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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

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

On November 30, 2016, the Ministry of Finance and the State Administration of Taxation promulgated the “Notice on Imposing Additional Consumption Tax on Super-luxury Cars” (Cai Guan Shui [2016] No. 129) (《關於對超豪華小汽車加徵消費稅有關事項的通知》(財關稅[2016]129號)) (the “**Notice**”), pursuant to which an additional consumption tax of 10% shall be levied on passenger cars and light to medium commercial passenger cars (being super-luxury cars under the sub-categories of passenger cars and light to medium commercial passenger cars for taxation purpose) with retail price of RMB1.30 million (before value-added tax) or above in the retail process on top of the consumption tax levied at the current tax rate in the production (import) process, effective from December 1, 2016.

The products currently manufactured by the Company under the brand names of Beijing Benz, Beijing Hyundai and Beijing Brand (including the three product series of Senova (紳寶), BJ (北京) and Wevan (威旺)) do not fall into the category of super-luxury cars as stipulated in the Notice. Therefore, the above additional consumption tax to be levied in the retail process according to the new requirements will not apply to the products under Beijing Benz, Beijing Hyundai and Beijing Brand of the Company. In addition, Beijing Mercedes-Benz Sales Service Co., Ltd. (“**Benz Sales**”), of which the Company owns 49% equity interest, is principally engaged in providing sales services in relation to imported vehicles and domestic vehicles under Mercedes-Benz brand for Beijing Benz and Daimler and collects service charges from them. The Company expects that the Company’s investment income from Benz Sales will not be affected by the aforesaid new regulation.

By order of the board of directors
BAIC Motor Corporation Limited
Xu Heyi
Chairman

Beijing, PRC
December 1, 2016

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, 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