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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your Shares in BAIC Motor Corporation Limited, you should disregard this circular and the proxy form.

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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 –  
ENTRY OF THE ENTRUSTMENT AGREEMENT WITH BAIC GROUP  
AND  
NOTICE OF 2024 SECOND EXTRAORDINARY GENERAL MEETING**

**Independent financial adviser to the Independent Board Committee and  
the Independent Shareholders**



Gram Capital Limited  
嘉林資本有限公司

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A letter from the Board is set out on pages 4 to 15 of this circular.

The notice of the EGM to be held at 9:30 a.m. on Wednesday, 22 May 2024 at Multi-purpose Hall, 1st Floor, the South Tower of Beijing Automotive Industry Research and Development Base, No. 99 Shuanghe Street, Shunyi District, Beijing, the PRC is set out on pages 37 to 38 of this circular. The form of proxy for use at the EGM is also published on the HKExnews website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company.

Whether or not you intend to attend the EGM, holders of H Shares of the Company are requested to complete the form of proxy in accordance with the instruction stated thereon and return it to the Hong Kong Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and for holders of Domestic Shares, the form of proxy shall be returned to the Board of Directors' Office of the Company at Room 5-054, Tower A, Beijing Automotive Industry Research and Development Base, No. 99 Shuanghe Street, Shunyi District, Beijing, the PRC. The form of proxy shall be returned not later than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person should you so wish at the EGM or any adjournment thereof if they so wish.

\* For identification purpose only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Announcement”	the announcement of the Company dated 15 March 2024 in relation to the Entrustment
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“BAIC BluePark”	BAIC BluePark New Energy Technology Co., Ltd.* (北汽藍谷新能源科技股份有限公司), a company limited by shares incorporated under the laws of the PRC, whose A shares are listed on the Main Board of the Shanghai Stock Exchange
“BAIC BluePark Group”	BAIC BluePark and its subsidiaries
“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, the sole controlling shareholder of the Company
“BAIC Guangzhou”	BAIC Guangzhou Automotive Co., Ltd.* (北汽(廣州)汽車有限公司), a limited liability company incorporated under the laws of the PRC as well as a wholly-owned subsidiary of the Company
“Beijing SASAC”	Beijing Municipal State-owned Assets Supervision and Administration Commission
“Board”	the board of directors of the Company
“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 Main Board of the Shanghai Stock Exchange and is a subsidiary of BAIC Group
“Company”	BAIC Motor Corporation Limited* (北京汽車股份有限公司), a company limited by shares duly 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
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares in the Company’s share capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi

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## DEFINITIONS

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“EGM”	the 2024 second extraordinary general meeting of the Company to be convened and held for, among other things, consideration and (if thought fit) approval of the Entrustment Agreement and the transactions contemplated thereunder
“Entrusted Shares”	ordinary A share(s) of RMB1.00 each in BAIC BluePark, which are listed on the Main Board of the Shanghai Stock Exchange and traded in RMB, that are directly held by BAIC Group from time to time
“Entrustment”	the entrustment by BAIC Group which entitles the Company to exercise all rights attached to the Entrusted Shares (but excluding disposal rights and rights to income/loss attached to the Entrusted Shares which will remain with BAIC Group) pursuant to the Entrustment Agreement
“Entrustment Agreement”	the conditional voting rights entrustment agreement dated 15 March 2024 entered into between the Company and BAIC Group in relation to the Entrustment
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), who has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Entrustment Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, to be subscribed for and traded in Hong Kong dollars and listed and traded on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Independent Board Committee”	the independent committee of the Board comprising all independent non-executive Directors, namely, Ms. Yin Yuanping, Mr. Xu Xiangyang, Mr. Tang Jun, Mr. Edmund Sit and Mr. Ji Xuehong, which was established to advise the Independent Shareholders in relation to the Entrustment Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the resolution to be proposed at the EGM in relation to the Entrustment Agreement and the transactions contemplated thereunder
“Latest Practicable Date”	29 April 2024, being the latest practicable date prior to the finalisation of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC” or “China”	the People’s Republic of China
“Rights”	all rights attached to the Entrusted Shares, including voting rights, right of proposal and submitting proposals, right to call and attend meetings, right of raising enquiries and suggestions and other rights but excluding disposal rights and rights to income/loss attached to the Entrusted Shares
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company
“Shares”	Domestic Shares and H Shares
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“%”	percent

*Certain amounts and percentage figures in this circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and charts may not be an arithmetic aggregation of the figures preceding them.*

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LETTER FROM THE BOARD

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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)**

*Directors:*

**Name**

**Position**

Mr. Chen Wei

*Chairman of the Board and  
Non-executive Director*

Mr. Hu Hanjun

*Non-executive Director*

Mr. Chen Hongliang

*Non-executive Director*

Mr. Song Wei

*Executive Director*

Mr. Liu Guanqiao

*Non-executive Director*

Mr. Ye Qian

*Non-executive Director*

Mr. Paul Gao

*Non-executive Director*

Mr. Kevin Walter  
Binder

*Non-executive Director*

Mr. Gu Tiemin

*Non-executive Director*

Mr. Sun Li

*Non-executive Director*

Ms. Yin Yuanping

*Independent non-executive Director*

Mr. Xu Xiangyang

*Independent non-executive Director*

Mr. Tang Jun

*Independent non-executive Director*

Mr. Edmund Sit

*Independent non-executive Director*

Mr. Ji Xuehong

*Independent non-executive Director*

*Registered Address:*

A5-061, Unit 101  
5th Floor, Building No.1  
Courtyard No. 99  
Shuanghe Street  
Shunyi District  
Beijing 101300  
the PRC

*Headquarter:*

No. 99 Shuanghe Street  
Shunyi District  
Beijing 101300  
the PRC

*Principal place of  
business in Hong Kong:*

31/F, Tower Two  
Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

To the Shareholders,

**CONNECTED TRANSACTION –  
ENTRY OF THE ENTRUSTMENT AGREEMENT WITH BAIC GROUP  
AND  
NOTICE OF 2024 SECOND EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

Reference is made to the Announcement regarding, among other things, the Entrustment.

\* For identification purpose only

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) further information regarding the Entrustment Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Entrustment; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in relation to the Entrustment; and (iv) the notice of the EGM.

### 2. ENTRUSTMENT AGREEMENT

As disclosed in the Announcement, on 15 March 2024, the Company and BAIC Group entered into the Entrustment Agreement, pursuant to which BAIC Group will entrust the Company to exercise the voting rights, right of proposal and submitting proposals, right to call and attend meetings, right of raising enquiries and suggestions and other rights but excluding disposal rights and rights to income/loss attached to all A shares of BAIC BluePark directly held by BAIC Group (including A shares of BAIC BluePark directly held by BAIC Group as of the date of the Entrustment Agreement and any additional A shares of BAIC BluePark that BAIC Group may acquire and directly hold during the duration of the Entrustment) on an irrevocable, exclusive, and sole basis for the duration of the Entrustment, without the need to seek the opinion of BAIC Group in advance or to obtain its consent. No consideration is payable by either party under the Entrustment Agreement.

The principal terms of the Entrustment Agreement are as follows:

- Date:** 15 March 2024
- Parties:** (1) BAIC Group; and  
(2) the Company
- Subject matter:** BAIC Group will entrust the Company to exercise the voting rights, right of proposal and submitting proposals, right to call and attend meetings, right of raising enquiries and suggestions and other rights but excluding disposal rights and rights to income/loss attached to all A shares of BAIC BluePark directly held by BAIC Group (including A shares of BAIC BluePark directly held by BAIC Group as of the date of the Entrustment Agreement, being 1,276,341,932 A shares of BAIC BluePark and representing approximately 22.90% of the total issued A shares of BAIC BluePark, and any additional A shares of BAIC BluePark that BAIC Group may acquire and directly hold during the duration of the Entrustment) on an irrevocable, exclusive, and sole basis for the duration of the Entrustment, without the need to seek the opinion of BAIC Group in advance or to obtain its consent. There is no discretion or power granted to BAIC Group under the Entrustment Agreement which allows BAIC Group to exercise its right as a shareholder of BAIC BluePark (other than disposal rights and rights to income/loss attached to all A shares of BAIC BluePark directly held by BAIC Group) upon its request.

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## LETTER FROM THE BOARD

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**Consideration:** No consideration is payable by either party under the Entrustment Agreement.

**Term of the Entrustment:** The Entrustment Agreement shall take effect upon the satisfaction of the following events:

- (1) the Company having obtained clearance from the Hong Kong Stock Exchange with respect to the circular for the Entrustment to be sent to the Shareholders;
- (2) the Shareholders (which in this case are the Independent Shareholders) having approved the Entrustment by way of general meeting (which in this case would be the EGM to be convened); and
- (3) the competent state-owned assets supervision and management authorities or organizations authorised by them having approved the Entrustment.

As at the Latest Practicable Date, conditions (1) and (3) above have been satisfied.

The Company will obtain all approvals required pursuant to the laws and regulations of the PRC for the consummation of the Entrustment.

The term of the Entrustment Agreement is indefinite unless as terminated in accordance with the Entrustment Agreement. Without the prior written consent of the Company, BAIC Group may not revoke the Entrustment (except where a termination event under the Entrustment Agreement has occurred), nor may it entrust the Rights of the Entrusted Shares, whether separately or in whole, to any third party for exercise.

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## LETTER FROM THE BOARD

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- Scope of the Entrustment:** BAIC Group shall entrust the Company as the sole and exclusive agent to exercise the Rights of the Entrusted Shares in accordance with the relevant laws and regulations and the then-effective articles of association of BAIC BluePark, without the need to seek BAIC Group's opinion in advance or to obtain BAIC Group's consent. The Company will independently decide at its discretion when exercising the following shareholder rights attached to the Entrusted Shares (i.e., the Rights):
- (1) legally requesting, convening, presiding over, attending and appointing a proxy to attend the general meetings of BAIC BluePark;
  - (2) exercising shareholders' right of proposal and submitting to BAIC BluePark's shareholder proposals or proposals including but not limited to nomination, recommendation, election or dismissal of directors (candidates) and supervisors (candidates) etc.;
  - (3) exercising the voting rights over all matters to be discussed and approved at the general meeting of shareholders in accordance with relevant laws, regulations and normative documents or the articles of association of BAIC BluePark, as well as signing all the relevant documents;
  - (4) raising enquiries and suggestions in connection with the management and operation of BAIC BluePark; and
  - (5) exercising other rights relating to shareholders of BAIC BluePark as stipulated by the laws and regulations and the articles of association of BAIC BluePark, other than disposal rights and rights to income/loss.

**Exercise of the Rights  
attached to the Entrusted  
Shares:**

If required by the laws and regulations and/or the competent authorities or deemed necessary by the Company to exercise the Rights, BAIC Group shall unconditionally give proxy or sign relevant legal documents and provide other assistance of similar nature within a time specified in the written notice the Company.

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## LETTER FROM THE BOARD

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**Termination of the  
Entrustment:**

The Entrustment Agreement shall be terminated upon the occurrence of any of the following events:

- (1) the Company and BAIC Group mutually agreeing to terminate the Entrustment Agreement;
- (2) BAIC Group giving a written notice of termination to the Company where a court of competent authority has ruled that the Company has committed a fundamental breach of the Entrustment Agreement; or
- (3) either the Company or BAIC Group giving a written notice of termination to the other party where (i) there is a force majeure event continuing for more than 30 days which entirely impairs the abilities of the Company or BAIC Group to perform their respective obligations under the Entrustment Agreement; or (ii) there being objective factors occurring which cause the inability to execute the Entrustment Agreement.

### **3. INFORMATION ON BAIC BLUEPARK**

As at the Latest Practicable Date, BAIC BluePark, whose A shares are listed on the Main Board of the Shanghai Stock Exchange, is a subsidiary of BAIC Group, which is the controlling shareholder of the Company. The major businesses of BAIC BluePark include research and development, design and sales of automobiles, auto parts, mechanical equipment, electrical equipment and parts processing equipment; automobile decoration; technical development, service and consultation, and transfer of technology; advertising design, production, agency and publication; economic and trade consultation; property management; import and export of goods and technology, and agency service for import and export.

As at the Latest Practicable Date, the Company, BAIC Guangzhou, BAIC Group and Bohai Automotive directly hold 612,528,276, 268,054,522, 1,276,341,932 and 180,470,507 A shares of BAIC BluePark, accounting for approximately 10.99%, 4.81%, 22.90% and 3.24% of the total issued A shares of BAIC BluePark, respectively. There are no other shareholders (individually or in aggregate) holding more A shares in BAIC BluePark than those entities listed above on an aggregate basis.

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## LETTER FROM THE BOARD

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The following table sets forth the financial information of BAIC BluePark for the two years ended 31 December 2023 and the three months ended 31 March 2024 based on BAIC BluePark’s published financial statements:

	<b>Year ended 31 December</b>		<b>Three months</b>
	<b>2022</b>	<b>2023</b>	<b>ended 31</b>
	<i>(Audited)</i>		<b>March 2024</b>
			<i>(Unaudited)</i>
	<i>(RMB million)</i>		
Profit / (loss) before taxation and extraordinary items	(5,424.58)	(5,348.76)	(999.54)
Profit / (loss) after taxation and extraordinary items	(5,775.70)	(5,996.01)	(1,022.92)

As at 31 March 2024, the unaudited book value of the total assets of BAIC BluePark was approximately RMB29,563.16 million, consisting mainly of the follow major assets:

- (i) cash and cash equivalents of approximately RMB4,768.41 million;
- (ii) fixed assets of approximately RMB4,804.71 million;
- (iii) trade receivables of approximately RMB4,391.52 million; and
- (iv) intangible assets of approximately RMB4,082.55 million.

The unaudited book value of owner’s equity attributable to the parent company of BAIC BluePark was approximately RMB5,268.04 million as at 31 March 2024.

Pursuant to International Financial Reporting Standards 10 – Consolidated Financial Statements (the “**IFRS 10**”), an investor will be able to consolidate an investee into its accounts if the investor has power over an investee, exposures to variable returns and the ability to use its power over the investee to affect the amount of the investor’s returns. An investor with less than a majority of the voting rights in an investee has rights that are sufficient to give it power when the investor has the practical ability to direct the relevant activities unilaterally. When assessing whether an investor’s voting rights are sufficient to give it power, all facts and circumstances should be considered, including:

- (i) the size of the investor’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) any additional facts and circumstances that indicate the investor has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

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## LETTER FROM THE BOARD

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Therefore, even though the Company will hold less than a majority of the voting rights of BAIC BluePark upon completion of the Entrustment, the Company will be able to consolidate BAIC BluePark into its financial statements for the following reasons:

- (i) as a result of the Entrustment, the voting rights in BAIC BluePark held by the Company, together with BAIC Guangzhou, will in aggregate be approximately 38.70%, and the remaining voting rights in BAIC BluePark are widely dispersed without any shareholder individually holding more than 5% of the voting rights;
- (ii) the Company's voting rights in BAIC BluePark will give it the ability to direct the relevant activities of BAIC BluePark that significantly affect BAIC BluePark's returns as the shareholders meeting is the highest power organ of BAIC BluePark and the resolutions that would significantly impact the activities of BAIC BluePark (such as making decisions on operational policies and investment plans, election or removal of directors, etc.) shall be approved by simple majority of its shareholders attending the relevant general meeting according to the articles of association of BAIC BluePark. Even though the Company does not hold the majority of the voting rights in BAIC BluePark, taking into account the shareholders and proxies attending each of all previous shareholders meetings of BAIC BluePark represented less than 60.00% of the entire issued shares of BAIC BluePark during the three years ended 31 December 2023, the Company will likely be able to pass resolutions at general meetings by exercising its 38.70% voting rights in BAIC BluePark and therefore will be considered to have the practical ability to direct the decision-making made at shareholders meetings upon completion of the Entrustment. Such power will also allow the Company to have the ability through the voting rights it holds to determine the composition of the board of directors of BAIC BluePark.

Therefore, pursuant to the IFRS 10, as a result of the Entrustment, the Company will have control over BAIC BluePark, and the members of the BAIC BluePark Group will become subsidiaries of the Company and their assets, liabilities and financial results (except profits and losses attributable to the Entrusted Shares will not be accounted for in the profit attributable to equity holders of the Company under its consolidated financial statements as BAIC Group will retain the rights to income/loss attached to the Entrusted Shares) will be consolidated into the consolidated financial statements of the Company. The profits and losses attributable to the Entrusted Shares will be accounted for as non-controlling interest in the consolidated financial statements of the Company.

The Company, being the controlling shareholder of BAIC BluePark upon the completion of the Entrustment, will perform its rights and obligations pursuant to the laws and regulations in the PRC (including relevant securities laws, regulations and normative documents).

The Company has discussed the above accounting treatment with its auditor. Based on the facts and circumstances relating to BAIC BluePark as disclosed above and the Entrustment, the auditor of the Company does not disagree with the management of the Company on its proposed accounting treatment relating to BAIC BluePark.

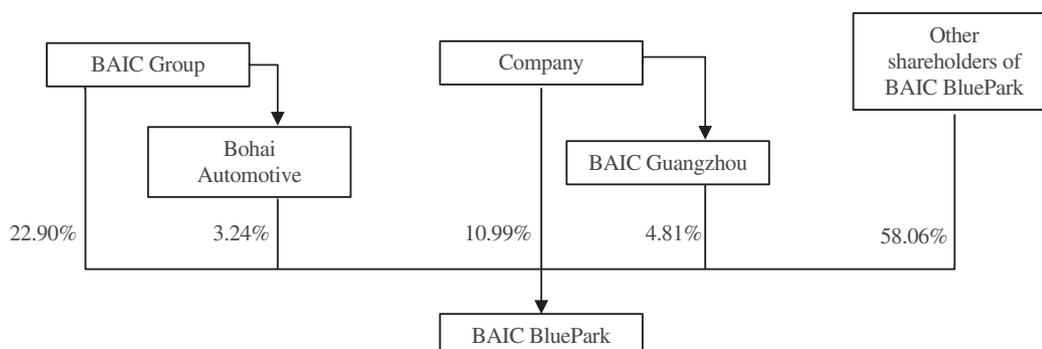
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## LETTER FROM THE BOARD

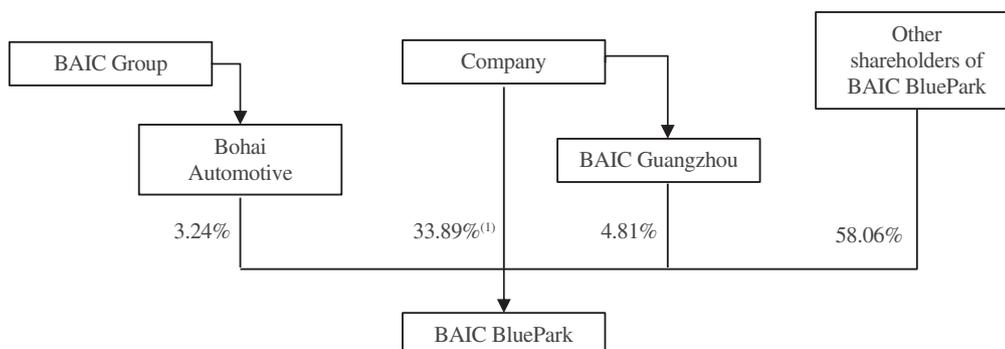
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### 4. VOTING RIGHTS STRUCTURE OF BAIC BLUEPARK PRIOR TO AND UPON THE COMPLETION OF THE ENTRUSTMENT

The following table sets forth the shareholding and voting rights structure of BAIC BluePark as at the Latest Practicable Date:



Upon the completion of the Entrustment, BAIC Group will remain as the registered holder of the Entrusted Shares. However, through the Entrustment, the Company will be able to exercise all Rights of the Entrusted Shares and independently decide at its sole discretion when casting votes attached to the Entrusted Shares, and BAIC Group will cease to exercise or control the exercise of the voting rights attached to the Entrusted Shares. The following table sets forth the voting rights structure of BAIC BluePark upon the completion of the Entrustment, assuming there are no other changes to the shareholding and voting rights structure of BAIC BluePark from the Latest Practicable Date up to and including the date of completion of the Entrustment:



*Note:*

- (1) Upon completion of the Entrustment, the Company will be able to individually exercise approximately 33.89% of the voting rights in BAIC BluePark, of which approximately 22.90% of BAIC BluePark's voting rights are entrusted by BAIC Group through the Entrustment.

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## LETTER FROM THE BOARD

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### 5. INFORMATION ON THE COMPANY

The Company was established in September 2010, and its H Shares were listed on the Main Board of the Hong Kong Stock Exchange in December 2014. As at the Latest Practicable Date, approximately 46.37% of the equity interest in the Company is directly owned by BAIC Group, which is the controlling shareholder of the Company and ultimately owned by Beijing SASAC. The Company's brands cover joint venture premium passenger vehicles, joint venture premium multi-purpose passenger vehicles, joint venture mid- to high-end passenger vehicles, proprietary brand passenger vehicles and other vehicles, which can maximally satisfy various customers' demands.

### 6. INFORMATION ON BAIC GROUP

BAIC Group is the sole controlling shareholder of the Company, being a state-owned enterprise wholly owned by Beijing State-owned Capital Operation and Management Company Limited\* (北京國有資本運營管理有限公司), and holds approximately 46.37% of equity interest in the Company as at the Latest Practicable Date. BAIC Group is one of the main automobile manufacturing groups in China. It has now developed into a comprehensive and modern automobile conglomerate with diversified business portfolio and integrating vehicle research and development and manufacturing, parts and components manufacturing, automobile service trade, education and investment and financing business, as well as incubation of new industries.

BAIC Group has been strategically developing new energy vehicles, with a focus on new energy and intelligent networking. BAIC BluePark has established and formed a system of research, production, sales and service of the whole value chain in pure electric passenger vehicles. The Group and BAIC BluePark are both competitive market players in the new energy vehicle sector. Through the Entrustment, the Company will become the controlling shareholder of BAIC BluePark (as defined under the Listing Rules) and will allow both the Group and BAIC Group to enjoy development returns in new energy vehicle fields resulting from the development of the BAIC BluePark Group.

### 7. REASONS FOR AND BENEFITS OF THE ENTRUSTMENT

Driven by the economic transformation and upgrading, consumer demand, carbon peak, carbon neutral targets and technology iteration, and other factors, the global production and sales of new energy vehicles have been growing rapidly in recent years, and plans for the expansion of the domestic new energy passenger vehicle sector has at this stage become the consensus and strategic direction for automobile enterprises. After years of development, BAIC BluePark has established competitive strength in core battery, electric motor and electric control technologies and smart network technology of pure electric vehicles and others, and has established and formed a system of research, production, sales and service of the whole value chain in pure electric passenger vehicles. As whole automobile companies, the Group and BAIC BluePark have a foundation of cooperation in the whole industrial chain for new energy vehicles. Through the Entrustment, the Group has the practical ability to direct the development strategies, business policies, major investments and other aspects of BAIC BluePark in accordance with the applicable laws, and hence BAIC BluePark will

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## LETTER FROM THE BOARD

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be under the scope of the management of the Company, which will help the Company to plan its new energy vehicle sector, share the development returns and create competitive advantage at a more reasonable cost, benefiting from synergistic effects.

Moreover, upon completion of the Entrustment, BAIC BluePark will become a subsidiary of the Company, and the product brands, vehicle lineup, and production and sales scale of the Group will be further expanded and strengthened.

Additionally, the synergistic effects conducive to the Entrustment, including but not limited to reasonable allocation of key resources, will also help to improve comprehensive utilisation rate of resources and enhance the overall industry competitiveness and supply chain resource acquisition capabilities of both companies.

### **8. LISTING RULES IMPLICATIONS**

As at the Latest Practicable Date, BAIC Group is the sole controlling shareholder of the Company and holds approximately 46.37% of the total issued share capital of the Company, and hence is a connected person of the Company. Accordingly, the Entrustment constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios in relation to the Entrustment is more than 5%, the Entrustment is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Entrustment does not constitute a transaction for the purpose of Rule 14.04 and Rule 14A.24 of the Listing Rules. Upon completion of the Entrustment, BAIC BluePark will not become a connected subsidiary of the Company for the purpose of Chapter 14A of the Listing Rules. The Company will consult with the Hong Kong Stock Exchange about the Listing Rules implications before entering into any new agreement or carrying out any new transactions with or involving the BAIC BluePark Group (other than those to be entered into pursuant to the existing framework agreements between the Company and BAIC Group as approved by Independent Shareholders on 28 June 2022 but those transactions will no longer be counted towards the relevant annual caps).

Since Mr. Chen Wei, Mr. Hu Hanjun and Mr. Chen Hongliang, each being a Director, also hold office in BAIC Group and/or its subsidiaries, they are therefore considered to be materially interested in the Entrustment. In addition, considering that Mercedes-Benz Group AG, being a Shareholder that indirectly holds A shares in BAIC BluePark, the then Directors nominated by it, namely Mr. Hubertus Troska and Mr. Harald Emil Wilhelm, are also considered to be materially interested in the Entrustment. As a result, each of Mr. Chen Wei, Mr. Hu Hanjun, Mr. Chen Hongliang, Mr. Hubertus Troska and Mr. Harald Emil Wilhelm (each of Mr. Hubertus Troska and Mr. Harald Emil Wilhelm being a former Director whose term of office ended on 22 March 2024 as disclosed in the announcement of the Company dated 22 March 2024) has abstained from voting on the Board resolution for approving the Entrustment Agreement and the transactions contemplated thereunder. Save for the above Directors, none of the other Directors has any interest in the Entrustment and abstained from voting at the relevant Board resolution.

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## LETTER FROM THE BOARD

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### 9. VOTES BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the EGM must be taken by poll. Therefore, the resolution set out in the notice of the EGM shall be voted by poll. Votes may be given either in person or by proxy. Results of the poll voting will be published on the HKEXnews website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company after the conclusion of the EGM.

In accordance with the Listing Rules, BAIC Group, Mercedes-Benz Group AG and Beijing Industrial Development Investment Management Co., Ltd. (北京工業發展投資管理有限公司), each being a Shareholder, directly or indirectly holds shares in BAIC BluePark, and therefore are deemed to have material interests in the Entrustment. Therefore, BAIC Group, Mercedes-Benz Group AG and Beijing Industrial Development Investment Management Co., Ltd. (北京工業發展投資管理有限公司) and their respective associates are required to abstain from voting on the resolution in relation to the Entrustment at the EGM. As at the Latest Practicable Date, BAIC Group, Mercedes-Benz Group AG and Beijing Industrial Development Investment Management Co., Ltd. (北京工業發展投資管理有限公司) and their respective associates, directly and indirectly, held 3,716,659,704 Domestic Shares, 765,818,182 H Shares and 50,107,627 Domestic Shares (representing approximately 46.37%, 9.55% and 0.63% of the total issued share capital of the Company), respectively.

To the best knowledge of the Directors and having made all reasonable enquiries, save for the above Shareholders and their respective associates, no other Shareholders have material interests in the Entrustment and are required to abstain from voting on the relevant resolution to be proposed at the EGM.

### 10. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out in this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Entrustment Agreement and the transactions contemplated thereunder; and (ii) the letter from Gram Capital set out in this circular which contains its advice to the Independent Board Committee and the Independent Shareholders on the Entrustment Agreement and the transactions contemplated thereunder, as well as the principal factors and reasons taken into account by Gram Capital in arriving at its advice.

The Board (excluding the Directors who have abstained from voting as more particularly described above and the independent non-executive Directors whose opinions are given in the letter from the Independent Board Committee contained in this circular, after taking into account the advice from the Independent Financial Adviser) is of the view that while the Entrustment is not conducted in the ordinary and usual course of business of the Company, the terms and conditions of the Entrustment Agreement are on normal commercial terms or better terms, fair and reasonable, and are in the interests of the Company and the Shareholders taken as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

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## LETTER FROM THE BOARD

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### 11. THE EGM

The EGM will be held at 9:30 a.m. on Wednesday, 22 May 2024 at Multi-purpose Hall, 1st Floor, the South Tower of Beijing Automotive Industry Research and Development Base, No. 99 Shuanghe Street, Shunyi District, Beijing, the PRC. The notice of the EGM together with the form of proxy applicable to the EGM has been published on the HKEXnews website of the Hong Kong Stock Exchange and the website of the Company.

Whether you wish to attend the EGM or not, holders of H Shares are requested to complete the form of proxy in accordance with the instructions stated thereon and return the same to the Hong Kong H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and for holders of Domestic Shares, the form of proxy shall be returned to the Board of Directors' Office at Room 5-054, Tower A, Beijing Automotive Industry Research and Development Base, No. 99 Shuanghe Street, Shunyi District, Beijing, the PRC as soon as possible but in any event no later than 24 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

### 12. CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements of the Shareholders to attend the EGM, the register of members of the Company will be closed from Friday, 17 May 2024 to Wednesday, 22 May 2024 (both days inclusive), during which period no transfer of Shares will be effected. To be eligible to attend and vote at the EGM, all transfer documents must be lodged with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares no later than 4:30 p.m. on Thursday, 16 May 2024 or China Securities Depository and Clearing Corporation Limited at 23 Floor, Shenzhen Stock Exchange Square, Futian District, Shenzhen, Guangdong Province, the PRC for holders of Domestic Shares no later than 4:00 p.m. on Thursday, 16 May 2024.

By Order of the Board  
**BAIC Motor Corporation Limited**  
**Chen Wei**  
*Chairman of the Board*

6 May 2024



**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)**

6 May 2024

*To the Independent Shareholders*

Dear Sir or Madam,

**CONNECTED TRANSACTION  
ENTRY OF THE ENTRUSTMENT AGREEMENT WITH BAIC GROUP**

We refer to the circular of the Company dated 6 May 2024 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed by the Board to advise the Independent Shareholders as to whether the Entrustment Agreement and the transactions contemplated thereunder are entered into in accordance with normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders taken as a whole.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Entrustment Agreement and the transactions contemplated thereunder are entered into in accordance with normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders taken as a whole. The letter from Gram Capital containing its recommendations and the principal factors it has taken into account in arriving at its recommendations is set out on pages 18 to 31 of the Circular.

Independent Shareholders are recommended to read the letter from Gram Capital, the letter from the Board contained in the Circular as well as the additional information set out in the Appendix I to the Circular.

\* *For identification purpose only*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having considered the terms and conditions of the Entrustment Agreement and the transactions contemplated thereunder, the interests of the Independent Shareholders and the advice of Gram Capital, we are of the opinion that while the entering into of the Entrustment Agreement is not in the ordinary and usual course of business of the Company, the Entrustment Agreement was entered into after arm's length negotiation and is on normal commercial terms, and the terms of the transaction contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders taken as a whole. We therefore recommend the Independent Shareholders to vote in favor of the relevant resolution to be proposed at the EGM to approve the Entrustment Agreement and the transactions contemplated thereunder.

Yours faithfully,  
For and on behalf of  
Independent Board Committee

**Ms. Yin Yuanpin**  
*Independent Non-executive  
Director*

**Mr. Xu Xiangyang**  
*Independent Non-executive  
Director*

**Mr. Tang Jun**  
*Independent Non-executive  
Director*

**Mr. Edmund Sit**  
*Independent Non-executive Director*

**Mr. Ji Xuehong**  
*Independent Non-executive Director*

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## LETTER FROM GRAM CAPITAL

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*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Entrustment for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

6 May 2024

*To: The independent board committee and the independent shareholders of BAIC Motor Corporation Limited\**

Dear Sir/ Madam,

### CONNECTED TRANSACTION IN RELATION TO ENTRY OF THE ENTRUSTMENT AGREEMENT WITH BAIC GROUP

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Entrustment, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 6 May 2024 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 15 March 2024, the Company and BAIC Group entered into the Entrustment Agreement, pursuant to which BAIC Group will entrust the Company to exercise the voting rights, right of proposal and submitting proposals, right to call and attend meetings, right of raising enquiries and suggestions and other rights but excluding disposal rights and rights to income/loss attached to all A shares of BAIC BluePark directly held by BAIC Group (including A shares of BAIC BluePark directly held by BAIC Group as of the date of the Entrustment Agreement and any additional A shares of BAIC BluePark that BAIC Group may acquire and directly hold during the duration of the Entrustment) on an irrevocable, exclusive, and sole basis for the duration of the Entrustment, without the need to seek the opinion of BAIC Group in advance or to obtain its consent. No consideration is payable by either party under the Entrustment Agreement.

With reference to the Board Letter, the Entrustment constitutes a connected transaction of the Company and is therefore subject to reporting, announcement, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM GRAM CAPITAL

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The Independent Board Committee comprising Ms. Yin Yuanping, Mr. Xu Xiangyang, Mr. Tang Jun, Mr. Edmund Sit and Mr. Ji Xuehong (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Entrustment are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Entrustment is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Entrustment at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as independent financial adviser in respect of (i) major and continuing connected transactions of the Company, details of which were set out in the Company's circular dated 27 May 2022; (ii) a discloseable and connected transaction of the Company, details of which are set out in the Company's circular dated 8 August 2022; and (iii) major and continuing connected transactions of the Company, details of which were set out in the Company's circular dated 24 May 2023. Save for the aforesaid engagements, there was no other service provided by Gram Capital to the Company during the past two years immediately preceding the Latest Practicable Date. Notwithstanding the aforesaid engagements, we were not aware of any relationship or interest between Gram Capital and the Company or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as a hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Having considered the above and that none of the circumstances as set out under Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

### BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the management of the Company (the "**Management**"). We have assumed that all information and representations that have been provided by the Management, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Management, which have been provided to us. Our opinion is based on the Management's representation and confirmation that there is no undisclosed private agreement/arrangement

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## LETTER FROM GRAM CAPITAL

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or implied understanding with anyone concerning the Entrustment. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, BAIC Group, BAIC BluePark, or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Entrustment. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the Entrustment, we have taken into consideration the following principal factors and reasons:

#### **1. Background of and reasons for the Entrustment**

##### ***Business overview of the Group***

With reference to the Board Letter, the Company was established in September 2010, and its H shares were listed on the Main Board of the Hong Kong Stock Exchange in December 2014. As at the Latest Practicable Date, approximately 46.37% of the equity interest in the Company is directly owned by BAIC Group, which is the controlling shareholder of the Company and ultimately owned by Beijing SASAC. The Company's

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## LETTER FROM GRAM CAPITAL

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brands cover joint venture premium passenger vehicles, joint venture premium multi-purpose passenger vehicles, joint venture mid- to high-end passenger vehicles, proprietary brand passenger vehicles and other vehicles, which can maximally satisfy various customers' demands.

Set out below is a summary of the audited consolidated financial information of the Group for the two years ended 31 December 2023 as extracted from the Company's annual report for the year ended 31 December 2023 (the "2023 Annual Report"):

	<b>For the year ended 31 December 2023 RMB'000</b>	<b>For the year ended 31 December 2022 RMB'000</b>	<b>Change from 2022 to 2023 %</b>
Revenue	197,949,177	190,462,586	3.93
– Oil-powered vehicles	182,697,179	182,499,415	0.11
– New energy vehicles	15,251,998	7,963,171	91.53
Gross profit	40,070,462	42,334,207	(5.35)
Profit for the year	13,626,309	16,335,302	(16.58)

As illustrated in the above table, the Group's revenue for the year ended 31 December 2023 ("FY2023") increased by approximately 3.93% as compared to that for the year ended 31 December 2022 ("FY2022"). With reference to the 2023 Annual Report, the aforesaid increase in the Group's revenue was mainly attributable to increase in revenue from new energy vehicles led by sales volume increase.

Despite the aforesaid increase in the Group's revenue, the Group's gross profit and profit for FY2023 decreased by approximately 5.35% and approximately 16.58% as compared to those for FY2022 respectively. With reference to the 2023 Annual Report and as confirmed by the Management, the aforesaid decrease in the Group's gross profit was mainly attributable to changes in vehicle model structure, as partially offset by improvement of profitability per new energy vehicle due to sales volume increase. With reference to the 2023 Annual Report, the aforesaid decrease in the Group's profit was mainly attributable to decrease in the Group's gross profit.

With reference to 2023 Annual Report and as confirmed by the Management, in 2024, the ongoing promotion of the PRC national policies to boost consumption and stabilize growth, along with implementation of a series of initiatives aimed at promoting high-quality development of the new energy automobile industry (such as continuation of vehicle purchase tax exemption policy and extensive promotion of new energy vehicles and infrastructure construction in rural areas), will further stimulate market vitality and consumption potential. The Management expects the aforesaid will lead to further release of demand in the new energy vehicle market.

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## LETTER FROM GRAM CAPITAL

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### **Information on BAIC Group**

With reference to the Board Letter, BAIC Group is the sole controlling shareholder of the Company, being a state-owned enterprise wholly owned by Beijing State-owned Capital Operation and Management Company Limited\* (北京國有資本運營管理有限公司), and holds approximately 46.37% of equity interest in the Company as at the Latest Practicable Date. BAIC Group is one of the main automobile manufacturing groups in China. It has now developed into a comprehensive and modern automobile conglomerate with diversified business portfolio and integrating vehicle research and development and manufacturing, parts and components manufacturing, automobile service trade, education and investment and financing business, as well as incubation of new industries.

With reference to the Board Letter, BAIC Group has been strategically developing new energy vehicles, with a focus on new energy and intelligent networking. BAIC BluePark has established and formed a system of research, production, sales and service of the whole value chain in pure electric passenger vehicles. The Group and BAIC BluePark are both competitive market players in the new energy vehicle sector. Through the Entrustment, the Company will become the controlling shareholder of BAIC BluePark (as defined under the Listing Rules) and will allow both the Group and BAIC Group to enjoy development returns in new energy vehicle fields resulting from the development of the BAIC BluePark Group.

### **Information on BAIC BluePark**

With reference to the Board Letter, BAIC BluePark, whose A shares are listed on the Main Board of the Shanghai Stock Exchange, is a subsidiary of BAIC Group. The major businesses of BAIC BluePark include research and development, design and sales of automobiles, auto parts, mechanical equipment, electrical equipment and parts processing equipment; automobile decoration; technical development, service and consultation, and transfer of technology; advertising design, production, agency and publication; economic and trade consultation; property management; import and export of goods and technology, and agency service for import and export.

With reference to the Board Letter, BAIC BluePark has established competitive strength in core battery, electric motor and electric control technologies and smart network technology of pure electric vehicles and others, and has established and formed a system of research, production, sales and service of the whole value chain in pure electric passenger vehicles.

As at the Latest Practicable Date, the Company, BAIC Guangzhou, BAIC Group and Bohai Automotive directly hold 612,528,276, 268,054,522, 1,276,341,932 and 180,470,507 A shares of BAIC BluePark, accounting for approximately 10.99%, 4.81%, 22.90% and 3.24% of the total issued A shares of BAIC BluePark, respectively.

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## LETTER FROM GRAM CAPITAL

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Set out below is a summary of the consolidated financial information of BAIC BluePark Group for the three years ended 31 December 2023 and the three months ended 31 March 2024 as extracted from the Board Letter:

	For the year ended 31 December 2021 <i>(audited)</i> <i>RMB' million</i>	For the year ended 31 December 2022 <i>(audited)</i> <i>RMB' million</i>	Change from 2021 to 2022  %	For the year ended 31 December 2023 <i>(audited)</i> <i>RMB' million</i>	Change from 2022 to 2023  %	For the three months ended 31 March 2024 <i>(unaudited)</i> <i>RMB' million</i>
Profit/(loss) before taxation and extraordinary items	(5,179.87)	(5,424.58)	4.72	(5,348.76)	(1.40)	(999.54)
Profit/(loss) after taxation and extraordinary items	(5,476.58)	(5,775.70)	5.46	(5,996.01)	3.81	(1,022.92)

With reference to the Board Letter, the unaudited book value of owner's equity attributable to the parent company of BAIC BluePark was approximately RMB5,268.04 million as at 31 March 2024.

### Principal terms of the Entrustment

Principal terms of the Entrustment as set out under the Entrustment Agreement are summarized as follows:

- Date:** 15 March 2024
- Parties:**
- (1) BAIC Group; and
  - (2) the Company

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## LETTER FROM GRAM CAPITAL

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**Subject matter:** BAIC Group will entrust the Company to exercise the voting rights, right of proposal and submitting proposals, right to call and attend meetings, right of raising enquiries and suggestions and other rights but excluding disposal rights and rights to income/loss attached to all A shares of BAIC BluePark directly held by BAIC Group (including A shares of BAIC BluePark directly held by BAIC Group as of the date of the Entrustment Agreement, being 1,276,341,932 A shares of BAIC BluePark and representing approximately 22.90% of the total issued A shares of BAIC BluePark, and any additional A shares of BAIC BluePark that BAIC Group may acquire and directly hold during the duration of the Entrustment) on an irrevocable, exclusive, and sole basis for the duration of the Entrustment, without the need to seek the opinion of BAIC Group in advance or to obtain its consent. There is no discretion or power granted to BAIC Group under the Entrustment Agreement which allows BAIC Group to exercise its right as a shareholder of BAIC BluePark (other than disposal rights and rights to income/loss attached to all A shares of BAIC BluePark directly held by BAIC Group) upon its request.

**Consideration:** No consideration is payable by either party under the Entrustment Agreement.

**Term of the Entrustment:** The Entrustment Agreement shall take effect upon the satisfaction of the following events:

- (1) the Company having obtained clearance from the Hong Kong Stock Exchange with respect to the circular for the Entrustment to be sent to the Shareholders;
- (2) the Shareholders (which in this case are the Independent Shareholders) having approved the Entrustment by way of general meeting (which in this case would be the EGM to be convened); and
- (3) the competent state-owned assets supervision and management authorities or organizations authorised by them having approved the Entrustment.

The term of the Entrustment Agreement is indefinite unless as terminated in accordance with the Entrustment Agreement. Without the prior written consent of the Company, BAIC Group may not revoke the Entrustment (except where a termination event under the Entrustment Agreement has occurred), nor may it entrust the Rights of the Entrusted Shares, whether separately or in whole, to any third party for exercise.

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## LETTER FROM GRAM CAPITAL

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**Scope of the  
Entrustment:**

BAIC Group shall entrust the Company as the sole and exclusive agent to exercise the Rights of the Entrusted Shares in accordance with the relevant laws and regulations and the then-effective articles of association of BAIC BluePark, without the need to seek BAIC Group's opinion in advance or obtain BAIC Group's consent. The Company will independently decide at its discretion when exercising the following shareholder rights attached to the Entrusted Shares (i.e., the Rights):

- (1) legally requesting, convening, presiding over, attending and appointing a proxy to attend the general meetings of BAIC BluePark;
- (2) exercising shareholders' right of proposal and submitting to BAIC BluePark's shareholder proposals or proposals including but not limited to nomination, recommendation, election or dismissal of directors (candidates) and supervisors (candidates), etc.;
- (3) exercising the voting rights over all matters to be discussed and approved at the general meeting of shareholders in accordance with relevant laws, regulations and normative documents or the articles of association of BAIC BluePark, as well as signing all the relevant documents;
- (4) raising enquiries and suggestions in connection with the management and operation of BAIC BluePark; and
- (5) exercising other rights relating to shareholders of BAIC BluePark as stipulated by the laws and regulations and the articles of association of BAIC BluePark, other than disposal rights and rights to income/losses (i.e., the profits and losses from the Entrusted Shares will continue to be attributable to BAIC Group).

**Exercise of the  
Rights  
attached to the  
Entrusted  
Shares:**

If required by the laws and regulations and/or the competent authorities or deemed necessary by the Company to exercise the Rights, BAIC Group shall unconditionally give proxy or sign relevant legal documents and provide other assistance of similar nature within a time specified in the written notice of the Company.

**Termination of  
the  
Entrustment:**

The Entrustment Agreement shall be terminated upon the occurrence of any of the following events:

- (1) the Company and BAIC Group mutually agreeing to terminate the Entrustment Agreement;

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## LETTER FROM GRAM CAPITAL

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- (2) BAIC Group giving a written notice of termination to the Company where a court of competent authority has ruled that the Company has committed a fundamental breach of the Entrustment Agreement; or
- (3) either the Company or BAIC Group giving a written notice of termination to the other party where (i) there is a force majeure event continuing for more than 30 days which entirely impairs the abilities of the Company or BAIC Group to perform their respective obligations under the Entrustment Agreement; or (ii) there being objective factors occurring which cause the inability to exercise the Entrustment Agreement.

### **Reasons for and benefits of the Entrustment**

With reference to the Board Letter, driven by economic transformation and upgrading, consumer demand, carbon peak, carbon neutral targets and technology iteration, and other factors, the global production and sales of new energy vehicles have been growing rapidly in recent years, and the plans for expansion of the domestic new energy passenger vehicle sector has at this stage become the consensus and strategic direction for automobile enterprises. After years of development, BAIC BluePark has established competitive strength in core battery, electric motor and electric control technologies and smart network technology of pure electric vehicles and others, and has established and formed a system of research, production, sales and service of the whole value chain in pure electric passenger vehicles. As whole automobile companies, the Group and BAIC BluePark have a foundation of co-operation in the whole industrial chain for new energy vehicles. Through the Entrustment, the Group has the practical ability to direct the development strategies, business policies, major investments and other aspects of BAIC BluePark in accordance with the applicable laws, and hence BAIC BluePark will be under the scope of the management of the Company, which will help the Company to plan its new energy vehicle sector, share the development returns and create competitive advantage at a more reasonable cost, benefiting from synergistic effects.

Moreover, upon completion of the Entrustment, BAIC BluePark will become a subsidiary of the Company, and the product brands, vehicle line-up, and production and sales scale of the Group will be further expanded and strengthened.

Additionally, the synergistic effects conducive to the Entrustment, including but not limited to reasonable allocation of key resources, will also help to improve comprehensive utilisation rate of resources and enhance the overall industry competitiveness and supply chain resource acquisition capabilities of both companies.

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## LETTER FROM GRAM CAPITAL

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### Our analysis

#### *Industry overview*

We searched on Wind Financial Terminal (according to the website of Wind Financial Terminal, Wind Information Co., Ltd. (“Wind”, the developer of Wind Financial Terminal) is a leading provider of financial information services in the PRC, and an indispensable partner for lots of securities companies, fund management corporations, insurance companies, banks, investment firms, and media. Globally, Wind is also widely used by qualified foreign institutional investors (QFII) approved by China Securities Regulatory Commission) for statistics regarding the passenger vehicles (including new energy passenger vehicles) in the PRC. We consider Wind Financial Terminal to be a reputable source of reference for the purpose of our research. Set out below are the sales volume of passenger vehicles (including new energy passenger vehicles) and new energy passenger vehicles in the PRC during the five years ended 31 December 2023 (being the latest available five full years):

	2019	2020	2021	2022	2023
<b>Sales volume of passenger vehicles in the PRC</b>	21,444,180	20,177,731	21,481,537	23,563,287	26,062,824
<b>Sales volume of new energy passenger vehicles in the PRC</b>	1,060,303	1,246,289	3,334,170	6,548,482	9,047,861

As shown in the above table, sales volume of passenger vehicles in the PRC decreased in 2020 and increased in 2021, 2022 and 2023. Sales volume of passenger vehicles in the PRC increased from approximately 21.44 million units for 2019 to approximately 26.06 million units for 2023, representing a compound annual growth rate of approximately 5.00%. Sales volume of new energy passenger vehicles in the PRC continuously increased from approximately 1.06 million units for 2019 to approximately 9.05 million units for 2023, representing a compound annual growth rate of approximately 70.91%. Proportion of sales volume of new energy passenger vehicles in the PRC to sales volume of passenger vehicles in the PRC increased from approximately 4.94% for 2019 to approximately 34.72% for 2023.

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## LETTER FROM GRAM CAPITAL

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We also noted that the PRC government issued various favourable government policies for new energy vehicles to support its development in recent years, such as:

- (i) 《關於調整免徵車輛購置稅新能源汽車產品技術要求的公告》(Announcement on Adjusting the Technical Requirements for Vehicle Purchase Tax Exemption in respect of New Energy Vehicle Products\*) published on 30 April 2021 ([https://www.gov.cn/zhengce/zhengceku/2021-05/15/content\\_5640040.htm](https://www.gov.cn/zhengce/zhengceku/2021-05/15/content_5640040.htm)), which set out the arrangements for exemption of vehicle purchase tax for new energy vehicles;
- (ii) 《乘用車企業平均燃料消耗量與新能源汽車積分並行管理辦法》(Measures for Parallel Administration of the Corporate Average Fuel Consumption and New Energy Vehicle Credits of Passenger Vehicle Enterprises\*) published on 15 June 2020 ([https://www.gov.cn/zhengce/zhengceku/2020-06/22/content\\_5521144.htm](https://www.gov.cn/zhengce/zhengceku/2020-06/22/content_5521144.htm)), which set out the parallel credits policy on vehicle manufacturers and importers arrangement (including that each vehicle manufacturer and vehicle importer over a specific scale is required to, among other things, maintain its new energy vehicle credits and corporate average fuel consumption credit above zero); and
- (iii) 《關於進一步提升電動汽車充電基礎設施服務保障能力的實施意見》(Implementation Opinions on Further Improving the Guaranteed Service Capability of Electric Vehicle Charging Infrastructure\*) published on 10 January 2022 (<https://zfxxgk.ndrc.gov.cn/web/iteminfo.jsp?id=18631>), which set out guidance for the development of electric vehicle charging infrastructure, such as ensuring availability of electric vehicle charging infrastructure or reserving spaces for the installation of electric vehicle charging infrastructure in all parking spaces of newly developed residential community, accelerating formation of a phased coverage plan for the expressway fast-charging network in various provinces, clarifying construction standard and specification of expressway fast-charging stations and including fast-charging stations into the scope of supportive infrastructure of expressway's service area.

In addition, in October 2020, the State Council of the PRC published the 《新能源汽車產業發展規劃 (2021-2035)》(New Energy Vehicle Industry Development Plan (2021-2035,\*) ([https://www.gov.cn/zhengce/content/2020-11/02/content\\_5556716.htm](https://www.gov.cn/zhengce/content/2020-11/02/content_5556716.htm)), stipulating that the development of new energy vehicle is a must for the PRC to transform to a powerful automobile country. The State Counsel of the PRC has set the target to raise the penetration rate of new energy vehicles to 20% of the PRC passenger vehicle market by 2025, and battery electric vehicle is expected to become the mainstream new energy vehicle type among the new vehicles sold.

The above statistics and policies indicated the development trend and growth potential of new energy passenger vehicles industry in the PRC.

### *The Group's development strategy in new energy business*

With reference to the 2023 Annual Report:

- (i) The Group's revenue from sales of new energy vehicles increased by approximately 91.53% from FY2022 to FY2023.

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## LETTER FROM GRAM CAPITAL

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- (ii) The Group's revenue from sales of new energy vehicles represented approximately 7.71% of the Group's total revenue for FY2023 (FY2022: approximately 4.18%).
- (iii) The Group achieved sales of 102,000 new energy vehicles for FY2023, represented a year-on-year increase of approximately 46.6%.
- (iv) In 2023, the Group strengthened strategic cooperation in the realm of new energy transformation by increasing its equity interest in BAIC BluePark as part of its ongoing expansion in the new energy business.

As aforementioned, upon completion of the Entrustment, BAIC BluePark will become a subsidiary of the Company, and the product brands, vehicle line-up, and production and sales scale of the Group will be further expanded and strengthened. Additionally, the synergistic effects conducive to the Entrustment will also help to enhance the overall industry competitiveness and supply chain resource acquisition capabilities of both companies.

Having considered the above and increasing importance of new energy vehicles sales to the Group, we are of the view that the Entrustment aligns with the Group's development strategy.

### *Co-operation and synergy between the Group and BAIC BluePark Group*

With reference to BAIC BluePark's annual report for FY2023 and as advised by the Management, the Group and BAIC BluePark Group have co-operation on (i) vehicles research and development; (ii) products production, sales and after-sale services; and (iii) materials purchase.

As aforementioned, through the Entrustment, the Group has the practical ability to direct the development strategies, business policies, major investments and other aspects of BAIC BluePark in accordance with the applicable laws, and hence BAIC BluePark will be under the scope of the management of the Company, which will help the Company to plan its new energy vehicle sector. We consider that the Entrustment will facilitate the Group's implementation of its development plan in relation to BAIC BluePark Group and strengthen the co-operation between the Group and BAIC BluePark Group. In addition, the synergistic effects conducive to the Entrustment, including but not limited to reasonable allocation of key resources, will also help to improve comprehensive utilisation rate of resources and enhance the overall industry competitiveness and supply chain resource acquisition capabilities of the Group and BAIC BluePark Group.

### *Nil consideration*

As aforementioned, no consideration is payable by either party under the Entrustment Agreement. The strengthened co-operation and enhanced synergy between Group and BAIC BluePark Group through the Entrustment are expected to benefit the Group and facilitate development of the Group's new energy vehicle sector and BAIC BluePark Group's business.

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## LETTER FROM GRAM CAPITAL

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As aforementioned, there is increasing importance of new energy vehicles sales to the Group and the Entrustment aligns with the Group's development strategy. Should the continuous development of the Group's new energy vehicle sector and BAIC BluePark Group's business achieve positive results, the Group will be further benefited from the same.

### *Conclusion*

Having considered the above factors, in particular:

- (i) the development trend and growth potential of new energy passenger vehicles industry in the PRC;
- (ii) the Entrustment aligns with the Group's development strategy;
- (iii) the Entrustment will facilitate the Group's implementation of its development plan in relation to BAIC BluePark Group and strengthen the co-operation between the Group and BAIC BluePark Group;
- (iv) no consideration is payable by either party under the Entrustment Agreement;
- (v) the strengthened co-operation and enhanced synergy between Group and BAIC BluePark Group through the Entrustment are expected to benefit the Group and facilitate development of the Group's new energy vehicle sector and BAIC BluePark Group's business; and
- (vi) should the continuous development of the Group's new energy vehicle sector and BAIC BluePark Group's business achieve positive results, the Group will be further benefited from the same,

we are of the view that (a) although the Entrustment is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and its Shareholders as a whole; and (b) the terms of the Entrustment are fair and reasonable.

### **Possible financial effects of the Entrustment**

With reference to the Board Letter, as a result of the Entrustment, members of the BAIC BluePark Group will become subsidiaries of the Company and their assets, liabilities and financial results (except profits and losses attributable to the Entrusted Shares will not be accounted for in the profit attributable to equity holders of the Company under its consolidated financial statements as BAIC Group will retain the rights to income/loss attached to the Entrusted Shares) will be consolidated into the consolidated financial statements of the Company. The profits and losses attributable to the Entrusted Shares will be accounted for as non-controlling interest in the consolidated financial statements of the Company.

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## LETTER FROM GRAM CAPITAL

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### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Entrustment are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Entrustment is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Entrustment and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

*Note:* Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

\* *for identification purpose only*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, and to the best knowledge of the Directors, the following entities/persons (except for the Directors, Supervisors and senior management) have interests or short positions in the Shares or underlying Shares which are required to be disclosed to the Company pursuant to Divisions 2 and 3 in Part XV of the SFO or recorded in the register required to be kept under section 336 of the SFO, or who were directly and/or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings:

Name of Shareholder	Class of Shares	Number of Shares/ underlying Shares <sup>Note 1</sup>	Percentage of relevant class of Shares (%) <sup>Note 2</sup>	Percentage of the total share capital (%)
Beijing Automotive Group Co., Ltd.	Domestic Shares	3,716,659,704(L)	67.64	46.37
Shougang Group Co., Ltd.	Domestic Shares	1,028,748,707(L)	18.72	12.83
Mercedes-Benz Group AG	H Shares	765,818,182(L)	30.38	9.55

*Notes:*

- (L) – Long position, (S) – Short position, (P) – Lending pool.
- The percentage is calculated by the number of Shares held by relevant Shareholder/the number of relevant classes of Shares in issue as at the Latest Practicable Date.

**3. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES**

As at the Latest Practicable Date, none of the Directors, Supervisors or the chief executive had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register as referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

**4. DIRECTORS' AND SUPERVISORS' INTERESTS IN ASSETS AND/OR CONTRACTS**

As at the Latest Practicable Date, none of the Directors or the Supervisors had any direct or indirect interest in any assets which have been, since 31 December 2023, the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors or the Supervisors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

**5. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS**

The Company has entered into service contracts with all of the Directors and Supervisors. As at the Latest Practicable Date, none of the Directors or Supervisors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

## 6. DIRECTORS' AND SUPERVISORS' POSITIONS IN SUBSTANTIAL SHAREHOLDERS

Save as disclosed in "9. COMPETING INTERESTS" in Appendix I to this circular, as at the Latest Practicable Date, the following Directors and Supervisors were in the employment of those companies which had interests or short positions in the shares or underlying shares of the Company which are required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

<b>Name of the Director/Supervisor</b>	<b>Position in the specific company</b>
Mr. Paul Gao	Chief Strategy Officer of Mercedes-Benz Group AG

## 7. LITIGATION

As at the Latest Practicable Date, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company.

## 8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, the date to which the latest published audited accounts of the Company were made up.

## 9. COMPETING INTERESTS

The table below summarizes the information of the Directors serving in BAIC Group and its subsidiaries as at the Latest Practicable Date.

<b>Name</b>	<b>Major position(s) in the Group</b>	<b>Position in the specific company</b>
Mr. Chen Wei	<ul style="list-style-type: none"> <li>Chairman of the Board and non-executive Director</li> </ul>	<ul style="list-style-type: none"> <li>Deputy general manager of BAIC Group</li> <li>Executive director and general manager of BAIC Group Off-road Vehicle Co., Ltd.* (北京汽車集團越野車有限公司)</li> </ul>
Mr. Hu Hanjun	<ul style="list-style-type: none"> <li>Non-executive Director</li> </ul>	<ul style="list-style-type: none"> <li>Deputy general manager and secretary to the board of directors of BAIC Group</li> </ul>
Mr. Chen Hongliang	<ul style="list-style-type: none"> <li>Non-executive Director</li> </ul>	<ul style="list-style-type: none"> <li>Assistant to the general manager of BAIC Group</li> </ul>

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with the business of the Group.

#### **10. EXPERT'S QUALIFICATION AND CONSENT**

As at the Latest Practicable Date, Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

The following is the qualification of the expert who has given advice or recommendations, which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Gram Capital	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

#### **11. EXPERT'S INTERESTS**

As at the Latest Practicable Date, Gram Capital:

- (1) did not have any direct or indirect interest in any assets which have been, since 31 December 2023, the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group; and
- (2) did not have any shareholding in any member of the Group or the rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for the securities in any member of the Group.

#### **12. MISCELLANEOUS**

- (1) The primary contact person of the Company is Mr. Wang Jianhui, Secretary to the Board and Company Secretary of the Company.
- (2) The registered address of the Company is A5-061, Unit 101, 5th Floor, Building No. 1, Courtyard No. 99, Shuanghe Street, Shunyi District, Beijing, the PRC. The Group is principally engaged in the manufacturing and sales of passenger vehicles, engines and auto parts in the PRC.
- (3) The H Share Registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited located at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (4) The English version of the circular shall prevail over the Chinese version in the event of inconsistency.

**13. DOCUMENTS ON DISPLAY**

Copies of the following documents will be available on the Company's website ([www.baicmotor.com](http://www.baicmotor.com)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) for a period of 14 days from the date of this circular:

- (1) the Entrustment Agreement;
- (2) the letter from the Independent Board Committee, the text of which is set out on pages 16 to 17 of this circular;
- (3) the letter from Gram Capital, the Independent Financial Adviser, the text of which is set out on pages 18 to 31 of this circular;
- (4) written consent issued by Gram Capital referred to in the paragraph headed "EXPERT'S QUALIFICATION AND CONSENT" above; and
- (5) this circular.

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## NOTICE OF 2024 SECOND EXTRAORDINARY GENERAL MEETING

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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)**

## NOTICE OF 2024 SECOND EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2024 second extraordinary general meeting (the “EGM”) of BAIC Motor Corporation Limited (the “Company”) will be held at 9:30 a.m. on Wednesday, 22 May 2024 at Multi-purpose Hall, 1st Floor, the South Tower of Beijing Automotive Industry Research and Development Base, No. 99 Shuanghe Street, Shunyi District, Beijing, the PRC for the purpose of considering, among others, and if thought fit, passing the following resolution (with or without amendments). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 6 May 2024:

### ORDINARY RESOLUTION

1. (a) to approve the Entrustment Agreement and the Entrustment contemplated thereunder; and
- (b) to authorize the Board, and the Board to delegate to the chairman and the management of the Company, to take responsibility for the matters relating to the Entrustment in accordance with the specific situation and market conditions.

By Order of the Board  
**BAIC Motor Corporation Limited**  
**Chen Wei**  
*Chairman of the Board*

Beijing, the PRC, 6 May 2024

\* For identification purpose only

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## NOTICE OF 2024 SECOND EXTRAORDINARY GENERAL MEETING

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*Notes:*

- (A) The register of members of the Company will be closed from Friday, 17 May 2024 to Wednesday, 22 May 2024 (both days inclusive), during which period no transfer of Shares will be effected. Holders of H Shares whose names appear on the register of H Shares as maintained by Computershare Hong Kong Investor Services Limited at the close of business hours on Thursday, 16 May 2024 are entitled to attend and vote at the EGM following completion of the registration procedures. To be eligible to attend and vote at the EGM, all the transfer documents of H Shares and Domestic Shares must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares no later than 4:30 p.m. on Thursday, 16 May 2024 or the China Securities Depository and Clearing Corporation Limited at 23 Floor, Shenzhen Stock Exchange Square, Futian District, Shenzhen, Guangdong Province, the PRC for holders of Domestic Shares no later than 4:00 p.m. on Thursday, 16 May 2024.
- (B) Each Shareholder entitled to attend and vote at the EGM may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the EGM on its behalf. A proxy need not be a Shareholder. With respect to any Shareholder who has appointed more than one proxy, the proxies may only vote on a poll.
- (C) A proxy shall be appointed by a Shareholder by a written instrument signed by the appointor or his/her attorney duly authorised in writing. In case of a corporation, the same must be either under its common seal or under the hand of its legal representative or duly authorised attorney(s). If the written instrument is signed by an attorney of the appointor, the power of attorney or other documents of authorisation of such attorney shall be notarised.
- (D) To be valid, the form of proxy and the relevant notarised power of attorney (if any) and other relevant documents of authorisation (if any) as mentioned in Note (C) above must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares or the Board of Directors' Office at Room 5-054, Tower A, Beijing Automotive Industry Research and Development Base, No. 99 Shuanghe Street, Shunyi District, Beijing, the PRC for holders of Domestic Shares, not later than 24 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the meeting if he/she so desires.
- (E) A Shareholder or his/her proxy should produce proof of identity when attending the EGM. Where a Shareholder is a legal person, the legal representative of that Shareholder or the person authorised by its board of directors or other governing body shall produce a copy of the authorisation documents of the board of directors or other governing body of such Shareholder appointing such person to attend the meeting.
- (F) The EGM is expected to last for half a day. Shareholders who attend the EGM shall bear their own travelling and accommodation expenses.

*As at the date of this notice, the Board comprises Mr. Chen Wei, as Chairman of the Board and non-executive Director; Mr. Hu Hanjun and Mr. Chen Hongliang, as non-executive Directors; Mr. Song Wei, as executive Director; Mr. Liu Guanqiao, Mr. Ye Qian, Mr. Paul Gao, Mr. Kevin Walter Binder, Mr. Gu Tiemin and Mr. Sun Li, as non-executive Directors; and Ms. Yin Yuanping, Mr. Xu Xiangyang, Mr. Tang Jun, Mr. Edmund Sit and Mr. Ji Xuehong, as independent non-executive Directors.*