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北京汽车
BAIC MOTOR

北京汽車股份有限公司

BAIC MOTOR CORPORATION LIMITED*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1958)

**ANNOUNCEMENT
GROUNDBREAKING CEREMONY
OF BEIJING HYUNDAI CANGZHOU FACTORY**

This announcement is made by BAIC Motor Corporation Limited (the “**Company**” or “**BAIC Motor**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The groundbreaking ceremony of Beijing Hyundai Cangzhou Factory (“**Cangzhou Factory**”), which is invested and constructed by Beijing Hyundai Motor Company Limited (“**Beijing Hyundai**”), held as to 50% by Beijing Automotive Investment Co., Ltd, a subsidiary of the Company, in Cangzhou Economic Development Area, Hebei Province was held on 3 April 2015.

Located in Cangzhou Economic Development Area, Hebei Province, Cangzhou Factory is 215 kilometres from Beijing and adjacent to the Beijing-Shanghai Expressway, occupying a site area of 1.91 million square metres (i.e. 2,868 mu). The total investment amount of the Cangzhou Factory project is approximately RMB7.45 billion. It is expected to be completed in December 2016. For Phase I, an economy sedan model and an SUV facelift model will commence production. Cangzhou Factory has an annual complete vehicle production capacity of 300,000 units and an annual production capacity of 200,000 engines. Upon completion of construction and commencement of production of Cangzhou Factory, Beijing Hyundai will have an annual production capacity of 1.35 million units.

Cangzhou Factory utilises internationally advanced automobile manufacturing equipment and technologies. As to green factory development, Cangzhou Factory will effectively reduce energy consumption and attach great importance to clean production and environmental protection to achieve green emission and recycling of “three wastes” (i.e. waste gas, sewage and solid wastes) and implement green logistics. As to quality factory development, Cangzhou Factory will implement quality control during all processes through various modernised management systems and introduce world-class detection and testing equipment to ensure strict compliance with the zero defect quality standard. As to smart factory development, equipped with the new automation process equipment featuring four major processes, namely stamping, welding, coating and assembling, Cangzhou Factory adopts certified processes and strengthened equipment styles to shape a flexible production system.

Upon completion of construction and commencement of production of Cangzhou Factory, the percentage of medium- to high-end SUV (D+S) product models of Beijing Hyundai will be further increased to optimise product mix, drive new automobile sales through automotive aftermarket, auto finance and second hand autos as well as give impetus to auto industry clustering. This is conducive to the sustainable and healthy development of the auto ecosystem of Beijing Hyundai.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
BAIC Motor Corporation Limited
Xu Heyi
Chairman

Beijing, the PRC, 8 April 2015

As at the date of this announcement, the Board comprises Mr. Xu Heyi, as Chairman of the Board and non-executive Director; Mr. Li Feng, as executive Director; Mr. Zhang Xiyong, Mr. Li Zhili, Mr. Ma Chuanqi, Mr. Qiu Yinfu, Mr. Hubertus Troska, Mr. Bodo Uebber, Ms. Wang Jing and Mr Yang Shi, as non-executive Directors; and Mr. Fu Yuwu, Mr. Wong Lung Tak Patrick, Mr. Bao Robert Xiaochen, Mr. Zhao Fuquan and Mr. Liu Kaixiang, as independent non-executive Director.

* *For identification purpose only*