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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 IN RELATION TO THE ENTERING OF JOINT VENTURE AGREEMENT**

This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

BAIC Motor Corporation Limited (the “**Company**”) is pleased to announce that on 30 April 2015, the Company entered into a joint venture agreement (the “**Joint Venture Agreement**”) with Baosteel Metal Co., Ltd. (“**Baosteel Metal**”) and Beijing Hua Sheng Rong Magnesium Technology Co., Ltd.\* (“**Beijing Hua Sheng Rong**”) with respect to the establishment of a joint venture in China (Shanghai) Pilot Free Trade Zone. Both Baosteel Metal and Beijing Hua Sheng Rong are independent third parties of the Company.

The registered capital of the joint venture will be RMB10 million and will be contributed by the relevant parties to the agreement with method and proportion of contribution as stated below:

<b>Shareholder</b>	<b>Contribution amount (RMB/ten thousand)</b>	<b>Method of contribution</b>	<b>Proportion of contribution</b>
Baosteel Metal	350	Cash	35%
The Company	300	Cash	30%
Beijing Hua Sheng Rong	350	Cash	35%

In accordance with the Joint Venture Agreement, the company name of the joint venture will be Shanghai Bao Yun Light Material Technology Company Limited\* (subject to the approval of the relevant administration for industry and commerce) and its legal address will be China (Shanghai) Pilot Free Trade Zone.

The scope of operation of the joint venture will include: magnesium alloy and its highly processed products, research and development, sale and technology services of the processing technology and equipment of magnesium alloy and its products; research and development, technology services, manufacturing and sale of light components for vehicles and rail transit (operating under licence where administrative approval is required for the business operation) (subject to the registration with the administration for industry and commerce).

The joint venture will focus on cooperation in major transportation segments, including vehicles, rail transit, aerial vehicle and military, as well as other magnesium alloy application industries which the shareholders of the joint venture consider as having high technical barrier and promising prospects. The Company, Baosteel Metal and Beijing Hua Sheng Rong will fully leverage on their respective advantages and consolidate their resources in technology, marketing, manufacturing and other areas in order to build up a cooperative relationship with “well-aligned strategy, highly-complementary strength, synergistic cooperation and commitment for mutual success”. The parties will jointly develop in the target areas of cooperation with a view to establishing a leading enterprise in the magnesium industry. As a light material, magnesium alloy is an integral part of the development of vehicle lightweight technology. The research and commercialization in the field of magnesium alloy by the joint venture in the future will be beneficial to improving the vehicle lightweight technological capability of the Company, promoting energy saving and emission cutting of vehicles and reducing the overall mass of vehicles, which in turn enhance the technological competitiveness of our vehicle products.

**Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.**

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

Beijing, 30 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. 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*