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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)

**CONNECTED TRANSACTION IN RELATION TO
DISPOSAL OF 8.15% EQUITY INTEREST IN BJEV TO QIANFENG
AND SUBSCRIPTION FOR THE NEW A SHARES OF QIANFENG**

The Board hereby announces that on 22 January 2018, BAIC Guangzhou (a wholly-owned subsidiary of the Company), BAIC Group, DGRC, Bohai Automotive, Shougang Lujie (connected persons of the Company) and Other Shareholders of BJEV, entered into the Agreement on Asset Swap and Acquisition of Assets by Issuance of Shares with QianFeng, pursuant to which, BAIC Guangzhou agreed to dispose of its 8.15% equity interest in BJEV (a non wholly-owned subsidiary of BAIC Group) to QianFeng with a consideration of 62,409,505 (subject to the approval by the CSRC) New A Shares to be issued to it by QianFeng; meanwhile, QianFeng agreed to swap all of its assets and liabilities for equivalent parts of the 29.12% equity interest held by BAIC Group in BJEV, and issue 698,675,677 (subject to the approval by the CSRC) New A Shares to acquire the balance of the equity interest held by BAIC Group in BJEV, and the equity interest in BJEV respectively held by DGRC, Bohai Automotive, Shougang Lujie and Other Shareholders of BJEV. Upon completion of the Transaction, BJEV will become a wholly-owned subsidiary of QianFeng, and QianFeng will become a non wholly-owned subsidiary of BAIC Group, while BAIC Guangzhou will hold 6.51 % equity interest in QianFeng.

As at the date of this announcement, BAIC Group is the sole controlling shareholder of the Company and holds 44.98% of the total issued share capital of the Company, thus it is a connected person of the Company. As BAIC Group also indirectly holds 41.13% of shares of QianFeng, thus QianFeng is an associate of BAIC Group. Therefore, QianFeng is also a connected person of the Company. Accordingly, the disposal of 8.15% equity interest held by itself in BJEV to QianFeng by BAIC Guangzhou (a wholly-owned subsidiary of the Company) and the subscription by itself for the New A Shares of QianFeng constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the Transaction is more than 0.1% but less than 5%, the Transaction is only subject to the reporting, announcement and annual review requirements, but exempted from independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

As at the date of this announcement, the relevant shareholding of DGRC in BJEV is still in process of PRC governmental approval. If DGRC cannot obtain the aforesaid PRC governmental approval on or before the deadline permitted by relevant regulatory authority or other sellers involved in the Transaction are determined by relevant regulatory authority as unqualified to participate in the Transaction, as agreed by the parties in the Agreement on Asset Swap and Acquisition of Assets by Issuance of Shares, the proposal of the Transaction shall be adjusted. The Company will publish further announcement in this regard, if needed, in accordance with the requirements of the Listing Rules.

INTRODUCTION

The Board hereby announces that on 22 January 2018, BAIC Guangzhou (a wholly-owned subsidiary of the Company), BAIC Group, DGRC, Bohai Automotive, Shougang Lujie (connected persons of the Company) and Other Shareholders of BJEV, entered into the Agreement on Asset Swap and Acquisition of Assets by Issuance of Shares with QianFeng, pursuant to which, BAIC Guangzhou agreed to dispose of its 8.15% equity interest in BJEV (a non wholly-owned subsidiary of BAIC Group) to QianFeng with a consideration of 62,409,505 (subject to the approval by the CSRC) New A Shares to be issued to it by QianFeng; meanwhile, QianFeng agreed to swap all of its assets and liabilities for equivalent parts of the 29.12% equity interest held by BAIC Group in BJEV, and issue 698,675,677 (subject to the approval by the CSRC) New A Shares to acquire the balance of the equity interest held by BAIC Group in BJEV, and the equity interest in BJEV respectively held by DGRC, Bohai Automotive, Shougang Lujie and Other Shareholders of BJEV. Upon completion of the Transaction, BJEV will become a wholly-owned subsidiary of QianFeng, and QianFeng will become a non wholly-owned subsidiary of BAIC Group, while BAIC Guangzhou will hold 6.51 % equity interest in QianFeng.

AGREEMENT ON ASSET SWAP AND ACQUISITION OF ASSETS BY ISSUANCE OF SHARES

Principal terms of the Agreement on Asset Swap and Acquisition of Assets by Issuance of Shares are set out below:

- Parties:** QianFeng (Party A)
- BAIC Group, BAIC Guangzhou, DGRC, Bohai Automotive, Shougang Lujie and Other Shareholders of BJEV (Party B)
- Date:** 22 January 2018
- Conditions precedent:** The Agreement is formed upon the execution by both parties and becomes effective upon the achievement and satisfaction of all of the following conditions precedent:
- (i) the Agreement being executed by both parties in accordance with law;
 - (ii) the Transaction being considered and passed by the meeting of the board of directors of QianFeng;

- (iii) the Transaction being considered and approved at the general meeting of QianFeng;
- (iv) Party B having completed the internal decision-making procedures for approving the Transaction;
- (v) the Transaction being approved by Beijing SASAC;
- (vi) the Transaction being approved by the CSRC; and
- (vii) The Ministry of Commerce of the PRC approving strategic investment by foreign investor in QianFeng (if applicable).

Consideration:

- **BAIC Guangzhou**

Pursuant to the Agreement, BAIC Guangzhou agreed to dispose of its 8.15% equity interest in the Target Asset to QianFeng with a consideration of 62,409,505 (subject to the approval by the CSRC) New A Shares to be issued to it by QianFeng.

- **BAIC Group, DGRC, Bohai Automotive, Shougang Lujie and Other Shareholders of BJEV**

Pursuant to the Agreement, Party A will swap all of its assets and liabilities (approximately RMB187.0861 million) determined based on the appraised value of the same as at the Valuation Date (31 October 2017) for equivalent parts of the 29.12% equity interest held by BAIC Group in the Target Asset; and

Based on the asset swap, Party A will issue 698,675,677 (subject to the approval by the CSRC) New A Shares to acquire the balance of the equity interest held by BAIC Group in the Target Asset, and the equity interest in the Target Asset respectively held by DGRC, Bohai Automotive, Shougang Lujie and Other Shareholders of BJEV.

- **Pricing of the Target Asset**

According to the Asset Valuation Report (TXPBZ (2017) No.1028) issued by PCAA on 18 January 2018, the appraised value of the Target Asset (i.e. 100% shareholders' equity in BJEV) as at the Valuation Date (i.e. 31 October 2017) was RMB28,849.5547 million, which was determined based on the market approach. Such appraised value has been approved by Beijing SASAC.

Pursuant to the Agreement, both parties agreed that the final price of the Target Asset was RMB28,849.5547 million, among which the price of the 8.15% equity interest in the Target Asset held by BAIC Guangzhou was approximately RMB2,350.3420 million.

- **Pricing and Number of the New A Shares to be Issued**

In accordance with the requirements of the relevant laws and regulations of the PRC, the pricing base date for the New A Shares is the date of announcement of the resolutions of the meeting of the board of directors held by Party A with regard to the Transaction (22 January 2018), and the issue price of the New A Shares shall not be less than 90% of the average trading price of A shares of QianFeng over the 120 trading days preceding the pricing base date.

In accordance with the requirements of the the aforesaid laws and regulations, both parties agreed that the issue price of the New A Shares should be RMB37.66 per share.

According to the aforesaid pricing of the Target Asset and the issue price of the New A Shares to be issued, both parties agreed that the total number of the New A Shares to be issued by Party A to Party B under the Agreement was 761,085,182 (subject to the approval by the CSRC, and rounded down to the nearest whole number of New A Shares with the amount in excess due to rounding to be given by Party B to Party A for free), including 62,409,505 New A Shares to be issued to BAIC Guangzhou for acquiring its 8.15% equity interest (when calculating the number of the New A Shares to be issued to BAIC Guangzhou by Party A, the exact shareholding percentage held by BAIC Guangzhou in the Target Asset was rounded to seven decimal places as 8.1468917%) in the Target Asset held by itself.

During the period from the pricing base date to the issuance of the New A Shares, if any ex-rights or ex-dividend matters of QianFeng such as distribution of dividend, allotment of shares, bonus issue, and capitalization of capital reverse arise, the issue price and amount of the New A Shares will be adjusted.

During the period from the date of announcement of resolutions of general meeting of QianFeng for considering and approving the Transaction to the approval of the Transaction by the CSRC (“Price Adjustable Period”), if other matters specified in the Agreement that will trigger adjustment of price arise, the board of directors of QianFeng will have the authority to determine whether to make adjustment of the issue price of the New A Shares.

**Lock-up period for
the New A Shares:**

Pursuant to the Agreement:

- The New A Shares issued by QianFeng which are acquired by BAIC Group, BAIC Guangzhou and Bohai Automotive shall not be transferred within 36 months from the completion date of the issuance. Upon 36 months, it shall be implemented in accordance with relevant regulations of the CSRC and the SSE.
- If any other shareholder of QianFeng has continuously had rights and interests in the Target Asset used to subscribe for the New A Shares for less than 12 months as at the date of acquisition of the New A Shares issued by QianFeng, the New A Shares acquired by itself shall not be transferred within 36 months from the completion date of the issuance; if any other shareholder of QianFeng has continuously had rights and interests in the Target Asset used to subscribe for the New A Shares for 12 months or more as at the date of acquisition of the New A Shares issued by QianFeng, the New A Shares acquired by itself shall not be transferred within 12 months from the completion date of the issuance.

Closing:

Pursuant to the Agreement, both parties agreed that:

- Upon the achievement of all conditions precedent specified in the Agreement, both parties shall negotiate to determine the closing date of asset for the Transaction and sign a confirmation document to determine such date as soon as possible;
- After the closing date of the Target Asset is determined, Party B and BJEV shall submit all materials required for registration of change of shareholders to the relevant administrative departments for industry and commerce, and Party A shall sign documents necessary for completion of the aforesaid registration of change of shareholders and submit relevant documents as soon as possible. Upon having the Target Asset registered in the name of Party A, Party B completely fulfills the closing obligation of the Target Asset under the Agreement, and all rights, obligations, liabilities and risks in relation to the Target Asset are enjoyed or undertaken by Party A;

- Party A shall, in a timely manner after completion of transfer ownership of the Target Asset, have capital verification work for issuance of new shares conducted, and shall, in a timely manner after the closing date of asset, submit all materials required for registering the New A Shares in the name of Party B to the SSE and Shanghai Branch of China Securities Depository and Clearing Company Limited; and
- Both of the closing of the Target Asset and the procedure of registration of the New A Shares shall be completed within 6 months following the date of receipt of approvals by the CSRC for the Transaction.

Other principal terms:

- **Impairment Test on the Target Asset and Compensation Obligation**

Party A may engage an accounting firm and an assets appraisal organization with securities business qualification to issue an audit report and a valuation report on the Target Asset respectively, upon the end of the financial year in which the New A Shares are transferred and each of 2 subsequent financial years. The accountants shall perform an impairment test on the Target Asset and shall, no later than the date of announcement of an annual audit report for each financial year within the compensation period, issue a special audit report; if there exists an impairment of the value of the Target Asset upon calculation pursuant to the result of the impairment test, BAIC Group, BAIC Guangzhou and Bohai Automotive shall compensate Party A, in proportion to their respective shareholding percentages in the Target Asset prior to the Transaction, according to the result of the impairment test.

- **Profits and Losses During the Transitional Period**

Both parties agreed that Party A shall own the returns on the Target Asset over the period from the Valuation Date to the closing date of the Target Asset, while Party B shall bear and fully make up the losses in cash, in proportion to their respective shareholding percentages.

- **Undistributed Profits Prior to the Issuance of the New A Shares**

Upon completion of the issuance of the New A Shares, in order to align the interests of the new and existing shareholders, the accumulated undistributed profits prior to the issuance will be jointly shared by the new and existing shareholders of Party A (i.e. including Party B).

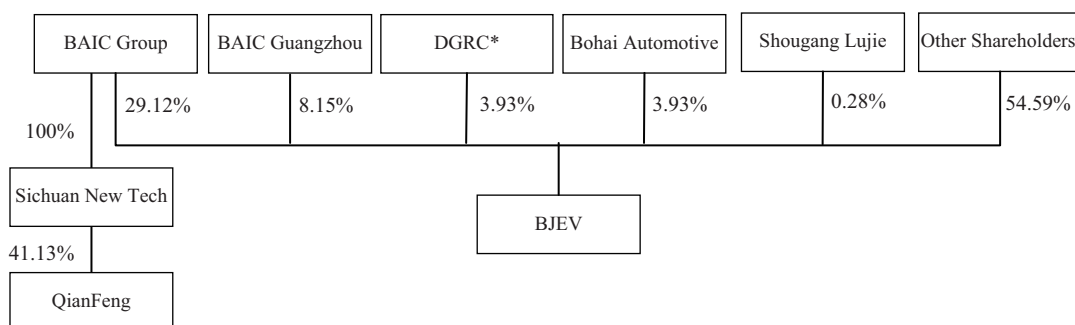
- **Others**

As the relevant shareholding of DGRC in BJEV is still in process of PRC governmental approval. If DGRC cannot obtain the aforesaid PRC governmental approval on or before the deadline permitted by relevant regulatory authority or other sellers involved in the Transaction are determined by relevant regulatory authority as unqualified to participate in the Transaction, as agreed by the parties in the Agreement on Asset Swap and Acquisition of Assets by Issuance of Shares, the proposal of the Transaction shall be adjusted.

EFFECTS OF THE TRANSACTION ON SHAREHOLDING STRUCTURE OF BJEV

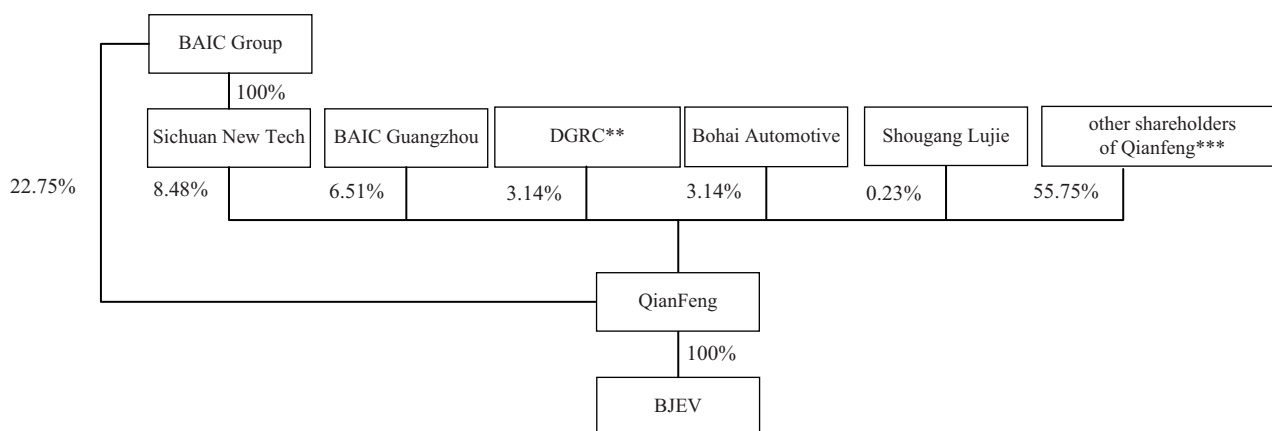
The charts below set out the shareholding structure of BJEV as at the date of this announcement and upon completion of the Transaction:

As at the date of this announcement



* As at the date of this announcement, the 3.93% shareholding of DGRC in BJEV is still in process of PRC governmental approval

Upon completion of the Transaction*



* Only taking into consideration the total issued capital of QianFeng as at the date of this announcement and assuming that QianFeng issues a total of 761,085,182 New A Shares in the Transaction

** Assuming that DGRC will successfully complete the Transaction

*** Including existing shareholders of A shares of QianFeng

FINANCIAL INFORMATION OF BJEV

According to the valuation of overall assets of BJEV by PCAA based on the market approach, as at the Valuation Date (31 October 2017), the book value of the total assets of BJEV was RMB22,467.1006 million, the book value of the net assets of BJEV was RMB16,462.7855 million and the appraised value of the total shareholder's equity of BJEV was RMB28,849.5547 million with the value-added ratio of 75.24%. The table below sets forth the financial information of BJEV for the two years ended 31 December 2016 and ten months ended 31 October 2017:

	For the year ended 31 December 2015 (RMB million) (Audited)	For the year ended 31 December 2016 (RMB million) (Audited)	For ten months ended 31 October 2017 (RMB million) (Audited)
Net profit/(net loss) before taxation ^{Note 1}	(214.9844)	98.7189	95.3242
Net profit/(net loss) after taxation ^{Note 2}	(183.6032)	108.4181	39.2440

Note 1: from the data under the profit before income tax in the consolidated statement of income (audited) prepared by BJEV for relevant years/period in accordance with the PRC Generally Accepted Accounting Principles;

Note 2: from the data under the net profit in the consolidated statement of income (audited) prepared by BJEV for relevant years/period in accordance with the PRC Generally Accepted Accounting Principles, which is the result of the aforesaid profit before income tax deducting the income tax expense.

FINANCIAL INFORMATION OF QIANFENG

According to the valuation of all assets and liabilities of QianFeng by PCAA based on the asset-based approach, as at the Valuation Date (31 October 2017), the book value of the total assets of QianFeng was RMB342.8910 million and the appraised value of which was RMB456.9004 million, and the book value of the net assets of QianFeng was RMB73.0768 million and the appraised value of which was RMB187.0861 million. The table below sets forth the financial information of QianFeng for the two years ended 31 December 2016 and ten months ended 31 October 2017:

	For the year ended 31 December 2015 (RMB million) (Audited)	For the year ended 31 December 2016 (RMB million) (Audited)	For ten months ended 31 October 2017 (RMB million) (Audited)
Net profit/(net loss) before taxation	(33.0343) ^{Note 1}	(30.8037) ^{Note 1}	(3.5382) ^{Note 2}
Net profit/(net loss) after taxation	(37.7668) ^{Note 1}	(43.3151) ^{Note 1}	(3.4632) ^{Note 3}

Note 1: the financial data of the net profit/(net loss) before taxation and the net profit/(net loss) after taxation for the two years ended 31 December 2016 is from the data under the profit before income tax and the net profit in the 2015 annual report and 2016 annual report of QianFeng, respectively;

Note 2: from the data under the profit before income tax in the consolidated statement of income (audited) prepared by QianFeng for ten months ended 31 October 2017 in accordance with the PRC Generally Accepted Accounting Principles;

Note 3: from the data under the net profit in the consolidated statement of income (audited) prepared by QianFeng for ten months ended 31 October 2017 in accordance with the PRC Generally Accepted Accounting Principles, which is the result of the aforesaid profit before income tax deducting the income tax expense.

REASONS FOR AND BENEFITS OF THE TRANSACTION

QianFeng is one of the only remaining two listed companies which have not completed the reform of non-tradable shares in the current PRC securities market, and it experienced consecutive losses in 2015 and 2016. It is currently at the stage of being implemented of delisting risk warning. Since September 2016 to now, the A shares of QianFeng have been subject to consecutive suspension for 16 months. Therefore, it is urgent to formulate a feasible plan for reform of non-tradable shares and urgently necessary to inject high-quality assets to improve the quality of assets of QianFeng and optimise the corporate governance mechanism of QianFeng. BJEV completed the shareholding reform in 2014 and two rounds of financing respectively in 2016 and 2017. Currently, it is proactively preparing for listing. In order to solve the issues of QianFeng left over by history and promote the asset securitisation process of BJEV at the same time, the People's Government of Beijing Municipality held a mayor office meeting on 28 September 2017 and agreed in principle on the restructuring plan of QianFeng through BJEV proposed by Beijing SASAC.

Upon the completion of the Transaction, BAIC Guangzhou will hold 6.51% equity interest in QianFeng. The Company will continue to share the operation results and investment returns of BJEV by indirectly holding rights and interests in BJEV, so as to improve the overall profitability of the Company and maximize the Shareholders' interests.

LISTING RULES IMPLICATIONS

As at the date of this announcement, BAIC Group is the sole controlling shareholder of the Company and holds 44.98% of the total issued share capital of the Company, thus it is a connected person of the Company. As BAIC Group also indirectly holds 41.13% of shares of QianFeng, thus QianFeng is an associate of BAIC Group. Therefore, QianFeng is also a connected person of the Company. Accordingly, the disposal of 8.15% equity interest held by itself in BJEV to QianFeng by BAIC Guangzhou (a wholly-owned subsidiary of the Company) and the subscription by itself for the New A Shares of QianFeng constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the Transaction is more than 0.1% but less than 5%, the Transaction is only subject to the reporting, announcement and annual review requirements, but exempted from independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

As at the date of this announcement, the relevant shareholding of DGRC in BJEV is still in process of PRC governmental approval. If DGRC cannot obtain the aforesaid PRC governmental approval on or before the deadline permitted by relevant regulatory authority or other sellers involved in the Transaction are determined by relevant regulatory authority as unqualified to participate in the Transaction, as agreed by the parties in the Agreement on Asset Swap and Acquisition of Assets by Issuance of Shares, the proposal of the Transaction shall be adjusted. The Company will publish further announcement in this regard, if needed, in accordance with the requirements of the Listing Rules.

OPINION OF THE DIRECTORS

The Directors of the Company (including the independent non-executive Directors) considered that (i) the terms and conditions of the Transaction are fair and reasonable; (ii) the Transaction is on normal commercial terms; and (iii) the Transaction is in the interests of the Company and its Shareholders as a whole.

At the meeting of the Board where the Transaction was considered, since that Mr. Xu Heyi, Mr. Zhang Xiyong and Mr. Zhang Jianyong, all being the Directors of the Company, also hold office in BAIC Group, and Ms. Wang Jing, a Director of the Company, also holds office in BJEV, and Mr. Hubertus Troska and Mr. Bodo Uebber, both being the Directors of the Company, also hold office in Daimler AG, and Mr. Qiu Yinfu, a Director of the Company, also holds office in Beijing Shougang Company Limited, they were deemed to have material interests in the Transaction and have abstained from voting on the resolution in relation to the Transaction. Save for the above persons, none of the other Directors has any interest in the Transaction.

GENERAL INFORMATION

Information on BAIC Guangzhou

BAIC Guangzhou was established in 2000 with a registered capital of RMB1,360 million, and is a wholly-owned subsidiary of the Company. BAIC Guangzhou mainly engages in businesses including finished automobile manufacturing, manufacturing of automobile components and accessories, finished motorcycle manufacturing; wholesale of automobile components and accessories; manufacturing of motorcycle components and accessories, wholesale of motorcycles, wholesale of motorcycle components and accessories, wholesale trade of commodities, import and export of goods, import and export of technologies, automobile sale, design service of automobile component and accessory, property leasing, and venue leasing.

Information on BJEV

BJEV was established in 2009, and its main businesses include: installment of power modules for new energy automobiles (specifically including installments of electric-machinery systems, battery systems and electric-control systems for power modules); production of electric passenger vehicles; sale of charging facilities for new energy automobiles, automobiles, remote monitoring and control equipment for automobiles as well as system components of power modules for new energy automobiles; and preparation of manufacturing projects for finished new energy automobiles and hybrid vehicles.

As at the date of this announcement, BJEV is a non wholly-owned subsidiary of BAIC Group with a registered capital of RMB5,297.726 million, 29.12%, 8.15%, 3.93%, 3.93%, 0.28% and 54.59% of whose shares are held by BAIC Group, BAIC Guangzhou, DGRC, Bohai Automotive, Shougang Lujie and Other Shareholders respectively.

Information on QianFeng

QianFeng was established in 1992 with a current registered capital of approximately RMB197.6 million, whose A shares are listed on the SSE. The main scope of business of QianFeng includes: development and research of and technical service and consultation in electronics, communication, computer, and optical, mechanical and electrical integration technologies; technical development, service and consultation; production and sale of electronic products, communication devices, electromechanical equipment, instruments and apparatuses, and computers and accessories; project development, and investment and management; commodity sale; operation of export businesses of self-produced electromechanical products, complete equipment and relevant technologies of the Company; operation of import of raw and auxiliary materials, mechanical equipment, instruments and apparatuses, spare parts and technologies required for production and scientific research by the company.

As at the date of this announcement, BAIC Group indirectly holds 41.13% of the shares of QianFeng through Sichuan New Tech, in which BAIC Group holds 100% equity interest, and thus is an indirect controlling shareholder of QianFeng.

Information on BAIC Group

BAIC Group is a state-owned enterprise established on 30 June 1994 with a registered capital of approximately RMB17.13 billion. Its principal businesses include manufacturing, sale, import and export of vehicles and components, operation and management of state-owned assets, investment and investment management, technology development, service and consultancy, and real property development and sales.

As at the date of this announcement, BAIC Group is the sole controlling shareholder of the Company, holding 44.98% of the total issued share capital of the Company.

Information on DGRC

DGRC is a wholly foreign-owned company duly incorporated in the PRC. DGRC is previously known as Daimler Northeast Asia Ltd, established in January 2001 in Beijing, a wholly-owned subsidiary of Daimler AG. Daimler AG is a company established in Germany in 1886. It is mainly engaged in the manufacturing of luxury vehicles, trucks, light commercial vehicles and passenger cars, as well as provide tailored services for those products.

As at the date of this announcement, Daimler AG holds 10.08% equity interest in the Company, and is a substantial shareholder and a connected person of the Company.

Information on Bohai Automotive

Bohai Automotive was established in December 1999 with a registered capital of approximately RMB950.5 million. Its principal businesses include: production and sale of pistons; production and sale of mechanical components; production and sale of automotive, internal combustion engines, compressors and motorcycle components; sale of automotive (excluding sedan car); production and sale of aluminium and aluminium products; production and sale of machine tool equipment and accessories; import and export businesses within the scope of record; sale of lubricant oil and gear oil.

As at the date of this announcement, Bohai Automotive is a non wholly-owned subsidiary of BAIC Group and a connected person of the Company.

Information on Shougang Lujie

Shougang Lujie was established in November 2014 with a registered capital of RMB333.35 million. Its principal businesses include project investment, investment consultation, investment management, economic information consultation and enterprise management service.

As at the date of this announcement, Shougang Lujie and Beijing Shougang Company Limited, a substantial shareholder of the Company, are controlled by Shougang Group Co., Ltd., thus Shougang Lujie is a connected person of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Agreement on Asset Swap and Acquisition of Assets by Issuance of Shares” or “Agreement”	the Agreement on Asset Swap and Acquisition of Assets by Issuance of Shares dated 22 January 2018 entered into by and between QianFeng and BAIC Group, BAIC Guangzhou, DGRC, Bohai Automotive, Shougang Lujie and Other Shareholders, in respect of the asset swap between QianFeng and BAIC Group, the issuance of the New A Shares by QianFeng to acquire the shareholder’s equity held by the shareholders of BJEV and the raising of the supporting funds
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Valuation Date”	31 October 2017
“Beijing SASAC”	State-Owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality
“BAIC Group”	Beijing Automotive Group Co., Ltd. (北京汽車集團有限公司), a state-owned enterprise incorporated in the PRC, and the sole controlling shareholder of the Company
“BAIC Guangzhou”	BAIC (Guangzhou) Automotive Corporation Limited (北汽(廣州)汽車有限公司), a limited liability company incorporated under the laws of the PRC, and a wholly-owned subsidiary of the Company
“BJEV”	Beijing Electric Vehicle Co., Ltd. (北京新能源汽車股份有限公司), a company limited by shares incorporated under the laws of the PRC
“Bohai Automotive”	Bohai Automotive Systems Co., Ltd. (渤海汽車系統股份有限公司), a company limited by shares incorporated under the laws of the PRC, whose A shares are listed on the SSE

“Board”	the board of directors of the Company
“Company”	BAIC Motor Corporation Ltd. (北京汽車股份有限公司), a company limited by shares incorporated under the laws of the PRC, whose H shares are listed on the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“DGRC”	Daimler Greater China Ltd., a wholly foreign-owned company incorporated under the laws of the PRC
“Director(s)”	the directors of the Company
“New A Shares”	a total of 761,085,182 (subject to the approval by the CSRC) RMB ordinary shares proposed to be newly issued by QianFeng to BAIC Group, BAIC Guangzhou, DGRC, Bohai Automotive, Shougang Lujie and Other Shareholders under the Agreement on Asset Swap and Acquisition of Assets by Issuance of Shares, which will be listed and traded on the SSE
“Other Shareholders”	Apart from BAIC Group, BAIC Guangzhou, DGRC, Bohai Automotive and Shougang Lujie, the other 31 corporate shareholders of BJEV, all of which are third parties independent of the Company and the connected persons of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended from time to time
“PCAA”	Beijing Pan-China Assets Appraisal Co., Ltd. (北京天健興業資產評估有限公司)
“PRC” or “China”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan

“QianFeng”	ChengDu QianFeng Electronics Co., Ltd. (成都前鋒电子股份有限公司), a company limited by shares incorporated under the laws of the PRC, whose A shares are listed on the SSE
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Shougang Lujie”	Beijing Shougang Lujie Venture Investment Company Limited (北京首鋼綠節創業投資有限公司), a limited liability company incorporated under the laws of the PRC
“Sichuan New Tech”	Sichuan New Tech Digital Equipment Co., Ltd. (四川新泰克數字設備有限責任公司), a limited liability company incorporated under the laws of the PRC, which as at the date of this announcement is a wholly-owned subsidiary of BAIC Group, the controlling shareholder of the Company
“SSE”	the Shanghai Stock Exchange
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Target Asset”	100% shareholder’s equity interest of BJEV
“Transaction”	the relevant transaction under the Agreement on Asset Swap and Acquisition of Assets by Issuance of Shares entered into by BAIC Guangzhou (a wholly-owned subsidiary of the Company), BAIC Group, DGRC, Bohai Automotive, Shougang Lujie and Other Shareholders with QianFeng, among which the execution by BAIC Guangzhou of such agreement constitutes a connected transaction of the Company
“%”	percentage

By order of the Board
BAIC Motor Corporation Limited
Gu Xin

Secretary to the Board and Company Secretary

Beijing, the PRC, 22 January 2018

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. Zhang Jianyong, as non-executive Directors; Mr. Chen Hongliang, as executive Director; Mr. Qiu Yinfu, Mr. Hubertus Troska, Mr. Bodo Uebber, Mr. Guo Xianpeng, Ms. Wang Jing and Mr. Zhu Baocheng, as non-executive Directors; and Mr. Ge Songlin, 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*