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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)

VOLUNTARY ANNOUNCEMENT
ENTERING INTO THE INNOVATIVE BUSINESS COOPERATION
FRAMEWORK AGREEMENT BETWEEN BAIC MOTOR SALES AND
SHANGHAI PINGJIA

This announcement was made by BAIC Motor Corporation Limited (the “**Company**”) on a voluntary basis.

The Company is pleased to announce that on March 24, 2017, BAIC Motor Sales Co., Ltd. (“**BAIC Motor Sales**”), a wholly-owned subsidiary of the Company, entered into an innovative business cooperation framework agreement (the “**Cooperation Agreement**”) with Shanghai Pingjia Technology Company Limited (上海評駕科技有限公司) (“**Shanghai Pingjia**”) to achieve sound social benefits and returns in the field of big data analysis on driving behaviors and its application through mutually benefiting cooperation and integration of their respective superior resources under the principles of equality and voluntariness.

PRINCIPLES OF COOPERATION

According to the Cooperation Agreement, BAIC Motor Sales cooperated with Shanghai Pingjia mainly based on the following principles:

1. to boost new vehicle sales and reoccurrence of business with previous customers of BAIC Motor Sales, improve the market share of Shanghai Pingjia and promote brand values of both parties through multi-field cooperation and resources integration and thereby providing better service to customers of BAIC Motor Sales.
2. to improve the service experience of vehicle owners, extend the length of customer duration and raise the customers satisfaction and loyalty by creating a business cooperation ecosystem involving vehicle purchase, hire, maintenance and repair.
3. to enhance the users experience in terms of users service, risk control, users maintenance, etc., by conducting innovative cooperation regarding big data of driving behaviors and exploring applications of big data of driving behaviors in various fields including users operation, insurance business and automobile after-sales service.

CONTENTS OF COOPERATION

BAIC Motor Sales and Shanghai Pingjia will establish cooperative partnership and carry out the following cooperative matters gradually:

1. BAIC Motor Sales will formulate special promotion policies, encouraging distributors to facilitate promotion of designated automobile insurance products as well as offering relevant promotion fees; Shanghai Pingjia will provide the end users purchasing designated insurance products through distributors with insurance promotion gifts equipped with suitable intelligent hardware and users APP by virtue of integration of resources of third parties such as insurance companies and hardware manufacturers, and offer incentive fees to distributors who successfully sold designated insurance products.
2. The insurance promotion program is implemented for regional pilot before its nationwide operation, while the pilot areas are subject to the confirmation of BAIC Motor Sales.
3. By taking into account the cooperation between BAIC Motor Sales and insurance companies and the internal survey results regarding distributor's intention to participate in the cooperation program, both parties reached an agreement on the following indexes of insurance product promotion involved in this cooperation:
 - (1) Insurance companies for the program shall be selected by both parties from domestic insurance companies with competitiveness, and the number thereof shall not exceed two;
 - (2) Promotion and repairing work recommended by insurance companies for the program shall be in line with the average level of local prevailing market upon reaching a consensus through negotiation by insurance companies and distributors; and
 - (3) The third party shall be liable for the quality guarantee and after-sales obligations of products and/or services provided by such third party for the program according to applicable laws; if there is an issue with quality or after-sales service, Shanghai Pingjia shall be responsible for dealing with it.
4. Shanghai Pingjia may select more suitable collection tools (including (1) smart rearview mirror, (2) ETC equipment, or (3) event data recorders) to collect driving behavior data of users in the course of program implementation according to the actual conditions, and adjust the incentive fees offering to distributors pursuant to the above decisions.
5. Both parties may further negotiate about the development and cooperation programs regarding users operation and customized APP in the pilot course of the above insurance product promotion program or during their further cooperation. The two parties may also carry out cooperation to explore the potential value of BAIC Motor Sales' existing users in due course.

INFORMATION ON BAIC MOTOR SALES

BAIC Motor Sales is a wholly-owned subsidiary of the Company and is also fully responsible for the marketing, sales, service and other business related to “Senova” and “BJ”, the two main series of products of BAIC Motor.

INFORMATION ON SHANGHAI PINGJIA

Shanghai Pingjia is a company incorporated in Shanghai, the PRC and validly existing under the PRC laws with limited liability. As a pioneering company in domestic safety driving field, Shanghai Pingjia currently serves a number of insurance companies, automobile manufacturers, and automotive aftermarket service providers and distributors with its leading calculation methods and models in the industry, and is accessible by a group of owners with cars cost tens of millions. Shanghai Pingjia is an independent third party of the Company.

The Cooperation Agreement and the transactions contemplated thereunder do not constitute the transactions within the meaning of Chapter 14 and Chapter 14A of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

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

Beijing, the PRC, March 24, 2017

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, as non-executive Director; Mr. Li Feng, as executive Director; Mr. Zhang Jianyong, Ms. Shang Yuanxian, 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*