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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)**

## **DISCLOSEABLE TRANSACTION**

### **CAPITAL INCREASE TO BEIJING HYUNDAI BY BAIC INVESTMENT**

The Company hereby announces that on 18 March 2022, BAIC Investment, a subsidiary of the Company, and Hyundai Motor have entered into the Amendment Agreement. Pursuant to which, BAIC Investment and Hyundai Motor have agreed to jointly inject capital of US\$942,181,464 in Beijing Hyundai in proportion to their respective current interest in the registered capital of Beijing Hyundai, with each party injecting US\$471,090,732. Upon completion of the capital increase, the registered capital of Beijing Hyundai shall be increased to US\$2,978,539,464 and shareholding of BAIC Investment in Beijing Hyundai shall remain unchanged at 50%.

As at the date of this announcement, Beijing Hyundai is not a connected person of the Company and the capital increase by BAIC Investment to Beijing Hyundai does not constitute a connected transaction of the Company under the Listing Rules and therefore the Company is not required to disclose or approve the relevant information pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Transaction are more than 5% but lower than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

## INTRODUCTION

The Company announces that on 18 March 2022, BAIC Investment, a subsidiary of the Company, and Hyundai Motor have entered into the Amendment Agreement. Pursuant to which, BAIC Investment and Hyundai Motor have agreed to jointly inject capital of US\$942,181,464 in Beijing Hyundai in proportion to their respective current interest in the registered capital of Beijing Hyundai, with each party injecting US\$471,090,732. Upon completion of the capital increase, the registered capital of Beijing Hyundai shall be increased to US\$2,978,539,464 and shareholding of BAIC Investment in Beijing Hyundai shall remain unchanged at 50%.

### Amendment Agreement

Principal terms of the Amendment Agreement are set out below:

Parties: BAIC Investment

Hyundai Motor

Date: 18 March 2022

Capital Increase: As at the date of signing the Amendment Agreement, the registered capital of Beijing Hyundai was US\$2,036,358,000. Capital contribution by BAIC Investment to Beijing Hyundai represented 50% of the registered capital of Beijing Hyundai.

BAIC Investment and Hyundai Motor unanimously agreed to increase the registered capital of Beijing Hyundai by US\$942,181,464. After the increase in registered capital, the registered capital of Beijing Hyundai shall be increased from US\$2,036,358,000 to US\$2,978,539,464.

After the increase in registered capital, shareholding of BAIC Investment and Hyundai Motor in Beijing Hyundai shall remain unchanged at 50%, respectively.

Payment Arrangement: The first phase: BAIC Investment and Hyundai Motor shall pay US\$471,090,732 by 30 June 2022, of which BAIC Investment shall pay an amount equivalent to US\$235,545,366 in RMB (translated at the mid-price of the exchange rate between RMB and US\$ as announced by the head office of the People’s Bank of China on the date of payment of the capital increase).

The second phase: BAIC Investment and Hyundai Motor shall pay US\$471,090,732 by 31 December 2022, of which BAIC Investment shall pay an amount equivalent to US\$235,545,366 in RMB (translated at the mid-price of the exchange rate between RMB and US\$ as announced by the head office of the People’s Bank of China on the date of payment of the capital increase).

### **Registered capital structure of Beijing Hyundai before and after the completion of the Transaction**

The capital contribution and proportions of each of the joint venture partners of Beijing Hyundai in the registered capital of Beijing Hyundai as at the date of this announcement and upon completion of the capital increase are as follows:

Name of joint venture partner	As at the date of this announcement		Upon completion of the capital increase	
	Capital contribution in registered capital (US\$)	Proportion (%)	Capital contribution in registered capital (US\$)	Proportion (%)
BAIC Investment	1,018,179,000	50	1,489,269,732	50
Hyundai Motor	1,018,179,000	50	1,489,269,732	50
Total	<u>2,036,358,000</u>	<u>100</u>	<u>2,978,539,464</u>	<u>100</u>

## Financial Information of Beijing Hyundai

The following table sets out the financial information of Beijing Hyundai prepared in accordance with the PRC Accounting Standards for Business Enterprises for the years ended 31 December 2020 and 31 December 2021:

	<b>For the year ended 31 December 2020 <i>(RMB100 million)</i> <i>(audited)</i></b>	<b>For the year ended 31 December 2021 <i>(RMB100 million)</i> <i>(Unaudited)</i></b>
Net profit (loss) before tax	(62.84)	(49.95)
Net profit (loss) after tax	<u>(62.84)</u>	<u>(49.95)</u>
Total assets	<u><u>516.13</u></u>	<u><u>379.65</u></u>

## REASONS FOR AND BENEFITS OF THE TRANSACTION

The main purpose of the Transaction is to strengthen the capital stability of Beijing Hyundai and to effectively respond to the need for further investment in the face of the electrification of China's automotive industry.

Through the continuous support from both shareholders and the Transaction, it is expected that Beijing Hyundai can improve its working capital level and prevent liquidity risk, and will further increase strategic resource investment in collaboration with shareholders, thus improving its operation and market position. Meanwhile, the Transaction is also expected to provide capital protection for the introduction of new products and expansion of the layout of new-energy vehicles sector and export business.

The Board is of the view 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 the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Beijing Hyundai is not a connected person of the Company and the capital increase by BAIC Investment to Beijing Hyundai does not constitute a connected transaction of the Company under the Listing Rules and therefore the Company is not required to disclose or approve the relevant information pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Transaction are more than 5% but lower than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

## **GENERAL INFORMATION**

### **Information on BAIC Investment**

BAIC Investment was established in 2002 with a registered capital of RMB4,864 million, and is a non wholly-owned subsidiary owned as to 97.95% by the Company. BAIC Investment mainly engages in businesses including sale of vehicles and spare parts, investment and management in the automotive and related industries, investment consultancy, technology development, technology consultancy, technology services and information consultancy regarding automobile and related industries.

### **Information on Beijing Hyundai**

Beijing Hyundai is a company incorporated in the PRC with limited liability. Beijing Hyundai was established in Beijing in October 2002, and is jointly invested by BAIC Investment and Hyundai Motor with each party contributing 50% of the registered capital of Beijing Hyundai.

Beijing Hyundai is the first Sino-foreign joint venture company in the field of automobile production approved after China's accession to the WTO. Its principal businesses include the design, development, production and sale of sedan, RVs, whole trucks, engines and spare parts; operation of telecommunications business; as well as the provision of after-sales services, import and export of automobiles and accessories and technical testing services (excluding national restricted projects) for the products produced and sold by the joint venture.

### **Information on Hyundai Motor**

Hyundai Motor is a company incorporated in the Republic of Korea and whose shares are listed on the Korea Stock Exchange. The Company also confirms that to the best of the knowledge, information and belief of the Company and the Directors, Hyundai Motor and its beneficial owners are third parties independent of the Company and its connected persons.

## DEFINITION

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

“BAIC Investment”	BAIC Investment Co., Ltd., a company incorporated in the PRC and a holding subsidiary of the Company
“Beijing Hyundai”	Beijing Hyundai Motor Co., Ltd., a Sino-foreign joint venture company incorporated in the PRC and jointly funded by BAIC Investment and Hyundai Motor
“Hyundai Motor”	Hyundai Motor Company
“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 duly incorporated and validly existing 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
“Director(s)”	the directors of the Company
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the shares of the Company

“Amendment Agreement”	the Amendment Agreement of Joint Venture Contract and the Articles of Association dated 18 March 2022 entered into between BAIC Investment and Hyundai Motor in relation to the capital increase by BAIC Investment and Hyundai Motor to Beijing Hyundai in proportion to their respective original interest
“Transaction”	capital increase transaction under the Amendment Agreement entered into by BAIC Investment and Hyundai Motor
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	percentage

By order of the board of directors  
**BAIC Motor Corporation Limited**  
**Wang Jianhui**  
*Secretary to the Board of Directors and  
Company Secretary*

Beijing, the PRC, 18 March 2022

*As at the date of this announcement, the Board comprises Mr. Jiang Deyi, as Chairman of the Board and non-executive director; Mr. Liao Zhenbo, Mr. Chen Hongliang and Mr. Hu Hanjun, as non-executive directors; Mr. Huang Wenbing, as executive director; Mr. Ye Qian, Mr. Hubertus Troska, Mr. Harald Emil Wilhelm, Mr. Gu Tiemin and Mr. Sun Li, as non-executive directors; and Mr. Ge Songlin, Ms. Yin Yuanping, Mr. Xu Xiangyang, Mr. Tang Jun and Mr. Edmund Sit, as independent non-executive directors.*

\* *For identification purpose only*