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If you have sold or transferred all your Shares in BAIC Motor Corporation Limited, you should disregard this circular and the proxy form.



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)

MAJOR AND CONTINUING CONNECTED TRANSACTIONS

(1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS WITH BAIC GROUP

(2) ENTRY OF FINANCIAL SERVICES FRAMEWORK AGREEMENT WITH BAIC GROUP

NOTICE OF 2025 SECOND EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee and the
Independent Shareholders**



A letter from the Board is set out on pages 5 to 37 of this circular.

The notice of the EGM to be held at 9:30 a.m. on Wednesday, 22 October 2025 at Multi-purpose Hall, 1st Floor, the South Tower of Beijing Automotive Industry Research and Development Base, No. 99 Shuanghe Street, Shunyi District, Beijing, the PRC is set out on pages EGM-1 to EGM-2 of this circular. The proxy form for use at the EGM is also published on the HKExnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company.

Whether or not you intend to attend the EGM, holders of H Shares are requested to complete the proxy form in accordance with the instruction stated thereon and return it to the Hong Kong Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and for holders of Domestic Shares, the proxy form shall be returned to the Board of Directors' Office of the Company at Room 3-038, Tower A, Beijing Automotive Industry Research and Development Base, No. 99 Shuanghe Street, Shunyi District, Beijing, the PRC. The proxy form shall be returned not later than 24 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person should you so wish at the EGM or any adjournment thereof if they so wish.

* For identification purposes only

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DEFINITIONS

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

“Agreements”	the Products and Services Purchasing Framework Agreement, the Provision of Products and Services Framework Agreement, the Trademark Licensing Framework Agreement and the Financial Services Framework Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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, and the sole controlling shareholder of the Company
“Beijing Benz”	Beijing Benz Automotive Co., Ltd.* (北京奔馳汽車有限公司), 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, and the remaining 49.0% directly and indirectly owned by Mercedes-Benz AG
“Board” or “Board of Directors”	the board of Directors of the Company
“CCT Announcement”	the announcement of the Company dated 26 August 2025 in relation to, among other things, (i) the renewal of continuing connected transactions with BAIC Group; and (ii) the entry of the Financial Services Framework Agreement with BAIC Group
“China” or “PRC”	the People’s Republic of China
“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 (stock code: 1958)
“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
“continuing 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

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the Company’s share capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“EGM”	the 2025 second extraordinary general meeting of the Company to be convened and held for, among other things, consideration and (if thought fit) approval of (i) the Non-Exempt Continuing Connected Transactions; and (ii) the entry of the Financial Services Framework Agreement
“Financial Services Framework Agreement”	the financial services framework agreement entered into between the Company and BAIC Group on 26 August 2025
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, to be subscribed for and traded in Hong Kong dollars and listed and traded on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely, Ms. Yin Yuanping, Mr. Xu Xiangyang, Mr. Tang Jun, Mr. Edmund Sit and Mr. Ji Xuehong, which was established to advise the Independent Shareholders in relation to (i) the Non-Exempt Continuing Connected Transactions; and (ii) the Financial Services Framework Agreement

DEFINITIONS

“Independent Financial Adviser” or “Everbright Capital”	China Everbright Capital Limited, a corporation permitted to carry out Type 1 (Dealing in securities), Type 4 (Advising on securities) and Type 6 (Advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) regulated activities under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to (i) the Non-Exempt Continuing Connected Transactions; and (ii) the Financial Services Framework Agreement (other than the loan services contemplated thereunder)
“Independent Shareholders”	Shareholders (other than BAIC Group and its associates) who are not required to abstain from voting on the resolutions to be proposed at the EGM in relation to (i) the Non-Exempt Continuing Connected Transactions; and (ii) the Financial Services Framework Agreement
“Latest Practicable Date”	24 September 2025, being the latest practicable date prior to the finalisation of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“NFRA”	National Financial Regulatory Administration in the PRC
“Non-Exempt Continuing Connected Transactions”	(i) the purchase of products and purchase of services contemplated under the renewed Products and Services Purchasing Framework Agreement; (ii) the sale of products contemplated under the renewed Provision of Products and Services Framework Agreement; and (iii) the continuing connected transactions contemplated under the renewed Trademark Licensing Framework Agreement
“PBOC”	The People’s Bank of China, the central bank of the PRC

DEFINITIONS

“Products and Services Purchasing Framework Agreement”	the products and services purchasing framework agreement entered into between the Company and BAIC Group on 2 December 2014 and last renewed by the parties on 26 August 2025 for another term of three years expiring on 31 December 2028
“Provision of Products and Services Framework Agreement”	the provision of products and services framework agreement entered into between the Company and BAIC Group on 2 December 2014 and last renewed by the parties on 26 August 2025 for another term of three years expiring on 31 December 2028
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	the shareholder(s) of the Company
“Share(s)”	Domestic Share(s) and/or H Share(s)
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Trademark Licensing Framework Agreement”	the trademark licensing framework agreement entered into between the Company and BAIC Group on 24 March 2023, which was renewed on 26 August 2025 for another term of three years expiring on 31 December 2028
“%”	percent

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LETTER FROM THE BOARD



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)

Directors:

Name	Position
Mr. Wang Hao	<i>Chairman of the Board and Executive Director</i>
Mr. Hu Hanjun	<i>Non-executive Director</i>
Mr. Chen Hongliang	<i>Non-executive Director</i>
Mr. Song Wei	<i>Executive Director</i>
Mr. Peng Jin	<i>Non-executive Director</i>
Mr. Ye Qian	<i>Non-executive Director</i>
Mr. Paul Gao	<i>Non-executive Director</i>
Mr. Kevin Walter Binder	<i>Non-executive Director</i>
Mr. Gu Tiemin	<i>Non-executive Director</i>
Mr. Sun Li	<i>Non-executive Director</i>
Ms. Yin Yuanping	<i>Independent non-executive Director</i>
Mr. Xu Xiangyang	<i>Independent non-executive Director</i>
Mr. Tang Jun	<i>Independent non-executive Director</i>
Mr. Edmund Sit	<i>Independent non-executive Director</i>
Mr. Ji Xuehong	<i>Independent non-executive Director</i>

Registered Address:

A5-061, Unit 101
5th Floor, Building No.1
Courtyard No. 99
Shuanghe Street
Shunyi District
Beijing 101300
the PRC

Headquarter:

No. 99 Shuanghe Street
Shunyi District
Beijing 101300
the PRC

*Principal place of
business in Hong Kong:*

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

To the Shareholders,

MAJOR AND CONTINUING CONNECTED TRANSACTIONS
(1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS WITH
BAIC GROUP
(2) ENTRY OF FINANCIAL SERVICES FRAMEWORK AGREEMENT
WITH BAIC GROUP
NOTICE OF 2025 SECOND EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

The Company intends to hold the EGM at 9:30 a.m. on Wednesday, 22 October 2025 at Multi-purpose Hall, 1st Floor, the South Tower of Beijing Automotive Industry Research and Development Base, No. 99 Shuanghe Street, Shunyi District, Beijing, the PRC. The notice to convene the EGM is set out on pages EGM-1 to EGM-2 of this circular.

The purpose of this circular is to provide you with details of the resolutions to be proposed to consider and approve as ordinary resolutions at the EGM and provide all the information reasonably required to enable you to make an informed decision on whether to vote for or against or abstain from voting on those resolutions. Such resolutions and details are set out in the letter from the Board.

* For identification purpose only

LETTER FROM THE BOARD

II. MATTERS TO BE RESOLVED AT THE EGM

ORDINARY RESOLUTIONS

Major and Continuing Connected Transactions

1. Renewal of Continuing Connected Transactions with BAIC Group

Reference is made to the CCT Announcement in relation to, among other things, the renewal of the continuing connected transactions of the Company with BAIC Group.

As disclosed in the CCT Announcement, as the terms of each of (i) the Products and Services Purchasing Framework Agreement, (ii) the Provision of Products and Services Framework Agreement; and (iii) the Trademark Licensing Framework Agreement, and the applicable annual caps for the continuing connected transactions thereunder will expire on 31 December 2025, on 26 August 2025, the Board resolved to renew each of the aforesaid framework agreements that are about to expire for a further term of three years from 1 January 2026 to 31 December 2028.

(1) Renewal of the Products and Services Purchasing Framework Agreement

The principal terms of the renewed Products and Services Purchasing Framework Agreement are as follows:

Parties:	(1) BAIC Group (2) the Company
Date:	26 August 2025
Term:	The term of the renewed Products and Services Purchasing Framework Agreement will commence on 1 January 2026 and end on 31 December 2028, subject to the renewal through mutual consent by the parties.
Principal Terms:	According to the renewed Products and Services Purchasing Framework Agreement, BAIC Group and/or its subsidiaries will provide several types of products and services to the Group. These products will include equipment, raw materials, components and vehicles and related technologies, related derivatives derived from these products (including but not limited to energy credits, carbon emissions policy trading), while these services will include labor services, logistics services, transportation services, technical services and consultancy services.

LETTER FROM THE BOARD

Members of the Group on the one hand and BAIC Group and/or its subsidiaries on the other hand will enter into specific agreements for each of the specific transactions contemplated under the renewed Products and Services Purchasing Framework Agreement, provided that such specific agreements shall follow the principles as set out in the renewed Products and Services Purchasing Framework Agreement.

The product prices and service fees shall be paid in accordance with the specific agreements to be signed by members of the Group and BAIC Group and/or its subsidiaries under the renewed Products and Services Purchasing Framework Agreement.

Pricing Policy: *General policy*

In order to ensure that the terms of individual transactions in respect of the purchase of products and comprehensive services by the Group from BAIC Group are fair and reasonable and in line with market practices, the Group has adopted the following measures:

- (i) to have regular contact with the suppliers of the Group (including BAIC Group) to keep abreast of market developments and the price trend of comprehensive services;
- (ii) before placing an individual purchase order, to invite a certain number of suppliers (including BAIC Group) from the approved list of suppliers of the Group to submit quotations or proposals; and
- (iii) to have the suppliers and pricing of products and comprehensive services determined by the collective decision of the Company's tender assessment board according to the Company's administrative measures for market quotations. Members of the tender assessment board include representatives from the procurement department, research and development department, discipline inspection department, finance department and audit department. Procurement engineers, product engineers and supplier quality management engineers will also participate in the assessment to review and compare the quotations or proposals received and assess the same based on various factors such as pricing, flexibility, quality and after-sales service.

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Where there are other independent suppliers, the Group will obtain quotations for comparable products or services that may be available from other independent suppliers in order to determine whether viable alternatives of comparable quality can be obtained at the most competitive price and in a timely manner. If alternatives are available, the Group will conduct a tender process before selecting suppliers for such alternatives. In such a tender process, the connected persons and their associates are treated no differently from any other independent suppliers. Consequently, the purchase of products and comprehensive services by the Group from connected persons of the Company and their associates would not be made if the Group could obtain better terms from any other suppliers.

Raw materials and automobile parts and components

Raw materials and automobile parts and components have historically been, and will continue to be, priced with reference to a combination of factors, including costs of materials, labor costs and employee benefit expenses, electricity and other utility costs, depreciation, machinery maintenance costs and selling and administrative expenses which are attributable to the procurement or production of such raw materials and components as well as automotive part products.

The prices of raw materials and automobile parts and components provided by BAIC Group and/or its subsidiaries are determined with reference to actual costs or reasonable costs (whichever is lower) incurred plus a profit margin within the pre-agreed arm's length range determined in the following order: (i) at prices not higher than the market prices; and (ii) if no comparable market price, at prices with reference to actual costs or reasonable costs (whichever is lower) incurred plus a profit margin within the pre-agreed arm's length range. Such margin rates are determined through arm's length negotiations between the relevant parties with reference to market comparables based on data from independent consultants. These rates will be reviewed and adjusted annually or as needed by the relevant parties, taking into account the fact that the margin rates of comparable companies may change over time.

LETTER FROM THE BOARD

To monitor that the prices charged by BAIC Group and/or its subsidiaries are fair and reasonable, the Group has historically requested, prior to entering into individual supply agreements with BAIC Group and/or its subsidiaries, and will continue to request that BAIC Group and/or its subsidiaries provides a schedule of the costs being incurred by BAIC Group and/or its subsidiaries in respect of the raw materials and automotive parts and components being supplied by BAIC Group and/or its subsidiaries. Once such schedule is received, the Company has historically and will continue to (i) assess independently whether the costs incurred are fair and reasonable; (ii) request clarification and supporting documents if we are of the view that the costs of items stated by BAIC Group and/or its subsidiaries are materially different from the costs that were quoted by BAIC Group and/or its subsidiaries historically; and (iii) verify that the profit margin on the total costs incurred by BAIC Group and/or its subsidiaries falls within the pre-agreed range of profit margins. To ensure that the price offered will not be less favourable than those offered by independent service suppliers, the Company will seek for and refer to quotations from not less than two independent third-party suppliers after the arms-length negotiation. In addition, the procurement department will also monitor automotive part and component prices and global commodity prices regularly to ensure that the price of automotive parts and components and raw materials purchased are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

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Logistics services

Logistics services to be provided by BAIC Group and/or its subsidiaries include transportation and storage services. The fees of logistics services are charged on the basis of the value of the complete vehicles, parts and components, custodial requirements, size and level of inventories, delivery and handling requirements and the number of vehicles. When determining the prices, the procurement department of the Group has made reference to the market prices charged for logistics services by other comparable automotive enterprises based on its extensive expertise and experience. The Company periodically asks for quotations from at least two independent third party logistic companies, to ensure prices quoted by BAIC Group and/or its subsidiaries are fair and reasonable. In the event that the quoted prices are lower than the existing prices for logistic services provided by BAIC Group and/or its subsidiaries, the Group will request BAIC Group and/or its subsidiaries to adjust the prices to a market reasonable level.

Other services

Other services to be offered by BAIC Group and/or its subsidiaries mainly include advertisement and marketing, technical services and consulting, back-office support and training. The services fees for these services charged by BAIC Group and/or its subsidiaries are determined by arm's length negotiations between the relevant parties. The Group will make reference to the historical fees of such comprehensive services and will also refer to the comparable market prices, to ensure that the terms of services provided by BAIC Group and/or its subsidiaries are fair and reasonable to the Group. Comparable market prices are generally obtained through quotations provided by at least two independent suppliers offering similar services. In the event that the service prices charged by BAIC Group and/or its subsidiaries are higher than the prices quoted by independent third parties, the Group will request BAIC Group and/or its subsidiaries to adjust the prices of connect transactions to a reasonable level.

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**Reasons and
Benefits:**

In the ordinary and usual course of business, the Group purchases products and services from BAIC Group and/or its subsidiaries. The Company has been using the products and services provided by BAIC Group and/or its subsidiaries for several years. BAIC Group has been providing the Group with a long-term stable supply. As a result, BAIC Group and/or its subsidiaries understand the Group's business and operational requirements well. It is crucial to maintain a stable and quality supply of products and comprehensive services for the Company's existing and future production and operation. With reference to the previous purchasing experience with BAIC Group and/or its subsidiaries, BAIC Group can efficiently fulfil the Group's requirements with stable and quality supply of products and comprehensive services.

Automobile parts and components and raw materials

The Group is capable of carrying on its business independently of BAIC Group as it can procure the parts and components and raw materials supplied by BAIC Group and/or its subsidiaries from independent third parties. The purchases of automobile parts and components and raw materials from BAIC Group and/or its subsidiaries would benefit the Group for the following reasons:

- (i) the purchases from BAIC Group and/or its subsidiaries will be at competitive prices not less favourable than those that can be obtained by the Group from independent third parties;
- (ii) BAIC Group and/or its subsidiaries are familiar with the Group's specifications, standards and requirements on automobile parts and components and raw materials; and
- (iii) it is crucial for the Group to maintain the stability in supply and quality of automobile parts and components and raw materials for the existing and future production needs. In view of the product purchasing experience with BAIC Group and/or its subsidiaries, the Company is of the view that BAIC Group and/or its subsidiaries can effectively fulfil the Company's requirements for supply stability as well as quality.

LETTER FROM THE BOARD

Logistics services

BAIC Group and/or its subsidiaries provides logistics services for the complete vehicles, parts and components of the Group, including transportation and storage services. The purchase of logistics services from BAIC Group and/or its subsidiaries would benefit the Group for the following reasons:

- (i) BAIC Group and/or its subsidiaries has been providing the Group with long-term stable supply and consistent quality services, being familiar with the Group's certain special requirements on the transportation of complete vehicles and automobile parts and components;
- (ii) meanwhile, warehouse centers of BAIC Group and/or its subsidiaries are in geographical proximity to the Company's production plant, which facilitates the transportation of complete vehicles and parts and components, thereby lowering the logistics costs and shortening transportation time; and
- (iii) the transportation service fees charged by BAIC Group and/or its subsidiaries are no less favourable than the fees charged to the Group by independent third parties.

Other services

The procurement of marketing, technical, consulting and supporting services from BAIC Group and/or its subsidiaries would benefit to the Group for the following reasons:

- (i) BAIC Group and/or its subsidiaries have a long-term and stable partnership with the Group and fully understand certain needs of the Group in respect of marketing, technology research and development, etc.;
- (ii) the related services provided by BAIC Group and/or its subsidiaries are of reliable quality, cost effective and easily localised, and therefore it is in the interest of the Group to continue to procure such services from BAIC Group and/or its subsidiaries as a matter of urgency; and

LETTER FROM THE BOARD

- (iii) the fees charged by BAIC Group and/or its subsidiaries for the related services are not higher than the fees charged by independent third parties to the Group.

(i) *Historical Transaction Amounts*

Historical transaction amounts in respect of the continuing connected transactions between the Group and BAIC Group and/or its subsidiaries under the Products and Services Purchasing Framework Agreement for the preceding three years ended 31 December 2024 are as follows:

	For the year ended 31 December			For the six months ended
	2022	2023	2024	30 June
	(RMB million)	(RMB million)	(RMB million)	(RMB million)
<i>Purchase of products</i>				
Transaction amount	27,093.9	33,255.1	32,571.7	15,892.4
Annual caps	55,603.1	38,209.4	49,511.1	56,883.5
Utilisation rate of annual	48.7%	87.0%	65.8%	27.9%
<i>Purchase of services</i>				
Transaction amount	4,309.5	4,648.5	4,944.6	1,058.7
Annual caps	5,194.6	6,037.4	5,797.6	5,746.3
Utilisation rate of annual	83.0%	77.0%	85.3%	18.4%

For the year ended 31 December 2024 and for six months ended 30 June 2025, there was a decrease in the amount of products and services purchased due to the competition in passenger vehicle industry having intensified, resulting in the drop in the sales of Beijing Benz and Beijing brands, and thereby leading to the decrease in the products and services required to be purchased from the BAIC Group.

As at the Latest Practicable Date, the existing annual caps for the year ending 31 December 2025 have not been exceeded.

(ii) *Proposed Annual Caps for the Three Years Ending 31 December 2028*

On 26 August 2025, the Board resolved to set the annual caps for the continuing connected transactions between the Group and BAIC Group and/or its subsidiaries under the renewed Products and Services Purchasing Framework Agreement for the next three years ending 31 December 2028 as follows:

LETTER FROM THE BOARD

	For the year ending 31 December		
	2026	2027	2028
	(RMB	(RMB	(RMB
	million)	million)	million)
Purchase of products	52,633	65,089	69,846
Purchase of services	7,635	9,513	10,506

(iii) Basis of Determination of the Proposed Annual Caps

The above proposed annual caps were determined based on:

- (i) the estimated sales volume of passenger vehicles by taking into account macroeconomic conditions as well as the development strategies and business expansion plan of the Group;
- (ii) the unit purchase cost for each vehicle model of the Group and the expected market condition and general cost inflation for the relevant period;
- (iii) the expected value of the connected transactions between Beijing Benz and BAIC Group and its subsidiaries;
- (iv) the expected increase in the total costs and expenses driven by the business expansion plan of the Group. The Group plans to launch and manufacture various new models in the next three years, which is expected to result in increases as appropriate in the total costs and expenses for such years. In addition, the expected sales volume of existing models will continue to rise driven by the continued demand growth in their respective segments, which will also result in the increase in the total costs and expenses (cost of sales, selling and distribution expenses, and general and administrative expenses); and
- (v) the expected demand for high-value new products will require the purchase of better and more sophisticated new raw materials, automotive parts and components from BAIC Group and/or its subsidiaries which will be comparatively more expensive than the costs of existing raw materials, automotive parts and components purchased from BAIC Group and/or its subsidiaries for existing products. Therefore, it is expected that the transaction amount of purchasing such raw materials, automotive parts and components from BAIC Group and/or its subsidiaries for the production of vehicles will increase.

LETTER FROM THE BOARD

(2) **Renewal of the Provision of Products and Services Framework Agreement**

The principal terms of the renewed Provision of Products and Services Framework Agreement are as follows:

Parties:	(1) BAIC Group (2) the Company
Date:	26 August 2025
Term:	The term of the renewed Provision of Products and Services Framework Agreement will commence on 1 January 2026 and end on 31 December 2028, subject to renewal through mutual consent by the parties.
Principal Terms:	According to the renewed Provision of Products and Services Framework Agreement, BAIC Group and/or its subsidiaries will purchase products (including equipment, raw materials, parts and components and complete vehicles etc., relevant technologies, and derivatives derived from such products including but not limited to energy credits and carbon emissions policy trading) and services (including sales agency, processing agency, labour, logistics, transportation, technical services and consultancy) from the Group.

Members of the Group on the one hand and BAIC Group and/or its subsidiaries on the other hand will enter into specific agreements for each of the specific transactions contemplated under the renewed Provision of Products and Services Framework Agreement, provided that such specific agreements shall follow the principles as set out in the renewed Provision of Products and Services Framework Agreement.

The product prices and service fees shall be paid in accordance with the specific agreements to be signed by members of the Group and BAIC Group and/or its subsidiaries under the renewed Provision of Products and Services Framework Agreement.

LETTER FROM THE BOARD

Pricing Policy: *General policy*

To ensure that the terms of the transactions contemplated under the renewed Provision of Products and Services Framework Agreement are on terms no less favourable than those entered into between the Group and independent third parties, the renewed Provision of Products and Services Framework Agreement specifically provides that terms of transactions contemplated thereunder are to be no less favourable than those entered into between the Company and independent third parties.

The service fees charged to BAIC Group and/or its subsidiaries by the Group are to be determined on the basis of arm's length negotiations between the relevant parties. The Company will make reference to the applicable historical prices of products and services and will base such on the principle of cost plus a fair and reasonable margin, to ensure that the terms of supplying products and services to BAIC Group and/or its subsidiaries are fair and reasonable.

Complete vehicles

The Group formulates various selling prices based on factors such as depreciation of raw materials and equipment for producing different vehicle models, technology amortization, employee compensation as well as water and electricity costs, and also formulates various promotion levels based on the popularity of various vehicle models, and updates the promotion levels in accordance with the latest market situation in a timely manner. The complete vehicle price is determined by the selling price and promotion level together. For both connected person customers and independent third-party customers, the Group applies the above pricing policies when selling complete vehicles. In such case, both connected person customers and independent third-party customers enjoy the same price when purchasing complete vehicles. Connected person customers will not be offered any price that is more favourable than the price offered to other customers.

LETTER FROM THE BOARD

Automobile parts and components and raw materials

The Group formulates selling prices on a profit margin within the pre-agreed arm's length range over the unit cost of automobile parts and components and raw materials. Such margin rates are determined through arm's length negotiations between the relevant parties with reference to market comparables based on data from independent consultants. These rates will be reviewed and adjusted annually or as needed by the relevant parties, taking into account the fact that the margin rates of comparable companies may change over time. The unit cost mainly refers to the factors including depreciation of consumed materials and equipment for production and staff wages. For both connected person customers and independent third-party customers, the same pricing rule shall apply. In such case, both connected person customers and independent third-party customers enjoy the same price when purchasing automobile parts and components and raw materials. Connected person customers will not be offered any price that is more favourable than the price offered to other customers.

Services

The services provided by the Group to BAIC Group and/or its subsidiaries are mainly customised services or personalised services which mainly include complete vehicles technology consulting service and research and development service. In determining the prices of these services, the Group adopts a cost-plus-profit method. Costs taken into account include depreciation, salary, costs of raw materials and management fees. To ensure that the prices charged by the Group are fair and reasonable, the Group will also make reference to the profit margin of transactions where the Group offers similar services to independent third parties.

Reasons and Benefits:

In the ordinary and usual course of business, the Group provides various products and comprehensive services to BAIC Group and/or its subsidiaries. The Company considers that the provision of products and services to BAIC Group would benefit the Group for the following reasons.

LETTER FROM THE BOARD

- (i) BAIC Group and/or its subsidiaries can benefit from the professional sales team of the Group which has a solid understanding of China's automobile market and diversified sales channels thereby reducing their sales cost;
- (ii) subsidiaries of BAIC Group operating dealership outlets purchase vehicles manufactured and assembled by Beijing Benz and vehicles under the proprietary brand of the Company for resale in its dealership outlets. The Company and those subsidiaries of BAIC Group have established a long-term relationship and understand the business plan, quality control and other special requirements of each other;
- (iii) BAIC Group and/or its subsidiaries purchase automobile components, such as automobile engines, from a subsidiary of the Company, BAIC Motor Powertrain Co., Ltd. (北京汽車動力總成有限公司), for their daily production; and
- (iv) prices and terms for the products and services provided by the Group to BAIC Group are not less favourable than those offered to independent third parties.

(i) Historical Transaction Amounts

Historical transaction amounts in respect of the sale of products transactions between the Group and BAIC Group and/or its subsidiaries under the Provision of Products and Services Framework Agreement for the preceding three years ended 31 December 2024 are as follows:

	For the year ended 31 December			For the six months ended
	2022	2023	2024	30 June 2025
	(RMB million)	(RMB million)	(RMB million)	(RMB million)
<i>Sale of products</i>				
Transaction amount	18,166.3	23,895.2	20,876.0	9,185.7
Annual caps	32,836.9	33,849.7	48,097.3	46,060.2
Utilisation rate of annual caps	55.3%	70.6%	43.4%	19.9%

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For the year ended 31 December 2024, there was a decrease in the amount of products sold and a lower utilisation rate due to the competition in passenger vehicle industry having intensified, resulting in the sales of Beijing Benz and Beijing brands not having met expectations, and thereby leading to the overall scale in the sale of car products having decreased.

As at the Latest Practicable Date, the existing annual cap in respect of the sale of products transactions between the Group and BAIC Group and/or its subsidiaries under the Provision of Products and Services Framework Agreement for the year ending 31 December 2025 has not been exceeded.

(ii) Proposed Annual Caps for the Three Years Ending 31 December 2028

On 26 August 2025, the Board resolved to set the annual caps for the sale of products transactions between the Group and BAIC Group and/or its subsidiaries under the renewed Provision of Products and Services Framework Agreement for the next three years ending 31 December 2028 as follows:

	Proposed annual caps for the year ending		
	31 December		
	2026	2027	2028
	<i>(RMB</i>	<i>(RMB</i>	<i>(RMB</i>
	<i>million)</i>	<i>million)</i>	<i>million)</i>
Sale of products	33,552	41,453	44,439

(iii) Basis of Determination of the Proposed Annual Caps

The above proposed annual caps were determined based on:

- (a) there will be a growth in sales of complete vehicles to be manufactured and assembled by Beijing Benz and the Company by taking into account macroeconomic conditions as well as the development strategies and business expansion plan of the Group;
- (b) the percentage of the sales to the dealership outlets operated by the subsidiaries of BAIC Group in the future, which is determined with reference to the historical percentage of the sales of complete vehicles manufactured and assembled by Beijing Benz and the proprietary brand of the Company to the dealership outlets operated by the subsidiaries of BAIC Group;
- (c) the expected annual value of the connected transactions between Beijing Benz and BAIC Group and/or its subsidiaries;
- (d) the expected increase in the revenues driven by the business expansion plan; and

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- (e) with the launch of high-value new products and the application of new technologies in the future, we will sell higher-priced complete vehicles and parts and components to BAIC Group and/or its subsidiaries, thereby generating higher sales revenue.

(3) Renewal of the Trademark Licensing Framework Agreement

The principal terms of the Trademark Licensing Framework Agreement are as follows:

Parties:	(1) BAIC Group (as the licensor) (2) the Company (as the licensee)
Date:	26 August 2025
Term:	The term of the renewed Trademark Licensing Framework Agreement will commence on 1 January 2026 and end on 31 December 2028, subject to renewal through mutual consent by the parties.
Principal Terms:	According to the renewed Trademark Licensing Framework Agreement, BAIC Group grants the Group a license for the use of certain trademarks on the products manufactured by and the services provided by, and in the documents of the Group. The actual trademark licensing fees and the method of payment shall be determined on the principles, conditions and terms of the renewed Trademark Licensing Framework Agreement and set out in the specific agreements to be entered into by the parties.
Pricing Policy:	The licensing fees will be paid to BAIC Group with reference to a pre-agreed rate of the net revenue generated by each product manufactured or service provided. Net revenue generated by each product manufactured or service provided will be calculated based on the suggested retail price of the complete vehicle manufacturer net of the value-added tax, gross margin of dealers, sales rebates to dealers, consumption tax, sales discounts and other deductions. Such pre-agreed rates are determined through arm's length negotiations between the relevant parties with reference to market comparables based on data from independent consultants. These rates will be reviewed and adjusted annually or as needed by the relevant parties, taking into account the fact that the margin rates of comparable companies may change over time.

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The relevant prices of licensing fees to be paid to BAIC Group will be determined after arm's length negotiation by both parties with reference to the historical prices of the relevant licensing fees to be paid to BAIC Group. The Group will ensure that the terms and conditions of the licensing fees to be paid to BAIC Group are fair and reasonable based on the principle of cost plus a fair reasonable profit rate.

Reasons and Benefits:

A significant portion of the trademarks used for passenger cars produced and sold by the Group are licensed by BAIC Group. Such trademark licenses are critical to the operation and production of the Group and in the best interests of the Group and the Shareholders.

(i) Historical Transaction Amounts

Historical transaction amounts in respect of the trademark licensing fees paid by the Group to BAIC Group for the preceding three years ended 31 December 2024 are as follows:

	For the year ended 31 December			For the six months ended
	2022	2023	2024	30 June 2025
	(RMB million)	(RMB million)	(RMB million)	(RMB million)
Trademark licensing fees				
Transaction amount	753.5	746.6	660.7	287.3
Annual caps	1,036.2	985.0	992.0	996.0
Utilisation rate of annual caps	72.7%	75.8%	66.6%	28.8%

There was a decrease in the amount of trademark licensing fees paid from 2022 to 2024 due to the competition in passenger vehicle industry having intensified, resulting in the drop in the sales of Beijing Benz and Beijing brands. With a view to increase competitiveness, the Group focused and devoted more on commercial policies, which resulted in the overall decrease in the sales and thereby, the receipt of trademark licensing fee correspondingly decreased.

As at the Latest Practicable Date, the existing annual cap for the year ending 31 December 2025 has not been exceeded.

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(ii) Proposed Annual Caps for the Three Years Ending 31 December 2028

On 26 August 2025, the Board resolved to set the annual caps for the trademark licensing fees to be paid by the Group to BAIC Group under the renewed Trademark Licensing Framework Agreement for the next three years ending 31 December 2028 as follows:

	For the year ending 31 December		
	2026	2027	2028
	<i>(RMB</i>	<i>(RMB</i>	<i>(RMB</i>
	<i>million)</i>	<i>million)</i>	<i>million)</i>
Trademark licensing fees	788	915	915

(iii) Basis of Determination of the Proposed Annual Caps

In determining the renewed annual caps for the trademark licensing fees paid by the Group to BAIC Group under the renewed Trademark Licensing Framework Agreement, the Company mainly considered the following factors:

- (a) the trademark licensing fees previously paid by the Group to BAIC Group; and
- (b) based on the Group's development strategy and business expansion plan from 2026 to 2028, it is expected that the sales volume of vehicles of the Group will continue to increase.

(4) Internal Control and Corporate Governance Measures

The Company has adopted the following internal control and corporate governance procedures to ensure that the above-mentioned continuing connected transactions of the Company are fair and reasonable and on normal commercial terms:

- (i) the Company has adopted and implemented a management system for connected transactions. Under this system, the Company's finance department is responsible for conducting reviews on compliance with relevant laws, regulations, company policies and the Listing Rules in respect of the continuing connected transactions of the Company. In addition, the finance department, procurement department, legal affairs department and other relevant operation departments of the Company are jointly responsible for evaluating the transaction terms under the agreements for continuing connected transactions of the Company, in particular, the fairness of the pricing terms under each agreement;

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- (ii) The finance department of the Company maintains a database to record and monitor the aggregate transaction amounts under the above-mentioned continuing connected transactions from time to time and will prepare a monthly report on the status of the aggregate transaction amounts. Before conducting any transactions with connected persons, the relevant department will confirm that the Group still has sufficient unused transaction amount for the annual caps for carrying out the relevant continuing connected transactions; and
- (iii) the independent non-executive Directors will review the agreements for the continuing connected transactions of the Company to ensure such agreements, where available, are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements. The auditor of the Company will also conduct an annual review on the pricing and annual caps of such agreements.

In order to ensure that the pricing terms under the agreements for the continuing connected transactions of the Company are fair and reasonable, the Company's finance department and other relevant operation departments will review the proposed price provided by the vendor in the following manner:

- (i) if a comparable market price is available, the proposed price will be compared with the market price to ensure that such proposed price is not higher than the selling price of the part and components or product with similar specifications, technology and quality requirements provided by any other manufacturers in the market;
- (ii) the Company has established a stringent market price inquiry system:
 - (a) for the selection of potential suppliers, the Group has developed standards for selection of suppliers based on different purchase needs. Such standards include, but are not limited to, the scale of business, industry recognition, experience of supplying the same types of products and services, technological level, financial conditions etc. The same standards are applicable to both connected persons and independent third-party suppliers. The Group does not give preferential treatment to connected persons for the selection of potential suppliers. The selection of suppliers shall be determined by the collective decision of a tender assessment board with members from the procurement department, research and development department, discipline inspection department, finance department and audit department as well as procurement engineers, product engineers and suppliers' quality management engineers. Tenders will be sought from various suppliers and assessed internally over several rounds before a decision is made on the basis of pricing, quality, technology, product risks and after-sales services;

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- (b) for price inquiry procedures, the Company generally requires at least two potential suppliers participating in the same purchase. Price inquiry procedures that fail to meet the above requirements will be void. Price inquiry procedures are conducted in strict accordance with the above model and the entire process is under the supervision of the financial department, audit department and discipline inspection department. Any violations of those measures will be recorded. The result of price inquiry will undergo a final review by the Company's management. The successful bidder of the price inquiry procedure will enter into a written agreement with the Company. If there is any evidence of frauds or irregularities of the supplier during the procedure, the Company will terminate cooperation and pursue legal responsibility, regardless of whether such supplier is a connected person of the Company. All of the written documents involved in the price inquiry procedure shall be kept for at least ten years. In case the parties involved in the price inquiry procedure have any reasonable doubt about the result of price inquiry, they may check relevant documents upon the Company's approval.
- (iii) if no comparable market price is available, the fairness and reasonableness of the proposed price will be determined with reference to the total cost of the parts and components or product, which is estimated with reference to (i) the market price of the raw materials or semi-finished products forming the parts and components or product; and (ii) the total cost estimated to be required for manufacturing such parts and components or product with reference to requirements in relation to its nature, functionality, technology and quality standards etc., plus a profit margin of not more than the maximum profit margin level as stipulated under the relevant agreement, depending on the complexity of technologies and quality control procedures involved; and
- (iv) the proposed price will be reviewed to ensure that it is in line with the pricing terms of the relevant agreement and that the terms provided to the Company are no less favourable than those offered by the supplier to independent third parties.

2. Entry of the Financial Services Framework Agreement with BAIC Group

Reference is made to the CCT Announcement in relation to, among other things, the entry of the Financial Services Framework Agreement with BAIC Group.

On 26 August 2025, the Company and BAIC Group entered into the Financial Services Framework Agreement, pursuant to which BAIC Group has agreed to provide financial services to the Group through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications. The Financial Services Framework Agreement will take effect from 1 January 2026 to 31 December 2028.

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The principal terms of the Financial Services Framework Agreement are as follows:

- Parties:** (1) the Company
(2) BAIC Group
- Date:** 26 August 2025
- Term:** The term of the Financial Services Framework Agreement will commence on 1 January 2026 and end on 31 December 2028, subject to renewal through mutual consent by the parties.
- Principal Terms:** According to the Financial Services Framework Agreement, the BAIC Group will provide financial services to the Company through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications, and such financial services primarily include (i) deposits; (ii) loans and entrusted loan; (iii) other financial services including discounted notes and acceptance service, finance lease, settlement and entrusted loan agency; and (iv) other services as approved by relevant financial regulatory authorities.
- Members of the Group on the one hand and the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications on the other hand will enter into specific agreements for each of the specific transactions contemplated under the Financial Services Framework Agreement, provided that such specific agreements shall follow the principles as set out in the Financial Services Framework Agreement.
- Pricing Policy:** The Financial Services Framework Agreement provides for the following pricing principles:
- (i) *Deposit services*
- Interest rates for the deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications will not be lower than: (a) the minimum interest rate published by the PBOC for deposits of a similar type for the same period; (b) the interest rate for comparable deposits of a similar type offered by BAIC Group to the subsidiaries of BAIC Group, other than the Group, through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications; or (c) the interest rate for deposits of a similar type for the same period offered by independent commercial banks to the Company and its subsidiaries.

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(ii) Loans services

Interest rates on the loans to be advanced by BAIC Group through its relevant subsidiaries with the corresponding financial business qualifications to the Group will not be higher than: (a) the maximum loan interest rate, if any, published by the PBOC for loans of a similar type for the same period; (b) the interest rate for comparable loans offered by BAIC Group to the subsidiaries of BAIC Group, other than the Group, through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications; or (c) the interest rate for loans of a similar type for the same period offered by independent commercial banks to the Company and its subsidiaries.

(iii) Other financial services

Interest rates or services fees will be: (a) subject to the benchmark fee (if applicable) for similar types of financial services published by the PBOC or the NFRA from time to time; (b) not higher than the interest rates or fees charged to the Group by independent commercial banks or financial institutions for similar types of financial services; and (c) as far as the Group is concerned, not higher than the fees charged by BAIC Group to the subsidiaries of BAIC Group, other than the Group, through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications for similar financial services.

Reasons and Benefits:

The main reasons for and benefits of the Company entering into the Financial Services Framework Agreement with BAIC Group are as follows:

- (i) as all members of the BAIC Group and the Group are entitled to utilise deposit services, loan services and other financial services, the Financial Services Framework Agreement would allow the provision of intra-group loans among members of the Group, thus opening another channel for the Group to raise loans and providing the Group with an alternative to raising loans from other financial institutions, which would in turn promote funding liquidity within the Group, enhance the overall ability of the Group to repay debts, and assist in monitoring and controlling financial risks;

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- (ii) the interest rates on the deposit services and loan services offered, and the service fees in connection with the other financial services charged by BAIC Group to the Group through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications will be no less favourable than, on a case-by-case basis, those offered to the Group by any independent third party;
- (iii) the arrangements under the Financial Services Framework Agreement would save financial costs, and increase the profitability of the Group accordingly; and
- (iv) the arrangements under the Financial Services Framework Agreement would allow the Group to centralise its deposited funds to a certain degree (as limited by the proposed deposit annual caps), which would expedite the monitoring of the use and application of funds within the Group, and would enhance the Group's bargaining power in terms of deposit services terms and interest rates, compared with depositing its funds separately with other financial institutions.

(1) Historical Transaction Amounts

Historically, the provision of financial services by BAIC Group to the Group was governed by a financial services framework agreement dated 27 April 2022 entered into between the Group and BAIC Group Finance Co., Ltd. (北京汽車集團財務有限公司) and the Company. For the three years ended 31 December 2024, the historical transaction amounts in respect of the maximum daily balance of deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications, the interest income from deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications and the charges for other financial services of the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications are as follows:

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	For the year ended 31 December			For the six
	2022	2023	2024	months ended
	(RMB million)	(RMB million)	(RMB million)	30 June 2025
				(RMB million)
Maximum daily balance				
of deposits	15,994.0	15,969.2	19,560.0	19,876.2
Annual caps	16,000.0	22,000.0	22,000.0	22,000.0
Utilisation rate of				
annual caps	99.96%	72.6%	88.9%	90.4%
Interest income from				
deposits	196.6	85.5	106.0	45.8
Annual caps	292.8	490.1	490.1	490.1
Utilisation rate of				
annual caps	67.1%	17.4%	21.6%	9.4%
Charges for other				
financial services	22.1	177.5	246.0	156.3
Annual caps	25.0	457.5	775.7	761.4
Utilisation rate of				
annual caps	88.4%	38.8%	31.7%	20.5%

Since 2023, due to the vehicle financing industry having intensified where banks and other financial institutions have been proactively providing financial services to the Group, thereby resulting in the usage proportion of other financial services from connected persons having decreased. In the meantime, the Group has been tightening the use of sale strategies through financial means, which has also led to the usage proportion of other financial services having decreased.

As at the Latest Practicable Date, the existing annual caps for the year ending 31 December 2025 have not been exceeded.

(2) Proposed Annual Caps for the Three Years Ending 31 December 2028

On 26 August 2025, the Board resolved to set the annual caps for the maximum daily balance of deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications, the interest income from deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications, and the charges for other financial services of the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications for the next three years ending 31 December 2028 as follows:

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	For the year ending 31 December		
	2026	2027	2028
	(RMB	(RMB	(RMB
	million)	million)	million)
Maximum daily balance of deposits	22,000	22,000	22,000
Interest income from deposits	490	490	490
Charges for other financial services	870	1,262	1,523

(3) Basis of Determination of the Proposed Annual Caps

In determining the annual caps, the Company comprehensively considered the expected future sales revenue of the Group and will also pay attention to controlling the scale of deposits placed with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications, in order to avoid potential risks in connection with over-concentration of capital.

In determining the annual caps for interest income from deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications under the Financial Services Framework Agreement, the Company mainly considered the following factors:

- (i) the maximum daily balance of deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications under the Financial Services Framework Agreement from 2026 to 2028; and
- (ii) the main type of deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications and corresponding interest rates. The interest rates on deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications shall not be lower than: (a) the minimum deposit interest rate on deposits of similar types and maturities announced by the People's Bank of China; (b) the deposit interest rate on deposits of similar types and maturities placed by the subsidiaries of BAIC Group other than the Group; or (c) the deposit interest rate on deposits of similar types and maturities offered by an independent commercial bank to the Company and its subsidiaries.

In determining the annual caps for other financial services under the Financial Services Framework Agreement, the Company mainly considered the following factors:

- (i) the Group's planned production and sales volume for the three years ending 31 December 2028;

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- (ii) the types and associated fees of other financial services required by the Group; and
- (iii) the expected proportion of other financial services to be provided by the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications compared to other service provider(s) rendering similar financial services to the Group.

(4) Exempted Transactions under the Financial Services Framework Agreement

Since the loans services to be provided by BAIC Group to the Group through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications to the Group under the Financial Services Framework Agreement are on normal commercial terms and on terms that are no less favourable to the Group than those offered by independent third parties for comparable services in the PRC, and that no security over the assets of the Group would be granted in respect of the loans service, the loans service transactions under the Financial Services Framework Agreement are exempt from the reporting, announcement annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

(5) Internal Control and Corporate Governance Measures

The Company has put in place targeted internal control and corporate governance measures for transactions under the Financial Services Framework Agreement in order to safeguard the interests of the Independent Shareholders:

(i) Independent financial system

The Group has established a comprehensive financial management system for the management of financial services which targets (a) capital financing management; (b) specialised budget management; (c) specialised capital management; and (d) specialised business management.

- (a) capital financing management: the Group maintains a system for capital financing management, including the management of bank accounts, cash and bank deposits and debt financing, to ensure independent capital operation and maximise capital efficiency, and is in the interests of the Shareholders as a whole.
- (b) specialised budget management: the Group has a specialised budget management department, with enterprise development strategies as the start, reaching target profit as the aim, and future sales as the basis for preparation, to prepare annual budgets for operation and investment, determine annual financing plan and formulate financing proposals based on such annual budgets.

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- (c) specialised capital management: the Group has a specialised capital management team for exercising daily capital and loan management, setting up specialised positions for daily deposit supervision and conducting comparison of the deposit rates among various financial institutions, to ensure that the total deposits of the Group would not exceed the annual cap and the deposit rates are in line with the requirement under the Financial Services Framework Agreement.
- (d) specialised business management: the Group has a specialised business management team for exercising daily management for other financing business, setting up specialised positions for supervising the total expenses incurred and conducting comparison of the relevant interests and fees with those charged by other financial institutions, to ensure that the total charges payable by the Group to the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications would not exceed the proposed annual caps and the interests and fees are in line with the requirements under the Financial Services Framework Agreement.

The Group also maintains a stringent and efficient audit system. The independent internal audit team established by the Company is composed of members with years of experience in auditing and finance, most of whom are certified internal auditors. The internal audit team conducts internal audit work on the Company's capital position on a regular basis every year (where the frequency will depend on the change in the level of the Company's capital position during the year and the number of transactions undertaken by the Group and will in any event not less than once per year) as well as independent and objective supervision and evaluation on the Company's capital management.

In the meantime, the audit committee of the Board is mainly responsible for handling external auditing matters, supervising the Company's internal audit system and implementation, conducting audit on the Company's financial information, reviewing and supervising the Company's financial reports, risk management and effectiveness of the internal control system. It is also responsible for evaluating the effectiveness of the Company's internal control and the reliability of financial reports in an independent, fair and effective way and report to the Board and Shareholders' general meeting.

The Company also maintains accounts with independent banks. BAIC Group does not share any bank account with the Company nor does it control the use of any of bank accounts of the Company. The Company has independent tax registrations and has paid tax independently pursuant to applicable PRC laws and regulations.

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(ii) Risk management measures

The relevant subsidiaries of BAIC Group with the corresponding financial business qualifications will provide sufficient information including various financial indicators (as well as annual and interim financial statements) at the end of every quarter to enable the Company to monitor and review the financial condition of the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications. BAIC Group and its relevant subsidiaries with the corresponding financial business qualifications shall notify the Company, in compliance with applicable laws and regulations, should any of them be subject to any judicial, legal or regulatory proceedings or investigations which are reasonably likely to have a material impact on the financial condition of any of them. If the Company considers that there is any material adverse change in the financial condition of any of BAIC Group and its relevant subsidiaries with the corresponding financial business qualifications, the Company will take appropriate measures (including early withdrawal of deposits and a moratorium on further deposits) to protect the financial position of the Company.

In addition to internal monitoring, the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications are also required to monitor the maximum daily balance of the deposits and loans on a daily basis to ensure that the aggregate outstanding amounts do not exceed the applicable annual caps. The relevant subsidiaries of BAIC Group with the corresponding financial business qualifications will provide the Company with a periodic report on the status of deposits and loans so as to enable the Group to monitor and ensure the relevant annual caps under the Financial Services Framework Agreement have not been exceeded. Should the balance at the end of any day exceed the proposed annual caps for the maximum daily balance of deposits and interest income prevailing at that time, the excess funds will be transferred to the Company's designated bank accounts with an independent commercial bank. The Company shall also be notified immediately once the daily balance exceeds the maximum daily balance limit.

The Company will, from time to time, at its sole discretion, request that the deposits with the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications be withdrawn or terminated early (either in full or in part) to assess and ensure the liquidity and safety of deposits of the Group.

(iii) Internal control measures

The Company has formulated internal control policies and the finance department of the Company is responsible for implementation of such policies. All cash inflow and outflow of the Group should be considered

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under a unified budget system. In addition, the Company's vice president who is in charge of finance affairs and his/her team will be responsible for closely monitoring such continuing connected transactions.

To ensure that the pricing terms of transactions under the Financial Services Framework Agreement are on normal commercial terms, the Company has applied and fully implemented the internal control policies for each transaction. In accordance with the policies of the PBOC, various banks and the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications, the Group's capital management team will update the statement of deposit rates of various financial institutions on a monthly basis and prioritise the institutions with the most favourable rate for deposits. In addition, according to relevant internal control requirements, the financial department, audit department, legal department and other relevant departments will conduct review based on the transaction type and corresponding approved amount of each transaction made by the capital management team to ensure that the pricing terms of transactions under the Financial Services Framework Agreement are on normal commercial terms.

The Group's capital management team compiles statistics of the daily balance deposited with the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications to ensure compliance with regulatory requirements. In addition, the capital management team conducts analysis and produce monthly supervision and control reports on the deposits placed with various financial institutions.

The management of the Company will prepare periodic risk assessment reports of the funds deposited with the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications. The contents of such risk assessment reports will include the maximum daily balance of the deposits during the reporting period and the deposits with the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications during the reporting period.

The independent non-executive Directors will, on an annual basis, review the implementation and execution of transactions under the Financial Services Framework Agreement independently. If the independent non-executive Directors are of the opinion that the decrease in deposits with the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications is in the interest of the Company, the Company will take appropriate measures to implement the decisions of the independent non-executive Directors. Any material findings in the risk assessment reports, the views of the independent non-executive Directors on the deposits under the Financial Services Framework Agreement (including their views on how to comply with the terms of the Financial Services Framework Agreement), and their decisions on any matters in relation thereto, will be disclosed in the Company's annual and interim reports.

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During the annual audit of the Company, the Company would engage its auditors to report on the Group's continuing connected transactions under the Financial Services Framework Agreement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

3. Listing Rules Implications

As at the Latest Practicable Date, BAIC Group is the sole controlling shareholder of the Company and holds approximately 46.90% of the total issued share capital of the Company, thus it is a connected person of the Company. The transactions contemplated between the Company and BAIC Group under the renewed Products and Services Purchasing Framework Agreement, the renewed Provision of Products and Services Framework Agreement, the renewed Trademark Licensing Framework Agreement and the Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios in respect of the proposed annual caps for (i) the maximum daily balance of deposits placed by the Group with the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications and (ii) the interest income from deposits placed by the Group with the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications under the Financial Services Framework Agreement, is on an aggregate basis, more than 25%, such transaction constitutes a major transaction and continuing connected transaction of the Company and is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios in respect of the proposed annual caps for each of (i) the charges for other financial services contemplated under the Financial Services Framework Agreement; and (ii) the Non-Exempt Continuing Connected Transactions is more than 5%, such continuing connected transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

4. General Information

(1) Information on the Company

The Company was established in September 2010, and its H Shares were listed on the Main Board of the Hong Kong Stock Exchange in December 2014. As at the Latest Practicable Date, approximately 46.90% of the equity interest in the Company is directly owned by BAIC Group, which is the controlling shareholder of the Company and ultimately owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing

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Municipality. 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.

(2) Information on BAIC Group

BAIC Group is the sole controlling shareholder of the Company, being a state-owned enterprise wholly owned by Beijing State-owned Capital Operation and Management Company Limited* (北京國有資本運營管理有限公司), and holds approximately 46.90% of equity interest in the Company as at the Latest Practicable Date. BAIC Group is one of the main automobile manufacturing groups in China. It has now developed into a comprehensive and modern automobile conglomerate with a diversified business portfolio and integrating vehicle research and development and manufacturing, parts and components manufacturing, automobile service trade, education and investment and financing business, as well as incubation of new industries.

III. VOTES BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the EGM must be taken by poll. Therefore, the resolutions set out in the notice of the EGM shall be voted by poll. Votes may be given either in person or by proxy. Results of the poll voting will be published on the HKEXnews website of the Hong Kong Stock Exchange at www.hkexnews.hk and the website of the Company after the conclusion of the EGM.

Since Mr. Hu Hanjun, Mr. Chen Hongliang and Mr. Peng Jin, each being a Director, also hold office in BAIC Group and/or its subsidiaries, they are therefore considered to be materially interested in the major and continuing connected transactions contemplated under (i) the renewed Products and Services Purchasing Framework Agreement, (ii) the renewed Provision of Products and Services Framework Agreement; (iii) the renewed Trademark Licensing Framework Agreement; and (iv) the Financial Services Framework Agreement. As a result, each of Mr. Hu Hanjun, Mr. Chen Hongliang, and Mr. Peng Jin has abstained from voting on the Board resolutions for approving the above Agreements and the proposed annual caps for the major and continuing connected transactions contemplated thereunder for the three years ending 31 December 2028. Save for the above Directors, none of the other Directors has any interest in the above-mentioned transactions.

Meanwhile, BAIC Group is the sole controlling shareholder of the Company and holds approximately 46.90% of the total issued share capital of the Company, thus it is a connected person of the Company. Therefore, BAIC Group is deemed to have material interests in the (i) renewal of the Products and Services Purchasing Framework Agreement and the proposed annual caps for the purchase of products and purchase of services transactions contemplated thereunder; (ii) renewal of the Provision of Products and Services Framework Agreement and the proposed annual caps for the sale of products transactions contemplated thereunder; and (iii) renewal of the Trademark Licensing Framework Agreement and the proposed annual caps for the transactions contemplated thereunder; and (iv) the Financial Services Framework Agreement and the proposed annual caps for the

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transactions contemplated thereunder, for the three years ending 31 December 2028. As a result, BAIC Group and its associates are required to abstain from voting on the relevant resolutions. As at the Latest Practicable Date, BAIC Group and its associates directly and indirectly held 3,758,798,622 Domestic Shares (representing approximately 46.90% of the total issued share capital of the Company) with voting right.

To the best knowledge of the Directors and having made all reasonable enquiries, save for the above Shareholders and their respective associates, no other Shareholders have material interests in the other resolutions and are required to abstain from voting on such resolutions to be proposed at the EGM.

IV. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out in this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the (a) renewal of the Products and Services Purchasing Framework Agreement and the proposed annual caps for the purchase of products and purchase of services transactions contemplated thereunder; (b) renewal of the Provision of Products and Services Framework Agreement and the proposed annual caps for the sale of products transactions contemplated thereunder; (c) renewal of the Trademark Licensing Framework Agreement and the proposed annual caps for the transactions contemplated thereunder, and (d) entry of the Financial Services Framework Agreement and the proposed annual caps for the transactions contemplated thereunder, for the three years ending 31 December 2028; and (ii) letter from Everbright Capital set out in this circular which contains its advice to the Independent Board Committee and the Independent Shareholders on the same matter, as well as the principal factors and reasons taken into account by Everbright Capital in arriving at its advice.

The Directors (excluding the independent non-executive Directors, whose opinions are given in the letter from the Independent Board Committee contained in this circular) are of the view that: (i) the transactions, including (a) the purchase of products and purchase of services transactions under the renewed Products and Services Purchasing Framework Agreement; (b) the sale of products transactions under the renewed Provision of Products and Services Framework Agreement; (c) the trademark licensing transactions under the renewed Trademark Licensing Framework Agreement; and (d) the transactions under the Financial Services Framework Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms or better; (ii) the terms and conditions of the Agreements as well as (a) the proposed annual caps for the purchase of products and purchase of services transactions; (b) the proposed annual caps for the sale of products transactions; (c) the proposed annual caps for the trademark licensing transactions; and (d) the proposed annual caps for the maximum daily balance of deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications, the interest income from deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications and the charges for other financial services of the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications for the next three years

LETTER FROM THE BOARD

ending 31 December 2028, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

V. THE EGM

The notice of the EGM to be held at 9:30 a.m. on Wednesday, 22 October 2025 at Multi-purpose Hall, 1st Floor, the South Tower of Beijing Automotive Industry Research and Development Base, No. 99 Shuanghe Street, Shunyi District, Beijing, the PRC is set out on pages EGM-1 to EGM-2 of this circular. The proxy form for use at the EGM is published on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company.

Whether you wish to attend the EGM or not, holders of H Shares are requested to complete and return the proxy form in accordance with the instructions stated thereon and return the same to the Hong Kong H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and for holders of Domestic Shares, the proxy form shall be returned to the Board of Directors' Office at Room 3-038, Tower A, Beijing Automotive Industry Research and Development Base, No.99 Shuanghe Street, Shunyi District, Beijing, the PRC as soon as possible but in any event no later than 24 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

VI. CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements of the Shareholders to attend the EGM, the register of members of the Company will be closed from Friday, 17 October 2025 to Wednesday, 22 October 2025 (both days inclusive), during which period no transfer of Shares will be effected. Holders of H Shares whose names appear on the register of H Shares as maintained by Computershare Hong Kong Investor Services Limited at the close of business hours on Thursday, 16 October 2025 are entitled to attend and vote at the EGM following completion of the registration procedures. To be eligible to attend and vote at the EGM, all transfer documents must be lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares no later than 4:30 p.m. on Thursday, 16 October 2025 or China Securities Depository and Clearing Corporation Limited at 23 Floor, Shenzhen Stock Exchange Square, Futian District, Shenzhen, Guangdong Province, the PRC for holders of Domestic Shares no later than 4:00 p.m. on Thursday, 16 October 2025.

By order of the Board of Directors
BAIC Motor Corporation Limited
Wang Hao
Chairman of the Board

30 September 2025



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)

30 September 2025

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONTINUING CONNECTED TRANSACTIONS
(1) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS WITH
BAIC GROUP
(2) ENTRY OF FINANCIAL SERVICES FRAMEWORK AGREEMENT
WITH BAIC GROUP

We refer to the circular of the Company dated 30 September 2025 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed by the Board to advise the Independent Shareholders as to whether (i) the terms and conditions of the renewed Products and Services Purchasing Framework Agreement and the proposed annual caps for the purchase of products and purchase of services transactions contemplated thereunder; (ii) the terms and conditions of the renewed Provision of Products and Services Framework Agreement and the proposed annual caps for the sale of products transactions contemplated thereunder; (iii) the terms and conditions of the renewed Trademark Licensing Framework Agreement and the proposed annual caps for the trademark licensing transactions contemplated thereunder; and (iv) the terms and conditions of the Financial Services Framework Agreement and the proposed annual caps for the transactions contemplated thereunder (other than the loan services contemplated thereunder) (together, the “**Terms and Conditions of Agreements and Proposed Annual Caps**”) are entered into in accordance with normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

Everbright Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Terms and Conditions of Agreements and Proposed Annual Caps are entered into in accordance with normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as

* For identification purpose only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

a whole. The text of the letter of advice from Everbright Capital containing their recommendations and the principal factors they have taken into account in arriving at their recommendations is set out on pages 40 to 70 of this Circular.

Independent Shareholders are recommended to read the letter of advice from Everbright Capital, the letter from the Board contained in the Circular as well as the additional information set out in the Appendix I to the Circular.

Having considered the Terms and Conditions of Agreements and Proposed Annual Caps, the interests of the Independent Shareholders and the advice of Everbright Capital, we are of the opinion that (a) the transactions under the Agreements are entered into after arm's length negotiation and are on normal commercial terms, and (b) the terms and conditions therein as well as the proposed annual caps for the transactions under the Agreements for the three years ending 31 December 2028 are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favor of the relevant resolutions to be proposed at the EGM.

Yours faithfully,
For and on behalf of
Independent Board Committee

Ms. Yin Yuanping
*Independent Non-executive
Director*

Mr. Xu Xiangyang
*Independent Non-executive
Director*

Mr. Tang Jun
*Independent Non-executive
Director*

Mr. Edmund Sit
*Independent Non-executive
Director*

Mr. Ji Xuehong
*Independent Non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Everbright Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the CCTs for the purpose of inclusion in this circular.



33/F, Everbright Centre
108 Gloucester Road
Wan Chai
Hong Kong

30 September 2025

*To: The independent board committee and the independent shareholders of
BAIC Motor Corporation Ltd.*

Dear Sir/ Madam,

**MAJOR AND CONTINUING CONNECTED TRANSACTIONS
(A) RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
WITH BAIC GROUP; AND
(B) ENTRY OF FINANCIAL SERVICES FRAMEWORK AGREEMENT
WITH BAIC GROUP**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the renewal (a) purchase of products transactions (the “**Purchase Transactions (Products)**”) and purchase of services transactions (the “**Purchase Transactions (Services)**”, together with the Purchase Transactions (Products), the “**Purchase Transactions**”) under the Products and Services Purchasing Framework Agreement; and (b) sale of products transactions (the “**Sale Transactions**”) under the Provision of Products and Services Framework Agreement; (c) the Trademark Licensing Framework Agreement and the transactions contemplated thereunder (the “**Licensing Transactions**”); and (d) deposit & other financial services (the “**Deposit & Other Financial Services**”, together with the Purchase Transaction and the Sale Transaction, the “**CCTs**”) under the Financial Services Framework Agreement, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 30 September 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 26 August 2025:

- (a) The Company and BAIC Group entered into (i) the Products and Services Purchasing Framework Agreement; (ii) the Provision of Products and Services Framework Agreement; and (iii) Trademark Licensing Framework Agreement for a further term of three years from 1 January 2026 to 31 December 2028 and set new annual caps for the continuing connected transactions contemplated thereunder for the three years ending 31 December 2028.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (b) The Company and BAIC Group entered into the Financial Services Framework Agreement, pursuant to which BAIC Group has agreed to provide financial services to the Group through its relevant subsidiaries with the corresponding financial business qualifications. The Financial Services Framework Agreement will be effective from 1 January 2026 to 31 December 2028.

With reference to the Board Letter, the CCTs constitute non-exempted continuing connected transactions of the Company and shall be subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, the Deposit Services under Financial Services Framework Agreement also constitute major transaction of the Company.

The Independent Board Committee comprising Ms. Yin Yuanping, Mr. Xu Xiangyang, Mr. Tang Jun, Mr. Edmund Sit and Mr. Ji Xuehong (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the CCTs are on normal commercial terms and are fair and reasonable; (ii) whether the CCTs are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the CCTs at the EGM. We, Everbright Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, there was no service provided by Everbright Capital to the Company. We were not aware of any relationship or interest between Everbright Capital and the Company or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as a hindrance to Everbright Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Having considered the above and that none of the circumstances as set out under Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the management of the Company (the "**Management**"). We have assumed that all information and representations that have been provided by the Management, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Management, which have been provided to us. Our opinion is based on the Management's representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the CCTs. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, BAIC Group, or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the CCTs. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Everbright Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the CCTs, we have taken into consideration the following principal factors and reasons:

Information on the Group

With reference to the Board Letter, the Company was established in September 2010, and its H Shares were listed on the Main Board of the Hong Kong Stock Exchange in December 2014. 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.

Set out below is a summary of the audited consolidated financial information of the Group for the two years ended 31 December 2024 as extracted from the Company's annual report for the year ended 31 December 2024 (the "2024 Annual Report"):

	For the year ended 31 December 2024 <i>RMB'000</i>	For the year ended 31 December 2023 <i>RMB'000</i>	Change from 2023 to 2024 %
Revenue	192,495,606	197,949,177	(2.76)
Gross profit	30,887,049	38,298,560	(19.35)
Profit for the year	9,832,859	13,626,309	(27.84)
	As at 31 December 2024 <i>RMB'000</i>	As at 31 December 2023 <i>RMB'000</i>	Change from 2023 to 2024 %
Cash and cash equivalents	33,598,355	31,124,229	7.95

As illustrated in the above table, the Group's revenue and gross profit for year ended 31 December 2024 ("FY2024") decreased by approximately 2.76% and approximately 19.35% respectively as compared to those for the year ended 31 December 2023 ("FY2023"). With reference to the 2024 Annual Report, the aforesaid decrease in revenue was mainly attributable to the decrease in sales volume of new energy vehicles ("NEV"), which was partially offset by the increase in sales volume of fuel vehicle. Revenue relating to fuel vehicles increased due to increase in sales volume and changes in vehicle model mix, while NEV decreased due to the decrease in sales volume. Further, the aforesaid decrease in gross profit was mainly due to the decrease in sales volume and the increase in promotional activities. As advised by the Management, the aforesaid decrease in revenue and gross profit is mainly due to (i) decrease in overall sales volume of Beijing Benz brand, although the impact of which was partially offset by increase in sales proportion of relatively higher-priced models; and (ii) increase in the gross loss of Beijing Brand.

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With reference to the 2024 Annual Report, the Group will focus on the goal of advancement and improvement, implement the operational philosophy of “survival, reform and development”, further deepen reform and be dedicated to innovation.

Information on BAIC Group

With reference to the Board Letter, BAIC Group is the sole controlling shareholder of the Company, being a state-owned enterprise wholly owned by Beijing State-owned Capital Operation and Management Company Limited* (北京國有資本運營管理有限公司), and holds approximately 46.90% of equity interest in the Company as at the Latest Practicable Date. BAIC Group is one of the main automobile manufacturing groups in China. It has now developed into a comprehensive and modern automobile conglomerate with a diversified business portfolio and integrating vehicle research and development and manufacturing, parts and components manufacturing, automobile service trade, education and investment and financing business, as well as incubation of new industries.

A. CONTINUING CONNECTED TRANSACTIONS WITH BAIC GROUP

(1) PURCHASE TRANSACTIONS AND SALE TRANSACTIONS

Reasons for and benefit of the Purchase Transactions and the Sale Transactions

With reference to the Board Letter, in the ordinary and usual course of business, the Group purchases products and services from BAIC Group and/or its associates. The Company has been using the products and services provided by BAIC Group and/or its associates for several years. BAIC Group has been providing the Group with a long-term stable supply. As a result, BAIC Group and its associates understand the Group’s business and operational requirements well. It is crucial to maintain a stable and quality supply of products and general services for the Company’s existing and future production and operation. With reference to the previous purchasing experience with BAIC Group and its associates, BAIC Group can efficiently fulfil the Company’s requirements with stable and quality supply of products and general services.

We also understood from the Management that the Sale Transactions allow the Group to have a stable source of revenue.

Details of reasons and benefits for the Purchase Transactions and the Sale Transactions are set out under the sub-section headed “Reasons and benefits” under the sections headed “Renewal of the Products and Services Purchasing Framework Agreement” and “Renewal of the Provision of Products and Services Framework Agreement” of the Board Letter.

As confirmed by the Management, as the Purchase Transactions and the Sale Transactions are conducted in the ordinary and usual course of business of the Group and on a frequent and regular basis, it would be costly and impractical to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders as required by the Listing Rules, if

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

necessary. Accordingly, the Management is of the view that the Purchase Transactions and the Sale Transactions will be beneficial to the Company and the Shareholders as a whole. We noted from the Products and Services Purchasing Framework Agreement and the Provision of Products and Services Framework Agreement that the scope of products and services contemplated thereunder are related to the Group's principal activities.

Having considered the above factors, we are of the view that the Purchase Transactions and Sale Transactions are conducted in the ordinary and usual course of business of the Company and in the interest of the Company and the Shareholders as a whole.

Principal terms of the Purchase Transactions and Sale Transactions

Set out below are the key terms of Products and Services Purchasing Framework Agreement and Provision of Products and Services Framework Agreement. Details of terms of agreement are set out under the sections headed "Renewal of the Products and Services Purchasing Framework Agreement" and "Renewal of the Provision of Products and Services Framework Agreement" of the Board Letter.

	Products and Services Purchasing Framework Agreement	Provision of Products and Services Framework Agreement
Date:	26 August 2025	26 August 2025
Parties:	(i) BAIC Group (ii) the Company	(i) BAIC Group (ii) the Company
Term of the agreement:	From 1 January 2026 to 31 December 2028	From 1 January 2026 to 31 December 2028

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	Products and Services Purchasing Framework Agreement	Provision of Products and Services Framework Agreement
Principal terms:	<p>BAIC Group and/or its subsidiaries will provide several types of products and services to the Group. These products will include equipment, raw materials, components and vehicles and related technologies, related derivatives derived from these products (including but not limited to energy credits, carbon emissions policy trading), while these services will include labor services, logistics services, transportation services, technical services and consultancy services.</p> <p>Members of the Group on the one hand and BAIC Group and/or its subsidiaries on the other hand will enter into specific agreements for each of the specific transactions contemplate under the renewed Products and Services Purchasing Framework Agreement, provided that such specific agreements shall follow the principles as set out in the renewed Products and Services Purchasing Framework Agreement.</p> <p>The product prices and service fees shall be paid in accordance with the specific agreements to be signed by members of the Group and BAIC Group and/or its subsidiaries under the renewed Products and Services Purchasing Framework Agreement.</p>	<p>BAIC Group and/or its subsidiaries will purchase products (including equipment, raw materials, parts and components and complete vehicles etc., relevant technologies, and derivatives derived from such products including but not limited to energy credits and carbon emissions policy trading) and services (including sales agency, processing agency, labour, logistics, transportation, technical services and consultancy) from the Group.</p> <p>Members of the Group on the one hand and BAIC Group and/or its subsidiaries on the other hand will enter into specific agreements for each of the specific transactions contemplated under the renewed Provision of Products and Services Framework Agreement, provided that such specific agreements shall follow the principles as set out in the renewed Provision of Products and Services Framework Agreement.</p> <p>The product prices and service fees shall be paid in accordance with the specific agreements to be signed by members of the Group and BAIC Group and/or its subsidiaries under the renewed Provision of Products and Services Framework Agreement.</p>

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Pricing policy and internal control measures

Details of the pricing policy of the Purchase Transactions and Sale Transactions are set out under the sub-section headed “Pricing Policy” under the respective section headed “Renewal of the Products and Services Purchasing Framework Agreement” and “Renewal of the Products and Services Purchasing Framework Agreement” of the Board Letter.

For our due diligence purpose, we obtained a list of members of the Group which conducted Purchase Transactions (Products) and Purchase Transactions (Services) with members of BAIC Group for each of the three years ended 31 December 2024. We randomly selected three members of the Group from the list and obtained three sets of signed contracts (with relevant supporting documents) for each of the Purchase Transactions (Products) and the Purchase Transactions (Services) between the Group and members of BAIC Group. Based on the aforesaid signed contracts and supporting documents as provided by the Group, we noted that:

- (i) for Purchase Transactions that were conducted with tender process, before signing the individual contracts, the Group conducted tender processes with three bidders or all the qualified suppliers if quotations of such suppliers were less than or most favour among the three, and selected supplier based on a combination of factors such as expertise, quality, compatibility and price; and
- (ii) For Purchase Transactions that were conducted without tender process, as confirmed by the Company, the primary occurrences are in the upgrades of existing automobile parts, and the Company had considered the overall requirements of the products and compared the prices and product specifications with at least three similar products provided by other suppliers, which the prices offered by member of BAIC Group to the Group was not higher than those offered by independent third parties. We have further understood from the Company that the suppliers were selected to supply the existing automobile parts via tender process as referred to above.

For our due diligence purpose, we obtained a list of members of the Group which entered into Sale Transactions with members of BAIC Group for each of the three years ended 31 December 2024. We randomly selected one members of the Group from the list and obtained three sets of orders and invoices from the Company in each year, showing selling prices of vehicles by the Group to (i) members of BAIC Group; and (ii) independent third parties. We noted from the orders and invoices that same selling prices applied to both the connected person and the independent third parties for the same type of vehicles.

With reference to the 2024 Annual Report, the independent non-executive Directors of the Company reviewed, amongst others, the Purchase Transactions and Sale Transactions for FY2024 and confirmed that, they have been entered

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into: in the ordinary and usual course of the Group's business; on normal commercial or better terms; with the terms no less favourable to the Company than those offered to or by (as the case may be) independent third parties, if those available for comparison are insufficient to determine whether the terms of such transaction is normal commercial terms; and in accordance with relevant agreements whose conditions are fair and reasonable and in the interest of the Shareholders of the Company as a whole.

With reference to the 2024 Annual Report, the Company engaged its auditor to report on the Group's continuing connected transactions in accordance with HKSAE 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accounts. Based on the auditor's work, the Company's auditor provided the Board with a letter confirming that, with respect to, amongst others, the Purchase Transactions and Sale Transactions for FY2024: (1) nothing has come to the auditor's attention that causes it to believe that the Purchase Transactions and Sale Transactions have not been approved by the Board; (2) nothing has come to our auditor's attention that causes it to believe that the Purchase Transactions and Sale Transactions were not, in all material respects, in accordance with the pricing policies of the Group; (3) nothing has come to our auditor's attention that causes it to believe that the Purchase Transactions and Sale Transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; (4) with respect to the aggregate amount for each of the Purchase Transactions and Sale Transactions, nothing has come to the auditor's attention that causes it to believe that the amount of the Purchase Transactions and Sale Transactions has exceeded the annual cap as set by the Company.

The Group adopted a series of internal control measures to ensure the Purchase Transactions and Sale Transactions are conducted in a fair and reasonable manner. Details of the internal control measures are set out under the section headed "Internal Control and Corporate Governance Measures" of the Board Letter.

Taking into account the aforesaid and that (i) various departments of the Company, including the finance department, procurement department, legal department and other relevant operation departments of the Company are jointly responsible for evaluating the transaction terms under the agreements for the Purchase Transactions and Sale Transactions, in particular, the fairness of the pricing terms under such agreement; (ii) the Company established a stringent market price inquiry system; and (iii) the proposed price will be reviewed to ensure that it is in line with the pricing terms of the relevant agreement and that the terms provided to the Company are no less favourable than those offered by the supplier to independent third parties, we consider that the effective implementation of the internal control mechanism would help to ensure fair pricing of the Purchase Transactions and Sale Transactions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Proposed annual caps

Set out below are the historical transaction amounts in respect of (a) the Purchase Transactions (Products); (b) the Purchase Transactions (Services); and (c) the Sale Transactions, for the three years ended/ending 31 December 2024 with relevant annual caps:

	2023			2024			2025		
	Historical transaction amounts	Historical annual caps	Utilisation rates	Historical transaction amounts	Historical annual caps	Utilisation rates	Historical transaction amounts	Historical annual caps	Utilisation rates
	RMB' million	RMB' million	%	RMB' million	RMB' million	%	RMB' million	RMB' million	%
Purchase Transactions (Products)	33,255.1	38,209.4	87.0	32,571.7	49,511.1	65.8	15,892.4	56,883.5	27.9
Purchase Transactions (Services)	4,648.5	6,037.4	77.0	4,944.6	5,797.6	85.3	1,058.7	5,746.3	18.4
Sale Transactions	23,895.2	33,849.7	70.6	20,876.0	48,097.3	43.4	9,185.7	46,060.2	19.9

Note: the figures are for the six months ended 30 June 2025.

As at the Latest Practicable Date, the historical annual caps for the year ending 31 December 2025 have not been exceeded.

Set out below are the proposed annual caps in respect of (a) the Purchase Transactions (Products); (b) Purchase Transactions (Services); and (c) Sale Transactions, for the three years ending 31 December 2028:

	For the year ending 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028
	RMB' million	RMB' million	RMB' million
Purchase Transactions (Products)	52,633	65,089	69,846
Purchase Transactions (Services)	7,635	9,513	10,506
Sale Transactions	33,552	41,453	44,439

The basis for determining proposed annual caps of (a) Purchase Transactions (Products); (b) Purchase Transactions (Services); and (c) Sale Transactions, for the three years ending 31 December 2028 are set out under the sections headed “Renewal of the Products and Services Purchasing Framework Agreement” and “Renewal of the Provision of Products and Services Framework Agreement” of the Board Letter.

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According to the above tables:

- (a) the utilisation rates of the previous annual caps for Purchase Transactions (Products) were approximately 87.0% and 65.8% for the two years ended 31 December 2023 and 2024, respectively;
- (b) the utilisation rates of the previous annual caps for Purchase Transactions (Services) were approximately 77.0% and 85.3% for the two years ended 31 December 2023 and 2024, respectively and
- (c) the utilisation rates of the previous annual caps for Sale Transactions were approximately 70.6% and 43.4% for the two years ended 31 December 2023 and 2024.

As advised by the Management, the historical annual caps for the Purchase Transactions (Products) and the Sale Transactions were high in 2023. For the Purchase Transactions, for the year ending 31 December 2024 and for six months ended 30 June 2025, there was a decrease in the amount of products purchased and services due to the competition in passenger vehicle industry having intensified, resulting in the drop in the sales of Beijing Benz and Beijing brands, and thereby leading to the decrease in the products and services required to be purchased from the BAIC Group. The Group's vehicle sales volume of Beijing Benz has slightly declined approximately 4.7% in FY2024 compared to that in FY2023. On the other hand, the utilization rates for Purchase Transactions (Services) remained high in FY2023 and FY2024 as the increase of sales volume of Beijing Brand generally offset the decrease in sales volume of Beijing Benz. In respect of the historical cap for the Sales Transaction for the year ending 31 December 2024, there was a decrease in the amount of products sold and a lower utilisation rate due to the competition in passenger vehicle industry having intensified, resulting in the sales of Beijing Benz and Beijing brands not having met expectations, and thereby leading to the overall scale in the sale of car products having decreased.

It is noted that the current utilisation of the annual cap for Purchase Transaction (Products), Purchase Transactions (Services) and Sale Transactions for the year ending 31 December 2025, is at 27.9%, 18.4% and 19.9%, up till six months ended 30 June 2025, respectively, which is linked with the number of vehicles sold. As discussed with the management, we noted that they consider the sale volume of the Group in the second half year of 2025 will rebound. Such is based on that historical sales volume of the Group, especially Beijing Brand, normally performed better in the second half year, and newly launched models are expected to further stimulate the sales volume in the second half of FY2025.

The Company provided us calculation for the proposed annual caps (the “**S&P Calculation**”) for (a) Purchase Transactions (Products); (b) Purchase Transactions (Services); and (c) Sale Transactions, for the three years ending 31 December 2028. We noted from the S&P Calculation that the proposed annual caps were formulated based on (i) estimated demand of products/services, which

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are directly linked to estimated demand for the Group's passenger vehicles under each of the Beijing Benz and the Beijing Brand, for each of the three years ending 31 December 2028; and (ii) a buffer of 20% on estimated demand of products/services for each of the three years ending 31 December 2028.

Buffer

We noted from the S&P Calculation that a moderate buffer of 20% was applied on the estimated purchase transaction caps, sale transaction caps and trade mark licensing fees for each of the three years ending 31 December 2028 so as to accommodate any unexpected increase in the demands on such products/services due to the unexpected increase in number of vehicles to be sold. We also noted from other Hong Kong listed companies' circulars regarding continuing connected transactions that the incorporation of buffer of 20% in the proposed annual caps are not uncommon among listed companies in Hong Kong, and we therefore consider the buffer of 20% to be justifiable.

1. Estimated demand for Beijing Benz use

When determining the estimated demand of products/services for Beijing Benz use for the three years ending 31 December 2028, the Management considered (i) historical transaction amounts for demand of Beijing Benz use for FY2023 and FY2024; and (ii) the estimated growth on such demand. According the S&P Calculation, the estimated growth in demand of products/services for Beijing Benz use for the three years ending 31 December 2028 was the same as the expected increase in sales volume of vehicles under Beijing Benz for the same years.

With reference to the 2024 Annual Report, as there were multiple challenges such as the macroeconomy volatility, the increased market competition and the price fluctuation and supply of raw material, the sale volume of Beijing Benz for FY2024 slightly decreased for 4.7%, as compared with FY2023, recorded sales of 563,056 units of vehicles.

We noted from the S&P Calculation that, as Affected by changes in the industry competition situation and product life cycles, (i) the estimated sales volume of vehicles under Beijing Benz brand in the year ending 31 December 2025 ("FY2025") will moderate decrease compared with the actual sales volume for FY2024; (ii) the estimated sales volume for FY2026 are projected to stabilize, and the decline in sales volume under Beijing Benz brand will cease in 2026; (iii) the estimated sales volume for the year ending 31 December 2027 ("FY2027") and the year ending 31 December 2028 ("FY2028") are projected to rebound modestly; and (vi) the estimated sale volume under Beijing Benz brand for FY2025 to FY2028 will represent a compound annual growth rate of approximately 5.7%.

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As confirmed by the Management, the lower decrease of sales volume of Beijing Benz for FY2025 and the stabilisation followed by moderate rebound in sales volume of Beijing Benz for the three years ending 31 December 2028 was driven by the following factors (i) the model refreshes and localization of NEV is expected to stabilize the sales volume in FY2026: the core models currently carried by Beijing Benz will complete the facelift by the end of 2025, and Beijing Benz will launch new NEV models including pure electric CLA and GLC models; (ii) the MMA platform rollout and NEV portfolio expansion will be a key driver contributing to the forecast rebound in sales volume in FY2027-2028: the combination of the following factors – the Mercedes' next-generation EV platform will be debuting in compact/mid-size vehicle; GLE, a mid-size luxury SUV which is one of the best-selling models in its line-up, will be localized and produced locally by Beijing Benz; and the NEV models produced by BBAC will be further expanded, which according to the Company, the vehicle line-up covers the major sub-categories of premium segments; (iii) their expectation that the aforementioned negative impacts on the sales volume of vehicles under Beijing Benz brand will gradually ease off; and (iv) natural growth in sales volume of existing models of Beijing Benz, which is expected align with the domestic luxury vehicle market growth trend.

Having also considered the historical sales volume of Beijing Benz have remained relatively steady from FY2021 to FY2024 (increased slightly from 561,008 units of vehicles in FY2021 to 563,056 units of vehicles for FY2024, according to the Company's historical annual reports), together with the factors above, we are of the view that the above estimated increases in the sales volume of vehicles under Beijing Benz brand for FY2025 and FY2026 to be justifiable.

As advised by the Management, Beijing Benz will focus on consolidating its position in the high-end luxury vehicle market including both traditional fuel vehicles and electric vehicles. Accordingly, the estimated sales volume of vehicles under Beijing Benz brand for the two years ending 31 December 2028 remained stable under the S&P Calculation.

Based on the above, we consider that the estimated demand of products/services for Beijing Benz use for the three years ending 31 December 2028 to be justifiable.

2. Estimated demand for Beijing Brand use

As the Group's proprietary brand, Beijing Brand covers sedans, SUVs and off-road vehicles in internal combustion engine, hybrid models and electric.

When determining the estimated demand of products/services for Beijing Brand use for the three years ending 31 December 2028, the Directors considered (i) historical transaction amounts for demand of

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products/services for Beijing Brand use for FY2023 and FY2024; (ii) the estimated sales volume of Beijing Brand for FY2025; and (iii) estimated changes in such demand for the three years ending 31 December 2028.

We noted from the S&P Calculation that (i) despite the multiple challenges such as macroeconomy volatility and intensified market competition, Beijing Brand recorded a sales volume of 192,840 units for FY2024, which increased of approximately 19.4% in sales volume as compared to that for FY2023; (ii) the compound annual growth rate of sales volume of Beijing Brand vehicles from year ending 31 December 2021 (“FY2021”) to FY2024 is approximately 38.6%; (iii) due to the launching of hybrid version of multiple high-profile models, the estimated sales volume of Beijing Brand vehicles for FY2025 will increase and sustain the aforesaid growth; and (vi) the Group is expected to launch new models and updated hybrid version of existing models in the coming year, which would continue increase the sales volume for the launching years and subsequent years.

According to the China Association of Automobile Manufacturers (CAAM), the sales volume of passenger vehicles (including traditional fuel vehicles and NEV) in the PRC increased from 21.0 million units of vehicles for FY2021 to 27.6 million units of vehicles for FY2024, representing a compound annual growth rate of approximately 9.4%. The market estimation of the passenger vehicles sales volume for FY2028 will reach around 33.0 million units, which will increase by approximately 19.6% as compared to FY2024.

We also noted that the government of the PRC issued various favorable government policies for passenger vehicles to support its development in recent years, especially for NEV, such as subsidies arrangement for NEV, exemption of vehicle purchase tax for NEV, parallel credits policy on vehicle manufacturers and importers arrangement, guidance for the development of electric vehicle charging infrastructure, etc. In addition, in 2024, the Ministry of Commerce and the Ministry of Finance of PRC, together with other 5 government departments, published the 《汽車以舊換新補貼實施細則》 (Detailed Rules for the Trade-in Subsidy Program for Automobiles), which specifically targets the replacement of older vehicles with both traditional fuel models and new energy models. This policy not only provides financial incentives of up to RMB10,000 per eligible vehicle but also mandates technical standards, such as battery energy density requirements and charging infrastructure compatibility. These measures collectively aim to stimulate the domestic automotive market and accelerate the adoption of NEV.

Based on the above, we considered that the estimated increases in sale volume under Beijing Brand for three years ending 31 December 2028 to be justifiable. And we consider the estimated demand of products and services under Beijing Brand for the three years ending 31 December 2028 to be justifiable.

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In light of the above factors, we consider that the proposed annual caps for the (a) Purchase Transactions (Products); (b) Purchase Transactions (Services); and (c) Sale Transactions for the three years ending 31 December 2028 are fair and reasonable.

Shareholders should note that as the proposed annual caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2028, and they do not represent forecasts of revenue or cost to be recognised or incurred from the Purchase Transactions and Sale Transactions. Consequently, we express no opinion as to how closely the actual revenue or cost to be recognised or incurred from the Purchase Transactions and Sale Transactions will correspond with the respective proposed annual caps.

Having considered the principal terms of the Purchase Transactions and Sale Transactions as set out above, including but not limited to the estimated demand for Beijing Benz use, Beijing Brand use, and the historical utilisation rate, we consider that the terms of the Purchase Transactions and Sale Transactions (including the proposed annual caps) are on normal commercial terms and are fair and reasonable.

Listing Rules implication

The Management confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Purchase Transactions and the Sale Transactions must be restricted by their respective proposed annual cap for the period; (ii) the terms of the Purchase Transactions and the Sale Transactions must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Purchase Transactions and the Sale Transactions must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Purchase Transactions and the Sale Transactions (as the case may be) (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the listed issuer's group if the transactions involve the provision of goods or services by the listed issuer's group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the annual caps. In the event that the total amounts of the Purchase Transactions or the Sale Transactions are anticipated to exceed their respective annual caps, or that there is any proposed material amendment to the terms of the Purchase Transactions or the Sale Transactions, as confirmed by the Management, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

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Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Purchase Transactions and the Sale Transactions and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION ON THE PURCHASE TRANSACTIONS AND SALE TRANSACTIONS

Having taken into account that above factors and reasons, we are of the opinion that (i) the Purchase Transactions and Sale Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Purchase Transactions and Sale Transactions are on normal commercial terms and are fair and reasonable. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the EGM to approve the Purchase Transactions and Sale Transactions and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

(2) LICENSING TRANSACTIONS

Reasons for and benefit of the Licensing Transactions

With reference to the Board Letter, a significant portion of the trademarks used for passenger cars produced and sold by the Group are licensed by BAIC Group. Such trademark licenses are critical to the operation and production of the Group and in the best interests of the Group and the Shareholders.

We understood from the Management that the trademark underlying the Licensing Transactions are used for the Group's operation. Accordingly, we consider the Licensing Transactions are part and parcel and inseparable to the Group's business operations.

In light of the aforesaid, we are of the view that the Licensing Transactions are conducted in the ordinary and usual course of business of the Company and in the interest of the Company and the Shareholders as a whole.

Principal terms of the Licensing Transactions

Set out below are the key terms of Trademark Licensing Framework Agreement, details of which are set out under the section headed "Renewal of the Trademark Licensing Framework Agreement" of the Board Letter.

Date: 26 August 2025

Parties: (i) BAIC Group (as the licensor)
(ii) the Company (as the licensee)

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Term: The term of the renewed Trademark Licensing Framework Agreement will commence on 1 January 2026 and end on 31 December 2028, subject to renewal through mutual consent by the parties.

Principal terms: According to the renewed Trademark Licensing Framework Agreement, BAIC Group grants the Group license for the use of certain trademarks on the products manufactured by and the services provided by, and in the documents of the Group.

The actual trademark licensing fees and the method of payment shall be determined on the principles, conditions and terms of the renewed Trademark Licensing Framework Agreement and set out in the specific agreements to be entered into by the parties.

Pricing policy and internal control measures

With reference to the Board Letter, the licensing fees will be paid to BAIC Group with reference to a pre-agreed rate of the net revenue generated by each product manufactured or service provided. Net revenue generated by each product manufactured or service provided will be calculated based on the suggested retail price of the complete vehicle manufacturer net of the value-added tax, gross margin of dealers, sales rebates to dealers, consumption tax, sales discounts and other deductions.

The relevant prices of licensing fees to be paid to BAIC Group will be determined after arm's length negotiation by both parties with reference to the historical prices of the relevant licensing fees to be paid to BAIC Group. The Group will ensure that the terms and conditions of the licensing fees to be paid to BAIC Group are fair and reasonable based on the principle of cost plus a fair reasonable profit rate.

For our due diligence purpose, we obtained the calculation of the licensing fees paid by the Group to BAIC Group for FY2023, FY2024 and six months ended 30 June 2025 (the "**Licensing Fees Calculation**") and noted that: (i) the licensing fees paid to BAIC Group, for individual models, were calculated with reference to a pre-agreed rate, applied to the net revenue generated by the particular product according to the pricing policy; and (ii) the rate of the licensing fee paid to BAIC Group was determined with reference to historical rate. We believe such licensing fee paid to BAIC Group did not deviate from the aforesaid pricing policy. Given that (i) the trademarks underlying the Licensing Transactions are used for the generation of revenue from the vehicles to be manufactured by the Group; (ii) the abovementioned factors in determining the pre-agreed rate; and

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(iii) the trademarks underlying the Licensing Transactions are not comparable to that may be offered by independent third parties, we consider the basis for determining the pre-agreed rate is justifiable.

To assess the fairness and reasonableness of the existing pre-agreed rate for the existing Licensing Transactions as set out in the existing trademark licensing agreement entered into between the Group and BAIC Group (being the licensing fee rate used to formulate the Licensing Caps (as defined below), the “**Existing Pre-agreed Rate**”), we searched for continuing connected transactions in respect of brand/trademark licensing with licensing fee charged as a percentage of revenue/sales, as announced by Hong Kong listed companies during the past three years prior to the Announcement Date (the “**Reference Transaction(s)**”). On a best effort basis, we identified seven Reference Transactions that we found based on our selection criteria. Despite the brand/trademarks under the Reference Transactions are not the same as that underlying the Licensing Transactions and the business operation of the licensees of the Reference Transactions are different from the Group, we consider that the Reference Transactions can provide a general reference of the licensing fee rates of other brand/trademark licensing transactions.

Date of announcement/ annual report/ prospectus	Company name (Stock code)	Licensing fee rates of the Reference Transactions
16 March 2023	DPC Dash Ltd (1405.HK)	(i) a pre-determined lump sum fee; (ii) a pre-determined one-off fee for each store opened; and (iii) 3% of all sales by all stores in the PRC opened and operated
31 March 2023	Lenovo Group Limited (992.HK)	(i) 0.05% on the consolidated revenue of the relevant group calculated on a quarterly basis; (ii) 0.45% on sales of licensed products not made or conducted via or by licensor or its affiliates
30 December 2024	Tong Ren Tang Technologies Co. Ltd (1666.HK)	0.3% of the licensee’s annual license fee base number
30 December 2024	BOE Varitronix Limited (710.HK)	0.5% of the revenue from the principal business less the internal purchases of the licensee for the previous year, and less any discount (if applicable)

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Date of announcement/ annual report/ prospectus	Company name (Stock code)	Licensing fee rates of the Reference Transactions
9 January 2025	Imax China Holding, Inc. (1970.HK)	5% of all revenues and other compensation received by relevant companies in connection with the relevant Business conducted in their relevant territory
7 April 2025	Yum China Holding Inc. (9987.HK & YUMC)	3% of relevant net sales of the licensed brand
28 April 2025	Wynn Macau, Limited (1128.HK)	greater of (1) 3% of the intellectual property gross monthly revenues, or (2) a pre-agreed fixed amount per month

As depicted from the above table, the licensing fee rates of the Reference Transactions ranged from 0.05% to 5%. The Existing Pre-agreed Rate is within the aforesaid licensing fee rates range. Accordingly, we consider the Existing Pre-agreed Rate to be justifiable.

With reference to the Board Letter, the Group adopted the internal management procedures set out in the sub-section headed “Major and Continuing Connected Transactions – Internal Control and Corporate Governance Measures” of the Board Letter, to ensure that the CCTs are fair and reasonable and on normal commercial terms. We consider that the effective implementation of such internal management procedures would help to ensure fair pricing of the Licensing Transactions.

With reference to the 2024 Annual Report, the independent non-executive Directors have reviewed, amongst others, the Licensing Transactions for FY2024 and confirmed that, they have been entered into: in the ordinary and usual course of the Group’s business; on normal commercial or better terms; with the terms no less favourable to the Company than those offered to or by (as the case may be) independent third parties, if those available for comparison are insufficient to determine whether the terms of such transaction is normal commercial terms; and in accordance with relevant agreements which conditions are fair and reasonable and in the interest of the Shareholders of the Company as a whole (the “**INED Confirmation**”).

With reference to the 2024 Annual Report, the Company has engaged its auditor to report on the Group’s continuing connected transactions in accordance with HKSAE 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules”

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issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditor, based on its work, provided the Board with a letter (the "**Auditor Confirmation**") confirming that, with respect to, amongst others, the Licensing Transactions for FY2024: (1) nothing has come to the auditor's attention that causes it to believe that the Licensing Transactions have not been approved by the Board; (2) nothing has come to our auditor's attention that causes it to believe that the Licensing Transactions were not, in all material respects, in accordance with the pricing policies of the Group; (3) nothing has come to our auditor's attention that causes it to believe that the Licensing Transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (4) with respect to the aggregate amount for each of the Licensing Transactions, nothing has come to the auditor's attention that causes it to believe that the amount of the Licensing Transactions has exceeded the annual cap as set by the Company.

In light of the above, in particular (i) the FY2024 Licensing Fees Calculation did not deviate from the aforesaid pricing policy; (ii) the INED Confirmation; and (iii) the Auditor Confirmation, we consider the internal control measures in place are sufficient ensure that the prices and terms of the Licensing Transactions would not deviate from those set out in the Trademark Licensing Framework Agreement.

Proposed annual caps

Set out below are (i) the historical transaction amounts of the Licensing Transactions for the three years ending 31 December 2025; (ii) the historical annual caps of the Licensing Transactions (the "**Licensing Cap(s)**") for the three years ending 31 December 2025; and (iii) the proposed Licensing Caps for the three years ending 31 December 2028:

	For the year ended 31 December 2023 <i>RMB million</i>	For the year ended 31 December 2024 <i>RMB million</i>	For the year ending 31 December 2025 <i>RMB million</i>
Historical transaction amounts	746.6	660.7	287.3 <i>(Note)</i>
Historical Licensing Caps	985.0	992.0	996.0
Utilisation rate	75.8%	66.6%	28.8% <i>(Note)</i>

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	For the year ending 31 December 2026 <i>RMB million</i>	For the year ending 31 December 2027 <i>RMB million</i>	For the year ending 31 December 2028 <i>RMB million</i>
Proposed Licensing Caps	788	915	915

Note: the figure is for the six months ended 30 June 2025.

As disclosed in the Letter from the Board, there was a decrease in the amount of trademark licensing fees paid from 2022 to 2024 due to the competition in passenger vehicle industry having intensified, resulting in the drop in the sales of Beijing Benz and Beijing brands. With a view to increase competitiveness, the Group focused and devoted more on commercial policies, which resulted in the overall decrease in the sales and thereby, the receipt of trademark licensing fee correspondingly decreased. As at the Latest Practicable Date, the existing annual caps for the year ending 31 December 2025 has not been exceeded.

Basis for determining the proposed Licensing Caps for the three years ending 31 December 2028 is set out in the sub-section headed “RENEWAL OF THE TRADEMARK LICENSING FRAMEWORK AGREEMENT – Basis of Determination of the Proposed Annual Caps” of the Board Letter.

The Company provided us calculation for the proposed Licensing Caps for the three years ending 31 December 2028 (the “**Licensing Caps Calculation**”). We noted from the Licensing Caps Calculation that the proposed Licensing Caps were formulated based on:

- (i) the historical licensing fee charged in FY2024;
- (ii) the growth of estimated sales volume of vehicles subject to the licensing fees in the three years ending 31 December 2028; and
- (iii) a buffer of 20% on estimated licensing fees for each of the three years ending 31 December 2028.

We further noted from the Licensing Caps Calculation that the growth of estimated sales volume of vehicles is based on the projected growth of sales volume of passenger vehicles of Beijing Benz. As discussed with Management, this corresponds to the current scope of the vehicles subject to the licensing fee arrangement. Please refer to the section headed “PURCHASE TRANSACTIONS AND SALE TRANSACTIONS – Proposed Annual Caps – Estimated Demand for Beijing Benz Use” in this letter for discussion for the reasonableness of the growth in estimated demand for Beijing Benz.

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The proposed Licensing Caps for the three years ending 31 December 2028 having considered (i) the trademark licensing fees previously paid by the Group to BAIC Group; (ii) the estimated growth of vehicles that are subject to the licensing arrangement, and (iii) the proposed Licensing Caps for the three years ending 31 December 2028 were less than the historical Licensing Cap for FY2025 reflecting the estimated sales volume in the period, we consider that the proposed Licensing Caps for the three years ending 31 December 2028 are fair and reasonable.

Shareholders should note that as the proposed Licensing Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2028, and they do not represent forecasts of cost to be incurred from the Licensing Transactions. Consequently, we express no opinion as to how closely the actual cost to be incurred from the Licensing Transactions will correspond with the respective proposed Licensing Caps.

Having considered the principal terms of the Licensing Transactions as set out above, we consider that the terms of the Licensing Transactions (including the proposed Licensing Caps) are on normal commercial terms and are fair and reasonable.

Listing Rules implication

The Management confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Licensing Transactions must be restricted by their respective proposed annual cap for the period; (ii) the terms of the Licensing Transactions must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Licensing Transactions must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Licensing Transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the listed issuer's group if the transactions involve the provision of goods or services by the listed issuer's group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the annual caps. In the event that the total amounts of the Licensing Transactions are anticipated to exceed their respective annual caps, or that there is any proposed material amendment to the terms of the Licensing Transactions, as confirmed by the Management, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

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Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Licensing Transactions and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION ON THE LICENSING TRANSACTIONS

Having taken into account that above factors and reasons, we are of the opinion that (i) the Licensing Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Licensing Transactions are on normal commercial terms and are fair and reasonable. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the Licensing Transactions and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

B. ENTRY OF FINANCIAL SERVICES FRAMEWORK AGREEMENT WITH BAIC GROUP

On 26 August 2025, the Company and BAIC Group entered into the Financial Services Framework Agreement, pursuant to which BAIC Group has agreed to provide financial services to the Group through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications. The Financial Services Framework Agreement will take effect from 1 January 2026 to 31 December 2028. Historically, the provision of deposits and financial services by BAIC Group to the Group was governed by a financial services framework agreement dated 27 April 2022 entered into between BAIC Group Finance Co., Ltd. and the Company (the “**Legacy Financial Services Agreement**”).

Reasons for and benefits of entering into the Financial Services Framework Agreement with BAIC Group *(Note)*

Details of reasons and benefits for the Deposits and Financial Services are set out under the section headed “Renewed Financial Services Framework Agreement – Reasons and Benefits” of the Board Letter.

We noted from the Financial Services Framework Agreement that interest rates for the deposits placed by the Group with the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications will not be lower than: (i) the minimum interest rate published by the PBOC for deposits of a similar type for the same period; (ii) the interest rate for comparable deposits of a similar type offered by BAIC Group to the subsidiaries of BAIC Group, other than the Group, through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications; or (iii) the interest rate for deposits of a similar type for the same period offered by independent commercial banks to the Group.

Furthermore, we noted that the interest rates or services fees for the other financial services will be: (i) subject to the benchmark fee (if applicable) for similar types of financial services published by the PBOC or the NFRA from time to time; (ii)

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not higher than the interest rates or fees charged to the Group by independent commercial banks or financial institutions for similar types of financial services; and (iii) as far as the Group is concerned, not higher than the fees charged by BAIC Group to the subsidiaries of BAIC Group, other than the Group, through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications for similar financial services.

In light of the above factors, we consider that the Deposit and other Financial Services are conducted in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

Note: Since the loan services to be provided by BAIC Group to the Group through the relevant subsidiaries of BAIC Group under the Financial Services Framework Agreement are exempted transactions, we will not express our opinion on such services in this letter.

Principal terms of the Deposit and other Financial Services

Set out below are the key terms of Deposit and other Financial Services under the Financial Services Framework Agreement. Details of terms of the agreement are set out under the section headed “Renewal of the Financial Services Framework Agreement” of the Board Letter.

Date:	26 August 2025
Parties:	(i) the Company (ii) BAIC Group
Term of the agreement:	From 1 January 2026 to 31 December 2028
Principal terms:	BAIC Group will provide financial services to the Company through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications, and such financial services primarily include (i) deposits; (ii) loans and entrusted loan; (iii) other financial services including discounted notes and acceptance service, finance lease, settlement and entrusted loan agency; and (iv) other services as approved by relevant financial regulatory authorities.

Members of the Group on the one hand and the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications on the other hand will enter into specific agreements for each of the specific transactions contemplated under the Financial Services Framework Agreement, provided that such specific agreements shall follow the principles as set out in the Financial Services Framework Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pricing policy and internal control measures

We noted from the Financial Services Framework Agreement that:

i. Deposit services

Interest rates for the deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications will not be lower than: (a) the minimum interest rate published by the PBOC for deposits of a similar type for the same period; (b) the interest rate for comparable deposits of a similar type offered by BAIC Group to the subsidiaries of BAIC Group, other than the Group, through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications; or (c) the interest rate for deposits of a similar type for the same period offered by independent commercial banks to the Company and its subsidiaries.

ii. Other financial services

Interest rates or services fees will be: (a) subject to the benchmark fee (if applicable) for similar types of financial services published by the PBOC or the NFRA from time to time; (b) not higher than the interest rates or fees charged to the Group by independent commercial banks or financial institutions for similar types of financial services; and (c) as far as the Group is concerned, not higher than the fees charged by BAIC Group to the subsidiaries of BAIC Group, other than the Group, through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications for similar financial services.

Upon our request, the Company provided the following records to us: (i) transaction records of the Group's deposits placed in independent commercial banks and BAIC Group for FY2023, FY2024 and six months ended 30 June 2025; (ii) transaction records of the Group's other financial services placed in independent financial institution and BAIC Group for FY2023, FY2024 and six months ended 30 June 2025; and (iii) transaction records of BAIC Group's other member companies (other than the Group) placed deposits and other financial services in BAIC Group during FY2023, FY2024 and six months ended 30 June 2025 under the Legacy Financial Services Agreement. We noted from aforesaid records that the deposit rates/ other financial service fee as shown in the records are in line with the aforesaid requirements under the Deposits and other Financial Services. In particular, compared with the fixed deposit rates offered by leading commercial banks, the deposit interest from BAIC Group is more favorable.

With reference to the 2024 Annual Report, the independent non-executive Directors of the Company reviewed, amongst others, the Deposits and other Financial Services for FY2024 and confirmed that, they have been entered into: in the ordinary and usual course of the Group's business; on normal commercial or better terms; with the terms no less favourable to the Company than those offered to or by (as the case may be) independent third parties, if those available for comparison are insufficient to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

determine whether the terms of such transaction is normal commercial terms; and in accordance with relevant agreements whose conditions are fair and reasonable and in the interest of the Shareholders of the Company as a whole.

With reference to the 2024 Annual Report, the Company has engaged its auditor to report on the Group's continuing connected transactions in accordance with HKSAE 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accounts. Based on the auditor's work, the Company's auditor provided the Board with a letter confirming that, with respect to, amongst others, the Deposits and other Financial Services for FY2024: (1) nothing has come to the auditor's attention that causes it to believe that the Deposit and other Financial Services have not been approved by the Board; (2) nothing has come to our auditor's attention that causes it to believe that the Deposit and other Financial Services were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; (3) with respect to the highest daily balance of deposits under the existing Financial Services Framework Agreement, nothing has come to the auditor's attention that causes it to believe that the highest daily balance of deposits under the existing Financial Services Framework Agreement has exceeded the annual cap as set by the Company.

Furthermore, the Group adopted a series of internal control measures to ensure the deposit transactions under the Financial Services Framework Agreement are conducted in a fair and reasonable manner. Details of the internal control measures are set out under the section headed "Internal Control Procedures for the Implementation of Continuing Connected Transactions" of the Board Letter. Having considered that the aforesaid internal control measures include (i) the Group's capital management team will update the statement of deposit rates, loan interest rate and financial service fee of various financial institution on a monthly basis and prioritize the institutions with the most favourable rate for deposit; and (ii) financial department, audit department, legal department and other relevant departments will conduct review based on the transaction type and corresponding approved amount of each transaction made by the capital management team to ensure that the pricing terms of transactions under the Financial Services Framework Agreement are on normal commercial terms, we consider the effective implementation of the internal control mechanism would help to ensure fair determination of the deposit rates, loan interest rate and financial service fee under the Deposits and other Financial Services.

Historical Transaction Amounts

For the three years ended 31 December 2024, the historical transaction amounts (as in the Legacy Financial Services Agreement) in respect of the maximum daily balance of deposits placed by the Group with BAIC Finance, the interest income from deposits placed by the Group with BAIC Finance and the charges for other financial services of the Group with BAIC Finance are as follows:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	For the year ended 31 December 2023 <i>RMB'million</i>	For the year ended 31 December 2024 <i>RMB'million</i>	For the year ending 31 December 2025 (<i>Note</i>) <i>RMB'million</i>
Maximum daily balance of deposits	15,969.2	19,560.0	19,876.2
<i>Utilisation rate (%)</i>	72.6	88.9	90.4
Interest income from deposits	85.5	106.0	45.8
<i>Utilisation rate (%)</i>	17.4	21.6	9.4
Charges for other financial services	177.5	246.0	156.3
<i>Utilisation rate (%)</i>	38.8	31.7	20.5

Note: the figure is for the six months ended 30 June 2025.

As disclosed in the Letter from the Board, since 2023, due to the vehicle financing industry having intensified where banks and other financial institutions have been proactively providing financial services to the Group, thereby resulting in the usage proportion of other financial services from connected persons having decreased. In the meantime, the Group has been tightening the use of sale strategies through financial means, which has also led to the usage proportion of other financial services having decreased. As at the Latest Practicable Date, the existing annual caps for the year ending 31 December 2025 have not been exceeded.

Proposed annual caps

The annual caps for the maximum daily balance of deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications, the interest income from deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications, and the charges for other financial services of the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications for the next three years ending 31 December 2028 are as follows:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	For the year ending 31 December 2026 <i>RMB'million</i>	For the year ending 31 December 2027 <i>RMB'million</i>	For the year ending 31 December 2028 <i>RMB'million</i>
Maximum daily balance of deposits	22,000	22,000	22,000
Interest income from deposits	490	490	490
Charges for other financial services	870	1,262	1,523

According to the basis for determining proposed Deposit Caps for the three years ending 31 December 2028:

In determining the annual caps, the Company comprehensively considered the expected future sales revenue of the Group and will also pay attention to controlling the scale of deposits placed with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications, in order to avoid potential risks in connection with over-concentration of capital.

According to the historical data, the utilisation rates for existing Deposit Caps were at very high levels for FY2023 and FY2024 and also for the year ending 31 December 2025. We noted from the 2024 Annual Report that as at 31 December 2024, the Group's (i) total cash (including cash and cash equivalents, restricted cash and time deposits with initial term of over three months) were approximately RMB33.6 billion; and (ii) accounts receivable was approximately RMB16.8 billion, the summation of which was approximately RMB50.4 billion (the "Sum"). The Deposit Caps for the three years ending 31 December 2028, which indicate the possible demand on deposit services, are less than the Sum. Having considered the aforesaid and the utilisation rates of the existing/previous Deposit Caps for the three years ending 31 December 2025, we do not consider the Group's continuous utilisation of the existing Deposit Caps for the three years ending 31 December 2028 unreasonable.

In determining the annual caps for interest income from deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications under the Financial Services Framework Agreement, the Company mainly considered the following factors:

- (i) the maximum daily balance of deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications under the Financial Services Framework Agreement from 2026 to 2028; and
- (ii) the main type of deposits placed by the Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications and corresponding interest rates. The interest rates on deposits placed by the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Group with the relevant subsidiaries of BAIC Group that have the corresponding financial business qualifications shall not be lower than: (a) the minimum deposit interest rate on deposits of similar types and maturities announced by the People's Bank of China; (b) the deposit interest rate on deposits of similar types and maturities placed by the subsidiaries of BAIC Group other than the Group; or (c) the deposit interest rate on deposits of similar types and maturities offered by an independent commercial bank to the Company and its subsidiaries.

We noted that the annual cap for the interest income from deposits represents an effective interest rate of 2.23% (assuming that the maximum daily balance of deposits is placed with BAIC Group for the entire year). We noted that such effective interest rate is similar to the Overnight Standing Lending Facility Rate as published by the PBOC effective from 8 May 2025 onwards, and we further noted that the effective interest rate is higher than the RMB deposit interest rate for savings account and fixed deposits up to 5 years for published by the Bank of China effective from 20 May 2025. Having considered the aforesaid, together with the pricing policy that the interest rate shall not be lower than that for deposits of a similar type for the same period offered by independent commercial banks to the Company and its subsidiaries, we consider annual cap for the interest income for the three years ending 31 December 2028 reasonable.

In determining the annual caps for other financial services under the Financial Services Framework Agreement, the Company mainly considered the following factors:

- (i) the Group's planned production and sales volume for the three years ending 31 December 2028;
- (ii) the types and associated fees of other financial services required by the Group; and
- (iii) the expected proportion of other financial services to be provided by the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications compared to other service provider(s) rendering similar financial services to the Group.

We have noted in the annual cap calculation schedule for the other financial services under the Financial Services Framework Agreement that the annual cap for the three years ending 31 December 2028 is based on (i) the annual cap for FY2025 and (ii) the growth in the expected sales volume of vehicles under Beijing Brand. In particular the growth is driven by the increase in sales volume in new models of pure electric vehicles and plug-in hybrid electric vehicles to be introduced in 2026. According to Management, it is expected that expected increase in sales volume will drive the increase in use of the other financial services, which mainly includes consumer credits arranged by BAIC Group for the Group's end customers.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In light of the above, we consider that the Caps of Deposit, Interest income and charges for other financial services for the three years ending 31 December 2028 are fair and reasonable.

Shareholders should note that as the proposed Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2028, and they do not represent forecasts of deposit amount under the Deposit and other Financial Services. Consequently, we express no opinion as to how closely the actual deposit amount under the Deposit and other Financial Services will correspond with the proposed caps.

Exempted Transactions under the Financial Services Framework Agreement

Since the loan services to be provided by BAIC Group to the Group through the relevant subsidiaries of BAIC Group with the corresponding financial business qualifications under the Financial Services Framework Agreement are on normal commercial terms and on terms that are no less favourable to the Group than those offered by independent third parties for comparable services in the PRC, and that no security over the assets of the Group would be granted in respect of the loan services, the loan services transactions under the Financial Services Framework Agreement are exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

Listing Rules implication

The Management confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the maximum values of the Deposits and other Financial Services must be restricted by the relevant caps for the period concerned under the Finance Services Framework Agreement; (ii) the terms of the Deposits and other Financial Services must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the Deposits and other Financial Services must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Deposit and other Financial Services (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the annual caps. In the event that the maximum amounts of the Deposits and other Financial Services are anticipated to exceed the Caps, or that there is any proposed material amendment to the terms of the Deposits and other Financial Services, as confirmed by the Management, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Deposits and other Financial Services and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION ON THE DEPOSIT AND OTHER FINANCIAL SERVICES

Having taken into account that above factors and reasons, we are of the opinion that (i) the Deposits and other Financial Services are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Deposits and other Financial Services are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the Deposits and other Financial Services and transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Your faithfully,
For and on behalf of
China Everbright Capital Limited
Terence Cheng
Executive Director

Note: Mr. Terence Cheng is a licensed person registered with the Securities and Futures Commission and a responsible officer of China Everbright Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 13 years of experience in investment banking industry.

* *For identification purpose only*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, and to the best knowledge of the Directors, the following entities/persons (except for the Directors and senior management) have interests or short positions in the Shares or underlying Shares which are required to be disclosed to the Company pursuant to Divisions 2 and 3 in Part XV of the SFO or recorded in the register required to be kept by the Company under section 336 of the SFO, or who were directly and/or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings:

Name of Shareholder	Class of Shares	Number of Shares/ underlying Shares <i>Note 1</i>	Percentage of relevant class of Shares <i>Note 2</i> (%)	Percentage of the total share capital (%)
Beijing Automotive Group Co., Ltd.	Domestic Shares	3,758,798,622 (L)	68.41	46.90
Shougang Group Co., Ltd.	Domestic Shares	1,028,748,707 (L)	18.72	12.83
Mercedes-Benz Group AG	H Shares	765,818,182 (L)	30.38	9.55

Notes:

1: (L) – Long position, (S) – Short position, (P) – Lending pool.

2: The percentage is calculated by the number of Shares held by relevant Shareholder/the number of relevant classes of Shares in issue as at the Latest Practicable Date.

3. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, none of the Directors or the chief executive had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii)

pursuant to section 352 of the SFO, to be entered in the register as referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

4. DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2024, the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

The Company has entered into service contracts with all of the Directors. As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

6. DIRECTORS' POSITIONS IN SUBSTANTIAL SHAREHOLDERS

Save as disclosed in "9. COMPETING INTERESTS" in Appendix I to this circular, as at the Latest Practicable Date, the following Director was in the employment of those companies which had interests or short positions in the shares or underlying shares of the Company which are required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of the Director	Position in the specific company
Mr. Paul Gao	Chief Strategy Officer of Mercedes-Benz Group AG

7. LITIGATION

As at the Latest Practicable Date, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was to be pending or threatened against the Company.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2024, the date to which the latest published audited accounts of the Company were made up.

9. COMPETING INTERESTS

The table below summarizes the information of the Directors serving in BAIC Group and its subsidiaries as at the Latest Practicable Date.

Name	Major position(s) in the Group	Position in the specific company
Mr. Hu Hanjun	• Non-executive Director	• Deputy general manager of BAIC Group
Mr. Chen Hongliang	• Non-executive Director	• Senior advisor to chairman of the board of BAIC Group
Mr. Peng Jin	• Non-executive Director	• Head of operation and management department/digital safety and management department of the BAIC Group

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with the business of the Group.

10. EXPERT'S QUALIFICATION AND CONSENT

As at the Latest Practicable Date, Everbright Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

The following is the qualification of the expert who has given advice or recommendations, which are contained in this circular:

Name	Qualification
Everbright Capital	a licensed corporation to carry out Type 1 (Dealing in securities), Type 4 (Advising on securities) and Type 6 (Advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) regulated activities under the SFO

11. EXPERT'S INTERESTS

As at the Latest Practicable Date, Everbright Capital:

- (1) did not have any direct or indirect interest in any assets which have been, since 31 December 2024, the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group; and

- (2) did not have any shareholding in any member of the Group or the rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for the securities in any member of the Group.

12. MISCELLANEOUS

- (1) The primary contact person of the Company is Mr. Yu Dan, Secretary to the Board and Company Secretary of the Company.
- (2) The registered address of the Company is A5-061, Unit 101, 5th Floor, Building No. 1, Courtyard No. 99, Shuanghe Street, Shunyi District, Beijing, the PRC. The Group is principally engaged in the manufacturing and sales of passenger vehicles, engines and auto parts in the PRC.
- (3) The H Share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited located at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (4) The English version of the circular shall prevail over the Chinese version in the event of inconsistency.

13. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the Company's website (www.baicmotor.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) for a period of 14 days from the date of this circular:

- (1) the Products and Services Purchasing Framework Agreement;
- (2) the Provision of Products and Services Framework Agreement;
- (3) the Trademark Licensing Framework Agreement;
- (4) the Financial Services Framework Agreement;
- (5) the letter from the Independent Board Committee, the text of which is set out on pages 38 to 39 of this circular;
- (6) the letter from Everbright Capital, the Independent Financial Adviser, the text of which is set out on pages 40 to 70 of this circular;
- (7) written consent issued by Everbright Capital referred to in the paragraph headed "EXPERT'S QUALIFICATION AND CONSENT" above; and
- (8) this circular.

1. FINANCIAL INFORMATION

Details of the audited financial information of the Group for each of the three years ended 31 December 2022, 2023 and 2024 are disclosed in the following annual reports of the Company for the years ended 31 December 2022, 2023 and 2024, respectively, which have been published and are available on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.baicmotor.com):

- the 2022 annual report of the Company for the year ended 31 December 2022 which is published on 25 April 2023 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0425/2023042501093.pdf>);
- the 2023 annual report of the Company for the year ended 31 December 2023 which is published on 26 April 2024 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042600944.pdf>); and
- the 2024 annual report of the Company for the year ended 31 December 2024 which is published on 29 April 2025 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042904960.pdf>).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 August 2025, being the latest practicable date for the purpose of determining the indebtedness of the Group prior to the publishing of this circular, the indebtedness of the Group was as follows:

(1) Borrowings from financial institutions, corporate bonds and pledge

	As at 31 August 2025 RMB'000
Non-current	
Borrowings from financial institutions – unsecured	2,127,021
Current	
Borrowings from financial institutions – unsecured	3,683,434
Add: current portion of non-current borrowings from financial institutions – unsecured	1,079,585
Corporate bonds – unsecured	1,536,837
Total borrowings	8,426,877

Pledge of other assets of the Group

As at 31 August 2025, the amounts of notes receivable and deposits pledged as collateral for notes payable issued by banks were RMB5,724.1 million and RMB952.0 million, respectively.

(2) Lease liabilities

As at 31 August 2025, the current and non-current lease liabilities of the Group amounted to RMB102.1 million and RMB218.7 million, respectively, representing the outstanding rental amounts mainly in respect of leases of certain properties from other parties.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group abilities, as the close of business on 31 August 2025, the Group did not have any outstanding mortgages, charges, debentures, loan capital, debt securities, bank loans and overdrafts or other similar borrowings or indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that after taking into account the existing cash and bank balances of the Group, the existing financial resources available to the Group and the Group's expected internally generated funds, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. EFFECT OF THE DEPOSIT SERVICES TRANSACTIONS UNDER THE FINANCIAL SERVICES FRAMEWORK AGREEMENT ON THE EARNINGS, ASSETS AND LIABILITIES OF THE GROUP

In respect of the deposit services transactions under the Financial Services Framework Agreement, there has been no, and the Group does not expect there will be any significant effect on the earnings, assets and liabilities of the Group.

5. FINANCIAL AND TRADING PROSPECTS

In 2025, adhering to the general principle of pursuing economic progress while maintaining stability, China will implement more proactive and effective macro policies, which will help further strengthen confidence in development and stimulate market vitality. It is expected that the passenger vehicle market will continue to demonstrate a stable and improving development trend in 2025. Beijing Brand will focus on the "off-road family", upgrade the implementation of "Western Region Off-road Vehicles" strategy, and make volume breakthroughs in the off-road and crossover off-road market in all dimensions. With reinforcing production capacity advantages as the core, Beijing Benz will focus on consolidating its production capacity advantage and laying a foundation base for future

development, promote the operating transformation of the entire value chain, and advance “electric, digital and low carbon” transformation. Beijing Hyundai will implement the “In China, For the World” strategy, stabilize its operating rhythm, continuously expand exports, and comprehensively promote new energy transformation. Fujian Benz will continue to focus on economic benefits and steadily proceed electric transformation, striving to achieve the goal of “becoming a respected front-runner in the high-end multi-purpose vehicle market in the new era”.

NOTICE OF 2025 SECOND EXTRAORDINARY GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, 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 notice.



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)

NOTICE OF 2025 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 second extraordinary general meeting (the “**EGM**”) of BAIC Motor Corporation Limited (the “**Company**”) will be held at 9:30 a.m. on Wednesday, 22 October 2025 at Multi-purpose Hall, 1st Floor, the South Tower of Beijing Automotive Industry Research and Development Base, No. 99 Shuanghe Street, Shunyi District, Beijing, the PRC for the purpose of considering, among others, and if thought fit, passing the following resolutions (with or without amendments). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 30 September 2025:

ORDINARY RESOLUTIONS

Major and Continuing Connected Transactions

1. Renewal of the continuing connected transactions with BAIC Group
 - (1) the purchase of products and purchase of services transactions between the Group and BAIC Group and its subsidiaries under the Products and Services Purchasing Framework Agreement and the proposed annual caps contemplated thereunder
 - (2) the sale of products transactions between the Group and BAIC Group and its subsidiaries under the Provision of Products and Services Framework Agreement and the proposed annual caps contemplated thereunder
 - (3) the transactions between the Group and BAIC Group under the Trademark Licensing Framework Agreement and the proposed annual caps contemplated thereunder
2. Entry of the Financial Services Framework Agreement and the proposed annual caps contemplated thereunder

* For identification purposes only

NOTICE OF 2025 SECOND EXTRAORDINARY GENERAL MEETING

By order of the Board of Directors
BAIC Motor Corporation Limited
Wang Hao
Chairman of the Board

Beijing, the PRC, 30 September 2025

Notes:

- (A) The register of members of the Company will be closed from Friday, 17 October 2025 to Wednesday, 22 October 2025 (both days inclusive), during which period no transfer of Shares will be effected. Holders of H Shares whose names appear on the register of H Shares as maintained by Computershare Hong Kong Investor Services Limited at the close of business hours on Thursday, 16 October 2025 are entitled to attend and vote at the EGM following completion of the registration procedures. To be eligible to attend and vote at the EGM, all the transfer documents of H Shares and Domestic Shares must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares no later than 4:30 p.m. on Thursday, 16 October 2025 or the China Securities Depository and Clearing Corporation Limited at 23 Floor, Shenzhen Stock Exchange Square, Futian District, Shenzhen, Guangdong Province, the PRC for holders of Domestic Shares no later than 4:00 p.m. on Thursday, 16 October 2025.
- (B) Each Shareholder entitled to attend and vote at the EGM may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the EGM on its behalf. A proxy need not be a Shareholder. With respect to any Shareholder who has appointed more than one proxy, the proxies may only vote on a poll.
- (C) A proxy shall be appointed by a Shareholder by a written instrument signed by the appointor or his/her attorney duly authorised in writing. In case of a corporation, the same must be either under its common seal or under the hand of its legal representative or duly authorised attorney(s). If the written instrument is signed by an attorney of the appointor, the power of attorney or other documents of authorisation of such attorney shall be notarised.
- (D) To be valid, the form of proxy and the relevant notarised power of attorney (if any) and other relevant documents of authorisation (if any) as mentioned in Note (C) above must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares or the Board of Directors' Office at Room 3-038, Tower A, Beijing Automotive Industry Research and Development Base, No. 99 Shuanghe Street, Shunyi District, Beijing, the PRC for holders of Domestic Shares, not later than 24 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the meeting if he/she so desires.
- (E) A Shareholder or his/her proxy should produce proof of identity when attending the EGM. Where a Shareholder is a legal person, the legal representative of that Shareholder or the person authorised by its board of directors or other governing body shall produce a copy of the authorisation documents of the board of directors or other governing body of such Shareholder appointing such person to attend the meeting.
- (F) The EGM is expected to last for half a day. Shareholders who attend the EGM shall bear their own travelling and accommodation expenses.

As at the date of this notice, the Board comprises Mr. Wang Hao, as Chairman of the Board and 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.