into Beijing Hyundai will further deepen the collaboration between the Company and Hyundai Motor, fostering the long-term development of both Beijing Hyundai and the Company.

The Board is of the view that (i) the terms and conditions of the Agreement are fair and reasonable; (ii) the Capital Injection is on normal commercial terms; and (iii) the Capital Injection is in the interests of the Company and the Shareholders taken as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Capital Injection are more than 5% but all the applicable percentage ratios are less than 25%, the Capital Injection constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, neither Beijing Hyundai nor Hyundai Motor is a connected person of the Company. Therefore, the Capital Injection does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

Information on BAIC Investment

BAIC Investment was established in 2002 with a registered capital of RMB7,964 million, and is a non-wholly owned subsidiary owned as to 97.95% by the Company. BAIC Investment mainly engages in businesses including sales of vehicles and spare parts, investment and management in the automotive and related industries, investment consultancy, technology development, technology consultancy, technology services and information consultancy regarding automobile and related industries.

Information on Beijing Hyundai

Beijing Hyundai is a company incorporated in the PRC with limited liability. Beijing Hyundai was established in Beijing in October 2002, and is jointly invested by BAIC Investment and Hyundai Motor with each party contributing 50% of the registered capital of Beijing Hyundai.

Beijing Hyundai is the first sino-foreign joint venture company in the field of automobile production approved after China's accession to the World Trade Organization. Its principal businesses include the design, development, production and sales of sedan, recreational vehicles, whole trucks, engines and spare parts; operation of telecommunications business; as well as the provision of after-sales services, import and export of automobiles and accessories and technical testing services (excluding national restricted projects) for the products produced and sold by the joint venture.

Information on Hyundai Motor

Hyundai Motor is a company incorporated in the Republic of Korea and whose shares are listed on the Korea Stock Exchange. The Company also confirms that to the best of the knowledge, information and belief of the Company and the Directors, Hyundai Motor and its beneficial owners are third parties independent of the Company and its connected persons.

As the completion of the Capital Injection is subject to the execution of the Revised JV Agreement by BAIC Investment and Hyundai Motor and the fulfilment of the conditions precedent set out thereunder, the Capital Injection may or may not proceed. Shareholders and potential investors should exercise caution when dealing in shares of the Company and are recommended to consult their professional advisers if they are in any doubt about their position and actions that they should take.

DEFINITIONS

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

“Agreement”	the capital increase agreement dated 11 December 2024 entered into between BAIC Investment and Hyundai Motor in relation to the Capital Injection
“BAIC Investment”	BAIC Investment Co., Ltd., a company incorporated in the PRC and a non-wholly owned subsidiary of the Company
“Beijing Hyundai”	Beijing Hyundai Motor Co., Ltd., a sino-foreign joint venture company incorporated in the PRC and jointly funded by BAIC Investment and Hyundai Motor
“Board”	the board of Directors of the Company
“Capital Injection”	the proposed capital injection by BAIC Investment and Hyundai Motor into Beijing Hyundai in proportion to their respective interests in the registered capital of Beijing Hyundai as contemplated under the Agreement
“Company”	BAIC Motor Corporation Ltd.* (北京汽車股份有限公司), a company limited by shares duly incorporated 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
“Director(s)”	the director(s) of the Company
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hyundai Motor”	Hyundai Motor Company, a company incorporated in the Republic of Korea and an independent third party of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC” or “China”	the People’s Republic of China

“Revised JV Agreement”	a revised and restated joint venture agreement in relation to the establishment of Beijing Hyundai to be entered into between BAIC Investment and Hyundai Motor to reflect the Capital Injection
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the shares of the Company
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	percentage

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

Beijing, the PRC, 11 December 2024

As at the date of this announcement, the Board comprises Mr. Chen Wei, as Chairman of the Board and non-executive Director; Mr. Hu Hanjun and Mr. Chen Hongliang as non-executive Directors; Mr. Song Wei, as executive Director; Mr. Peng Jin, Mr. Ye Qian, Mr. Paul Gao, Mr. Kevin Walter Binder, Mr. Gu Tiemin and Mr. Sun Li, as non-executive Directors; and Ms. Yin Yuanping, Mr. Xu Xiangyang, Mr. Tang Jun, Mr. Edmund Sit and Mr. Ji Xuehong, as independent non-executive Directors.

* *For identification purposes only*