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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 CHONGQING 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 Chongqing Factory (“**Chongqing Factory**”), which is invested and constructed by Beijing Hyundai Motor Company Limited (“**Beijing Hyundai**”), Chongqing Branch, held as to 50% by Beijing Automotive Investment Co., Ltd, a subsidiary of the Company, in Yufu Industrial Park, Liangjiang New Area, Chongqing was held on 23 June 2015.

Located in Yufu Industrial Park, Liangjiang New Area, Chongqing Factory occupies a site area of 1.87 million square metres. The total investment amount of Chongqing Factory is approximately RMB7.75 billion, and it is expected to be completed and commence production in early 2017. For the first phase, a brand new A0-class model and a brand new A-class model will commence production. Chongqing Factory has an annual complete vehicle production capacity of 300,000 units and an annual engine production capacity of 300,000 units.

Chongqing Factory widely utilises modernised and advanced technologies, devices and production means in the manufacture of new vehicle models of modernised and internationally advanced standards. Chongqing Factory enjoys comparative advantages in terms of cost of production and selling price and makes positive economic contributions to the automobile industry in the PRC. While attaching great importance to clean production, environmental protection, work safety and hygiene, Chongqing Factory endeavours to ensure effective control over pollutants and take effective work safety and hygiene measures in accordance with the state’s regulatory requirements and Chongqing government’s requirements on environmental protection.

It is expected that, by 2017, with the completion of construction and commencement of production of Chongqing Factory, the five factories of Beijing Hyundai will have a total production capacity of 1.65 million units, generating synergies and achieving nationwide coverage with its presence in the southern and northern areas. With its core drivers including production capacity, product and market, a solid foundation is laid for its sustainable and sound development of the automobile market in the PRC.

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, 23 June 2015

As at the date of this announcement, the Board comprises Mr. Xu Heyi, as Chairman of the Board and non-executive Director; Mr. Zhang Xiyong and Mr. Li Zhili, as non-executive Directors; Mr. Li Feng, as executive Director; 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 Directors.

* *For identification purpose only*