



BAIC Motor Corporation Limited

Roadshow Presentation

December 2014

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Transaction overview



Issuer	<ul style="list-style-type: none"> ■ BAIC Motor Corporation Limited (1958.HK) 										
Listing Venue	<ul style="list-style-type: none"> ■ The Main Board of the Stock Exchange 										
Offering Price	<ul style="list-style-type: none"> ■ HK\$8.9 per share 										
Offering Size	<ul style="list-style-type: none"> ■ Base Offering: 1,238,820,000 H shares (representing 16.5% of the enlarged share capital) <ul style="list-style-type: none"> ✓ Primary Shares: 1,126,200,000 H shares (representing 15% of the enlarged share capital) ■ Over-allotment Option (“Greenshoe”): no more than 15% of the initial Offer Shares 										
Offering Structure	<ul style="list-style-type: none"> ■ International Offering (144A / Reg S): 95% (subject to clawback arrangement) ■ Hong Kong Public Offering: 5% (subject to clawback arrangement) 										
Expected Timetable	<ul style="list-style-type: none"> ■ International Roadshow: December 8 – December 12 ■ Hong Kong Public Offering: December 9 – December 12 ■ Pricing Date: December 12 HKT (December 11 EST) ■ Listing Date: December 19 										
Cornerstone Investors (USD 786m)	<table border="0"> <tr> <td>✓ China Aerospace Investment Holdings (c. USD 320m)</td> <td>✓ CITIC Limited (c. USD 50m)</td> </tr> <tr> <td>✓ Beijing Automobile City Investment and Management (c. USD 100m)</td> <td>✓ PICC Property and Casualty (c. USD 50m)</td> </tr> <tr> <td>✓ Beijing E-Town International Investment & Development (c. USD 100m)</td> <td>✓ Dazhong Transportation (c. USD 30m)</td> </tr> <tr> <td>✓ Beijing Enterprises Group (c. USD 50m)</td> <td>✓ Converge Bright (c. USD 26m)</td> </tr> <tr> <td>✓ CMB International Capital (c. USD 50m)</td> <td>✓ China North Industries (c. USD 10m)</td> </tr> </table>	✓ China Aerospace Investment Holdings (c. USD 320m)	✓ CITIC Limited (c. USD 50m)	✓ Beijing Automobile City Investment and Management (c. USD 100m)	✓ PICC Property and Casualty (c. USD 50m)	✓ Beijing E-Town International Investment & Development (c. USD 100m)	✓ Dazhong Transportation (c. USD 30m)	✓ Beijing Enterprises Group (c. USD 50m)	✓ Converge Bright (c. USD 26m)	✓ CMB International Capital (c. USD 50m)	✓ China North Industries (c. USD 10m)
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✓ Beijing Enterprises Group (c. USD 50m)	✓ Converge Bright (c. USD 26m)										
✓ CMB International Capital (c. USD 50m)	✓ China North Industries (c. USD 10m)										
Joint Sponsors											
Joint Global Coordinators (in alphabetical order)											
Joint Bookrunners (in no particular order)											

Section I

COMPETITIVE STRENGTHS

- 1 Leading manufacturer of passenger vehicles in China, with a portfolio of complementary brands and products, and strong positioning in fast-growing segments of the market
- 2 Beijing brand - has a long history, advanced technology and precise market positioning, and a large number of new and competitive vehicle models are to be introduced
- 3 Beijing Benz - with the historic Mercedes-Benz premium brand, is primed for growth from new model launches, increased localization and an integrated sales platform
- 4 Beijing Hyundai - is a rapidly growing mid- to high-end passenger vehicle business with a competitive product portfolio, and has grown rapidly from a new entrant to a market leader in China
- 5 Diversified and international shareholding structure and sound corporate governance
- 6 International management team with an excellent track record, supported by a professional workforce

1

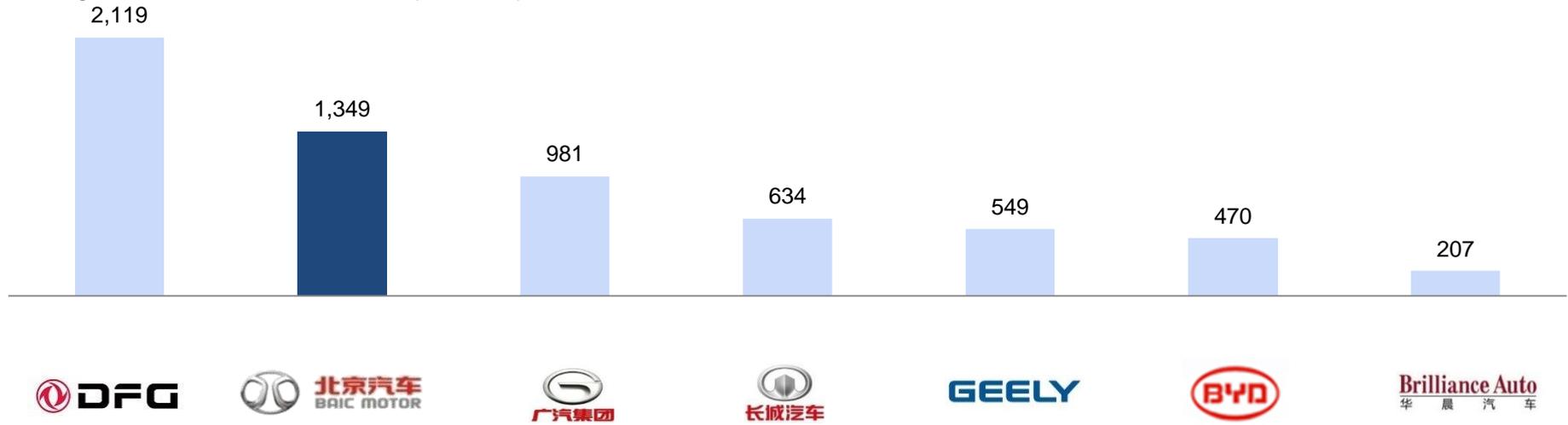
Leading manufacturer of passenger vehicles in China with sales volume growing at a rate much faster than the industry average



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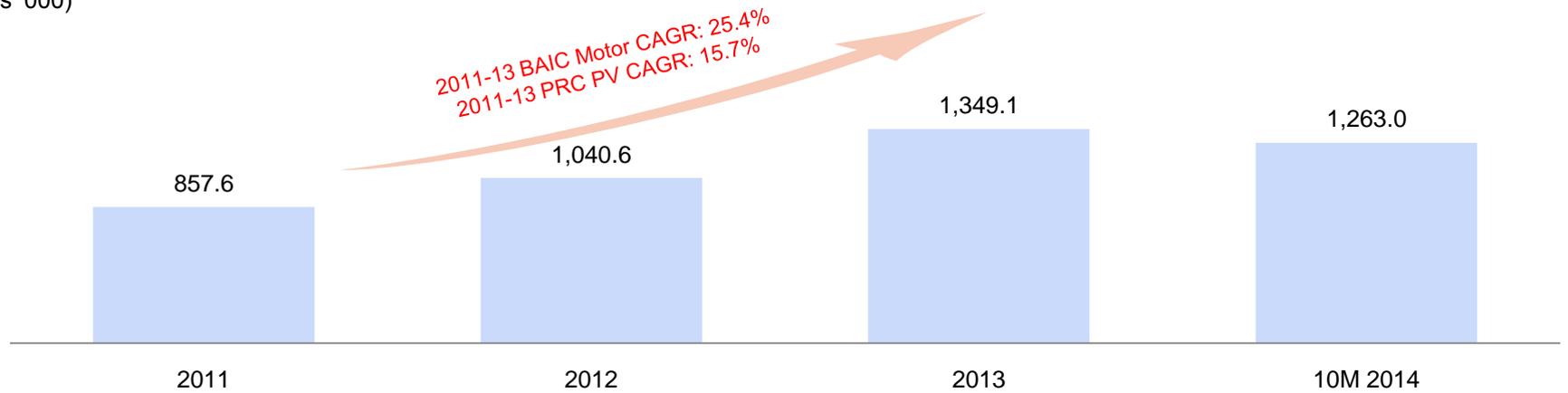
2nd largest passenger vehicle manufacturer listed on the HKSE upon the listing⁽¹⁾

Passenger vehicle sales volume in 2013 (units' 000)

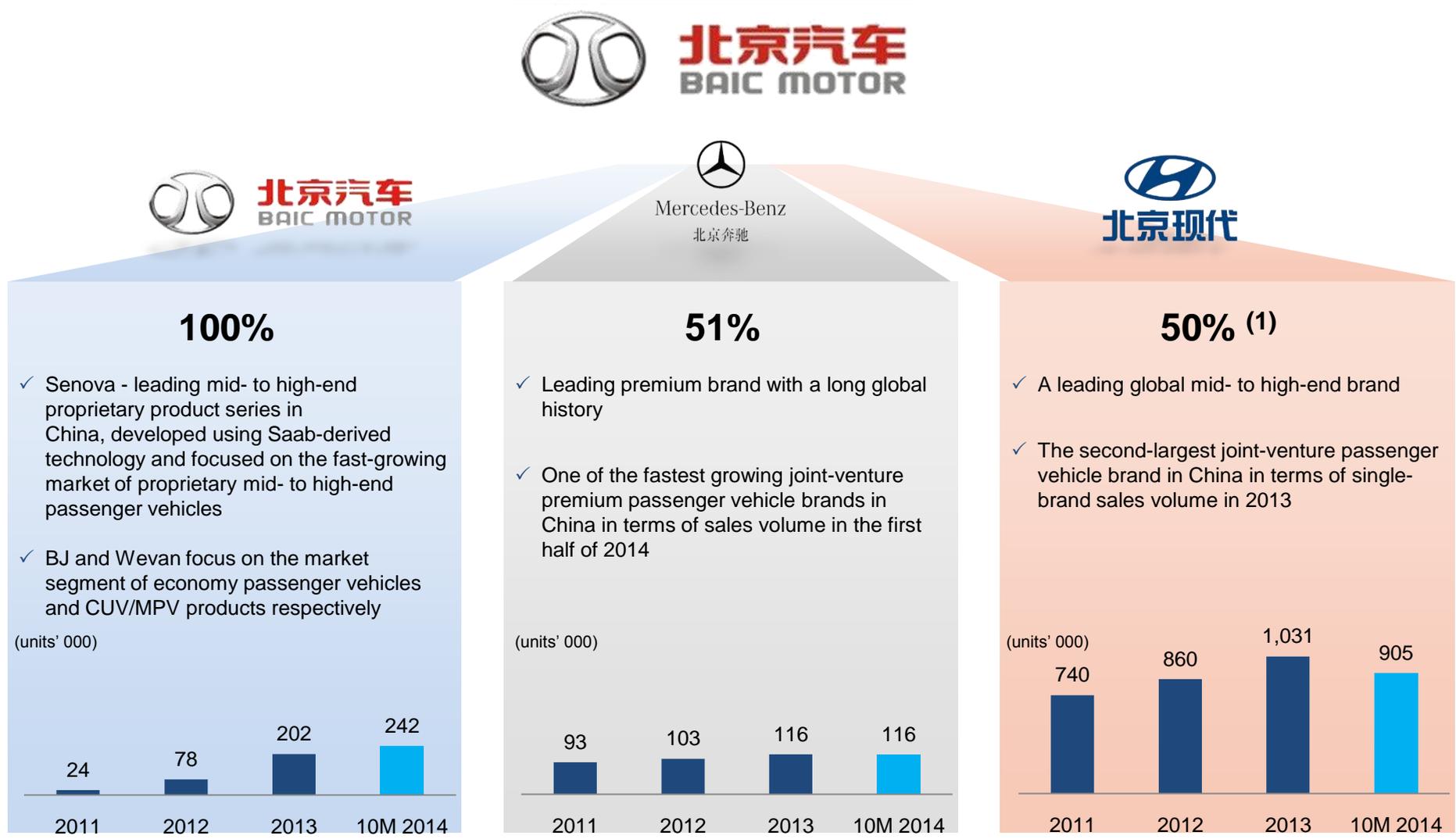


From 2011 to 2013, sales volume has grown at a CAGR much faster than the industry average

(units' 000)



Note: (1) total passenger vehicle sales volume of Beijing Motor, Beijing Benz and Beijing Hyundai



Note: (1) BAIC Motor holds 50% equity interest in Beijing Hyundai through BAIC Investment (97.95% owned by BAIC Motor)

1

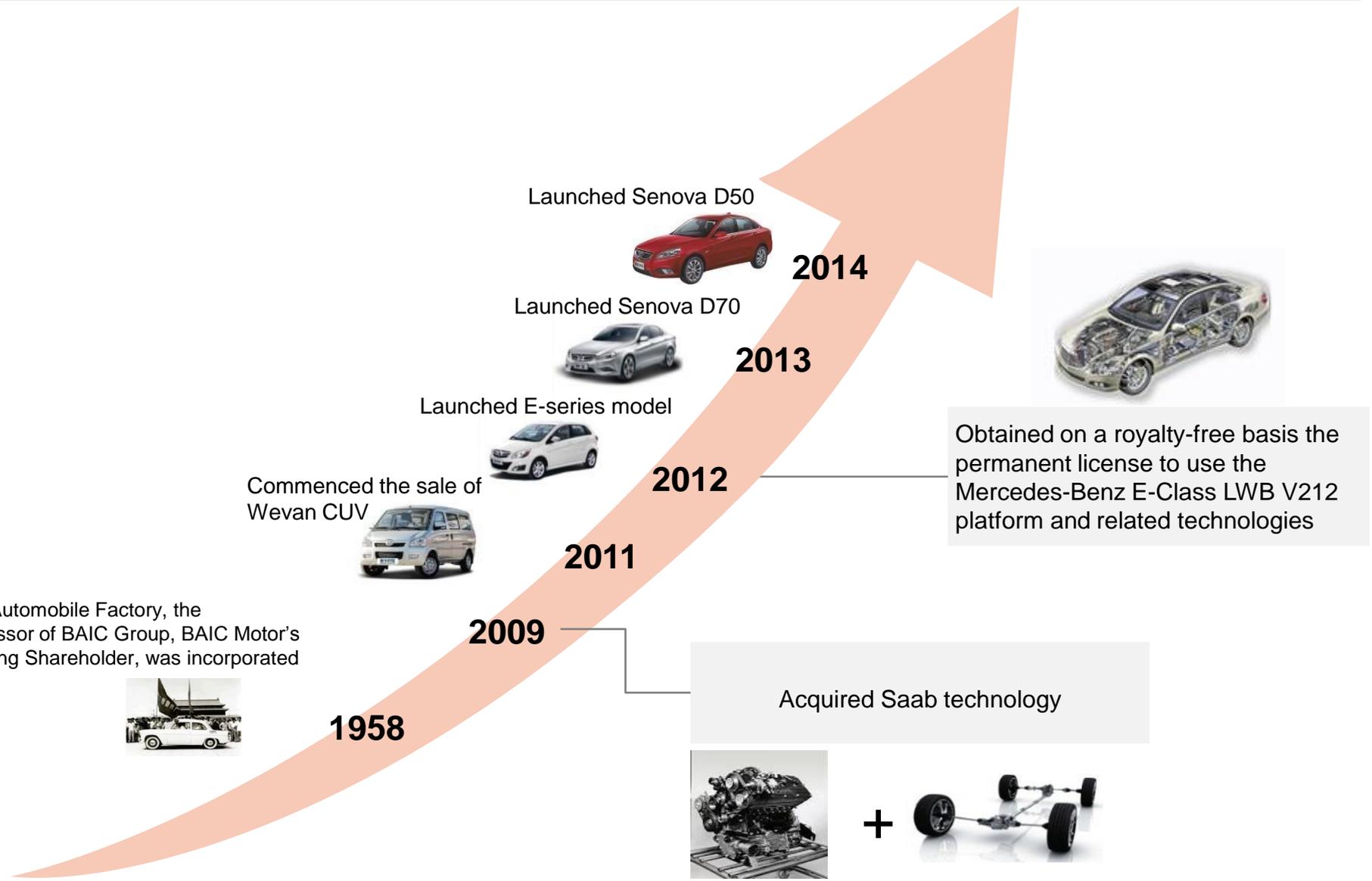
Comprehensive product portfolio covering multiple categories of passenger vehicles



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	CUV	MPV	Small-size sedan	Compact sedan	Mid-size sedan	Mid-to-large-size sedan	SUV
JV premium Mercedes-Benz 北京奔驰					C-Class C-Class (LWB) New C-Class (regular-wheelbase)	E-Class (LWB)	New GLK GLA
JV mid-to high-end 北京现代			Verna	Elantra Elantra Landong Elantra Yuedong	Sonata 8 New Sonata	Sonata Moinca Mistra	New Tucson ix35 New Sante Fe ix25
Proprietary mid-to high-end 绅宝 SENOVA			Senova D20	Senova D50 Senova D60	Senova D70 Senova CC Senova D80		Senova X65 Senova X55 Senova C33
Proprietary economy 北京® 北汽威旺		Wevan 306 / 307 Wevan 206 / 207		BJ E-series Wevan M20			

Note: Red symbolizes new models or new generation



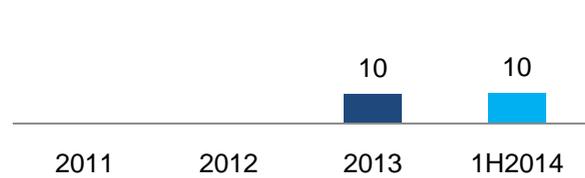


BAIC Motor's proprietary product series



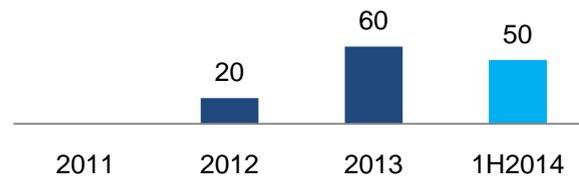
- ✓ Based on Saab-derived technology⁽¹⁾
- ✓ Targets customers who value both vehicle performance and cost efficiency
- ✓ More than 10,000 units were sold in 2013, making Senova D70 the best-selling mid-size mid- to high-end proprietary brand sedan in China during that period

(units' 000)



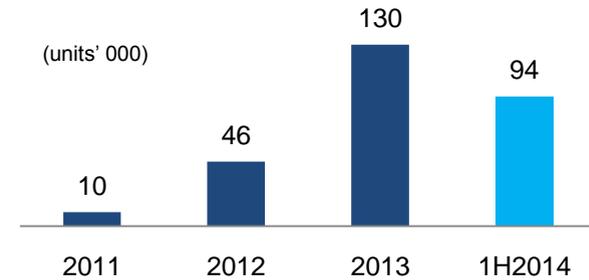
- ✓ Focused on economy passenger vehicles
- ✓ One of the two best selling small-size proprietary brand models in China

(units' 000)



- ✓ Focused on CUV and MPV products
- ✓ Targets small and micro businesses and individuals in China

(units' 000)



Note: (1) excludes D20



Acquired and further developed Saab technology

- ✓ Obtained the architecture for three Saab models, two series of turbo engine, two transmission models and production tools and molds
- ✓ By adapting and upgrading Saab's designs and technical standards, Beijing Motor has established its own proprietary passenger vehicle platform
- ✓ Three turbo engine models, B185, B205 and B235 based on the Saab turbo engine technologies have been developed

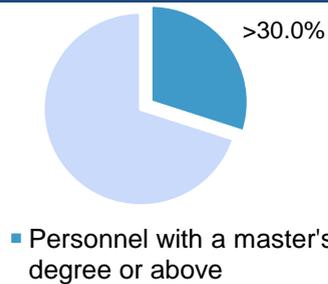
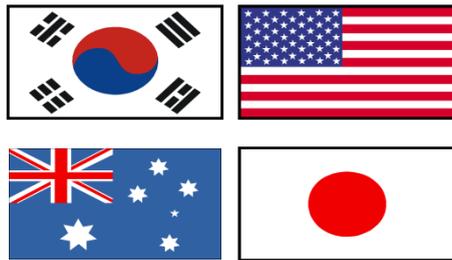
Obtained Benz V212 platform and related technologies

- ✓ Obtained the permanent license to use the Mercedes-Benz E-Class LWB V212 platform and related technologies
- ✓ Provides a solid foundation for the development of mid- to large-size premium sedans of Beijing Motor

R&D achievements

- ✓ 1,114 patents and 995 patent applications submitted
- ✓ Passenger vehicle research institute has product engineering center, product research center, new-energy vehicle research and development center, trial production center and modeling center
- ✓ An extensive and stringent R&D process management system for Beijing Motor has been developed

Diversified backgrounds of R&D personnel



- ✓ The research and development personnel for our proprietary brand include overseas professionals from South Korea, the United States, Australia and Japan
- ✓ Over 30% of our research and development personnel possess a master's degree or above, and many of them have an overseas education background and/or work experience

Long-term cooperative relationships with domestic and foreign leading institutions

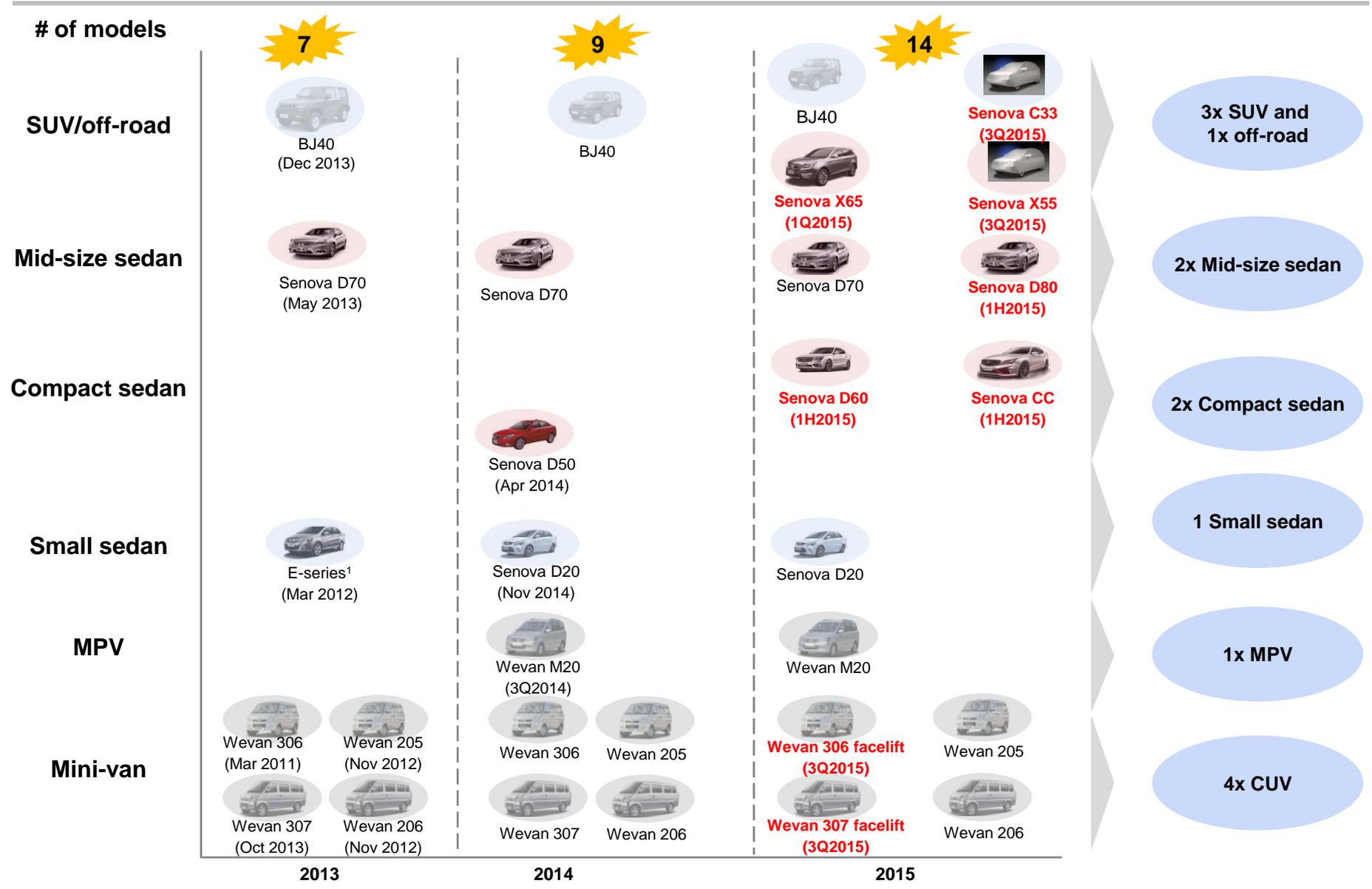


2

Beijing brand - continues to introduce new and competitive vehicle models



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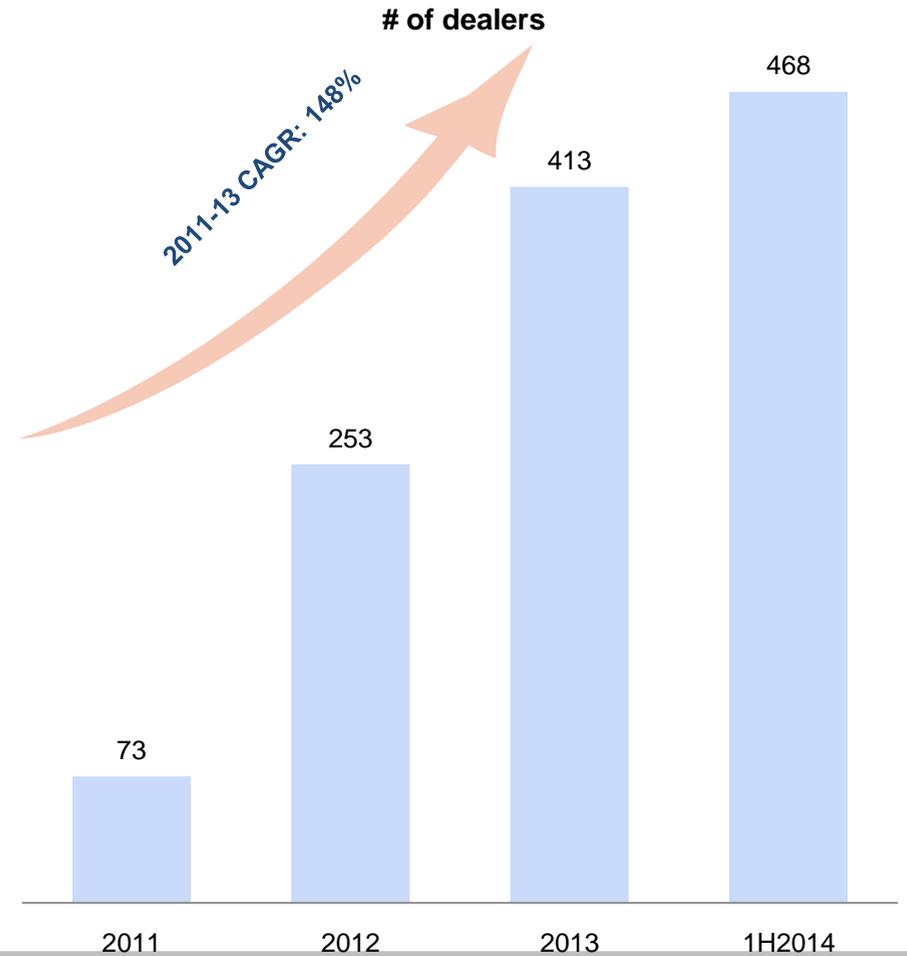
Note: (1) includes two-box and three-box

Maintain foothold in eastern and central market with large market size and expand in third-and fourth-tier cities with high growth potential to sustain rapid growth in the future

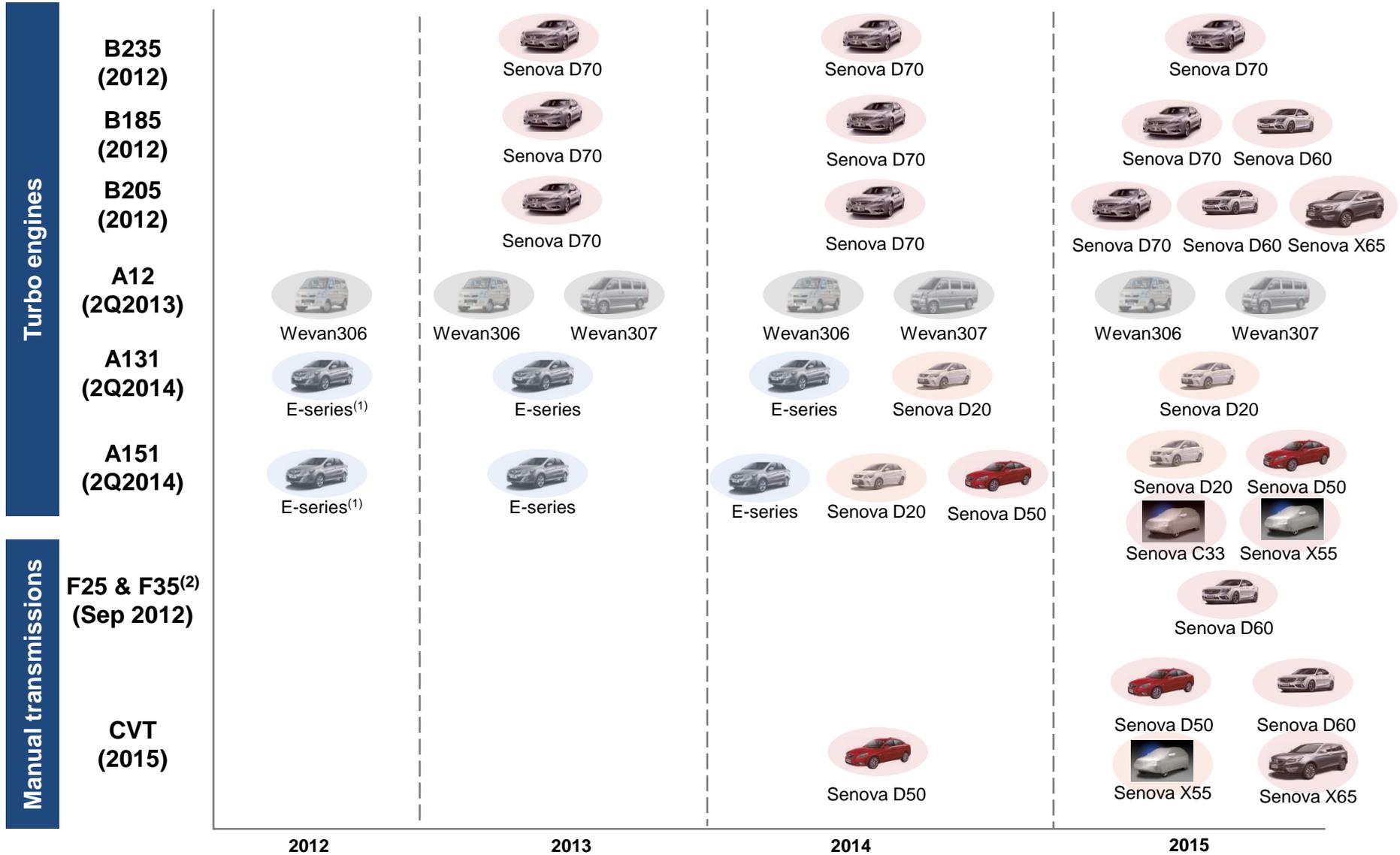
Rapid expansion of the dealership network



- ✓ Open more dealership outlets in first-tier and second-tier cities in coastal regions in China, such as Guangdong Province, Fujian Province, Guangxi Province, Zhejiang Province and Jiangsu Province
- ✓ Increase penetration in third-tier and fourth-tier cities in the PRC



Beijing brand - improving cost structure through increasing the number of units produced on the same platform, and insourcing engines and transmission manufacturing



Notes:

(1) includes two-box and three-box

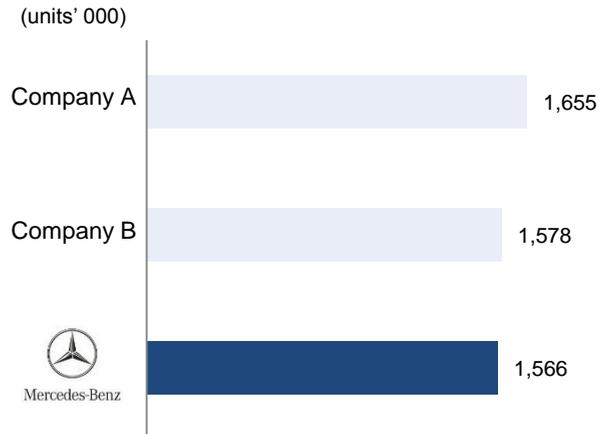
(2) trial manufacturing based on the Weigl technology in September 2012

3

Beijing Benz - further develop long-term strategic partnership between BAIC and Daimler AG



A global top-three premium passenger vehicle brand



Note: by sales volume in 2013

Daimler AG aims to reclaim its position as the global top premium passenger vehicle brand by 2020



Ranked third among all premium passenger vehicle brands in China



Note: by sales volume in 2013

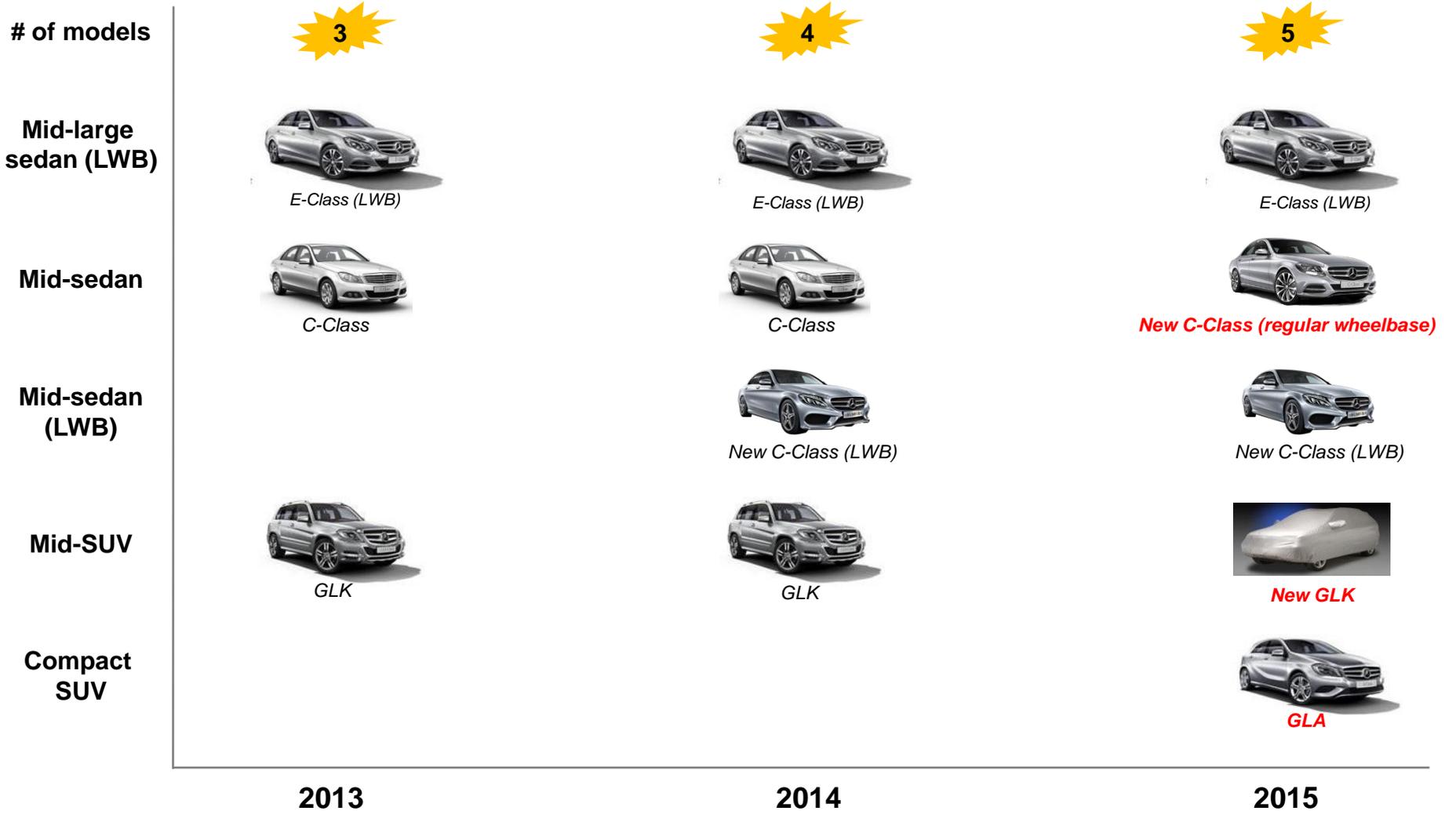
Deepening the strategic cooperation



Launched comprehensive measures to improve profitability rapidly

- I Mercedes-Benz is in the middle of renewal phase in its model launch cycle both globally and in China
- II Beijing Benz will greatly benefit from the launch of new models and increased localization of production
- III New manufacturing plants will expand the production capacity and promote the localization of more Mercedes-Benz models
- IV Mercedes-Benz has reorganized and expanded its sales network and distribution platform
- V Beijing Benz has extended its presence in the industry value chain and is increasing its cost competitiveness
- VI Beijing Benz has built up strong research and development capabilities

Gain access to more market segments...



Initiatives to reduce or control procurement costs without compromising on the quality of products

- i As a result of our increasing production scale and procurement volume, our increasing bargaining power has helped us to reduce the prices of raw materials, parts and components through negotiation with our suppliers
- ii Continuously optimized the design of our passenger vehicle products to achieve higher cost effectiveness
- iii Initiated the standardization and modularization of the parts and components to be used in our passenger vehicles, which has not only improved our production efficiency, but also improved the cost structure of our products

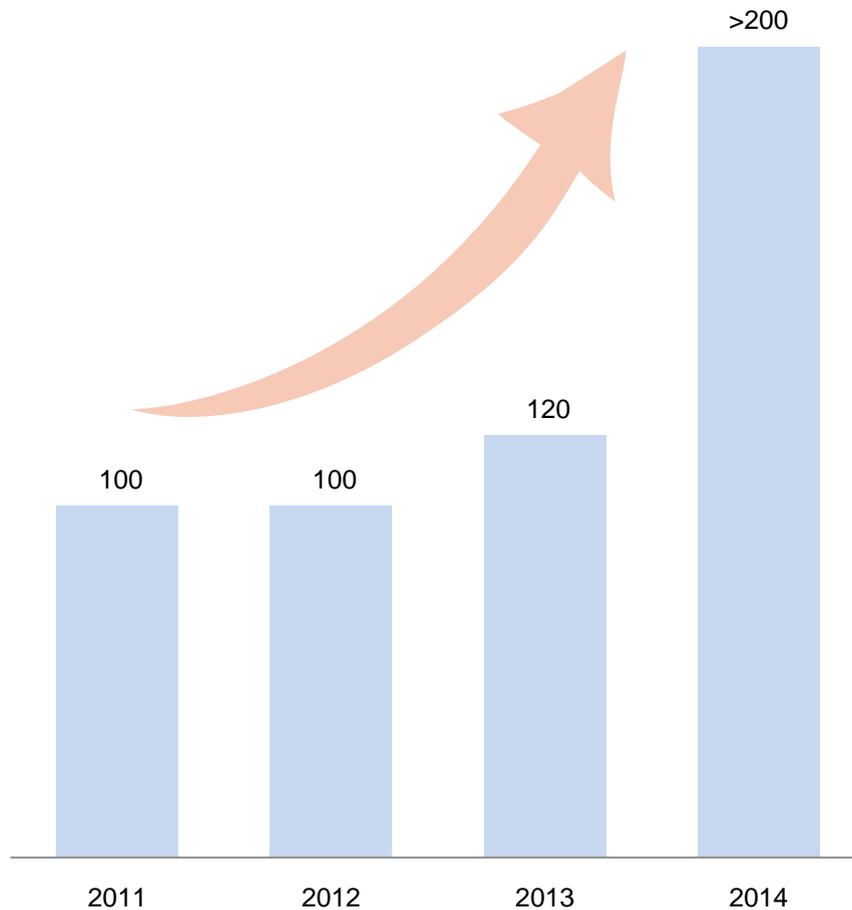


Beijing Benz - new manufacturing plants will expand the production capacity and promote the localization of more Mercedes-Benz models



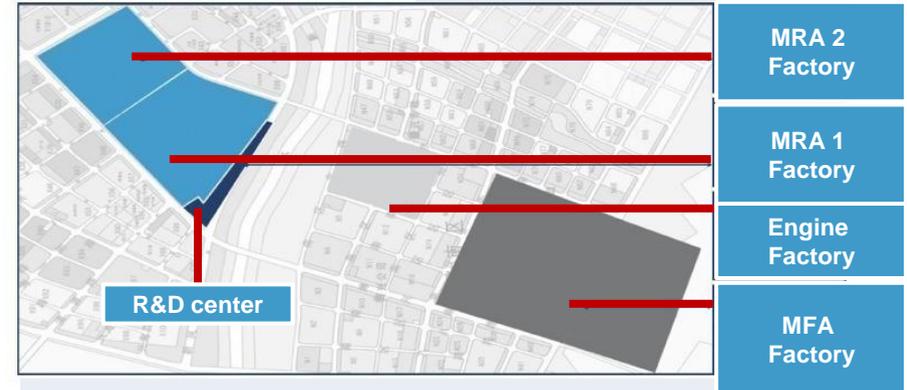
Beijing Benz will continue to expand its production capacity

(units' 000)



The platform reorganization strategy of Mercedes-Benz

For E-Class, C-Class and GLK



For small-size and compact model. GLA will be the first compact model produced on MFA platform

Note: MRA - Mercedes-Benz Rear-wheel-drive Architecture
MFA - Mercedes-Benz Front-wheel-drive Architecture

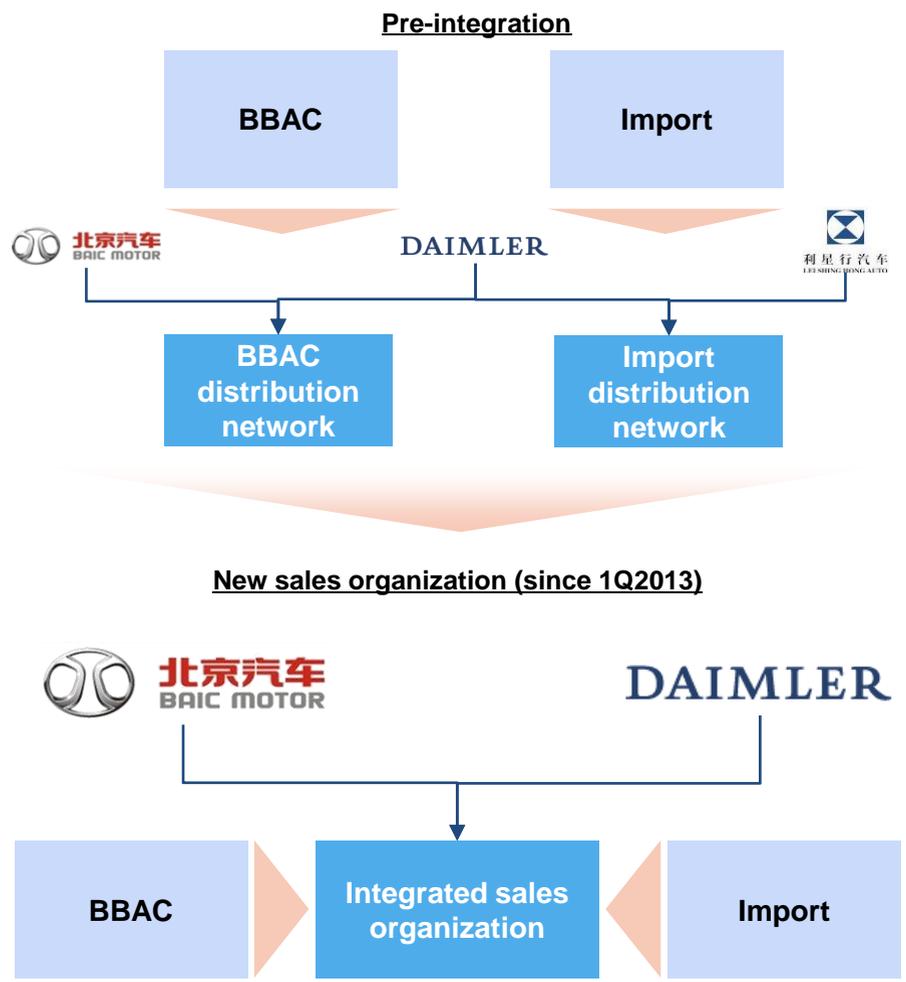
- ✓ MRA 2 factory will be completed in 2015
- ✓ The products will be derived from:
 - MRA platform (such as new C-Class and GLK SUV)
 - MFA platform (such as GLA and other compact models)

3

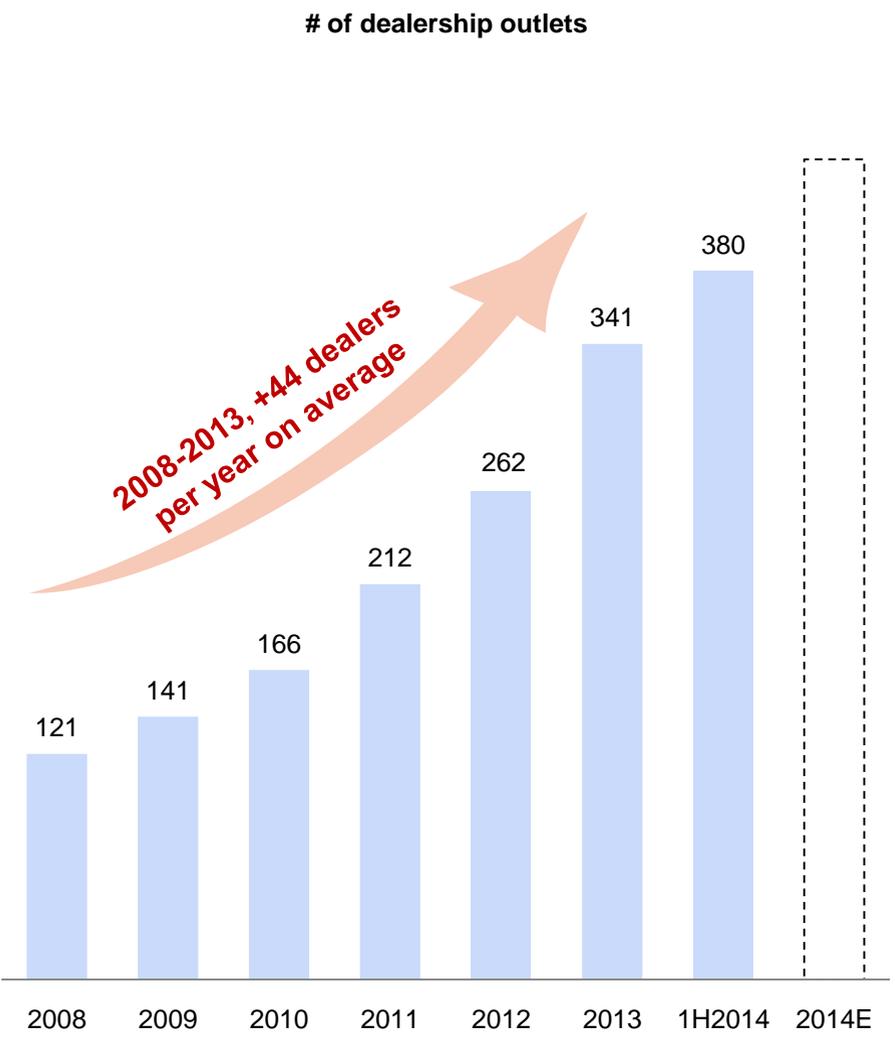
Beijing Benz - has reorganized and expanded its sales network and distribution platform



New integrated sales platform

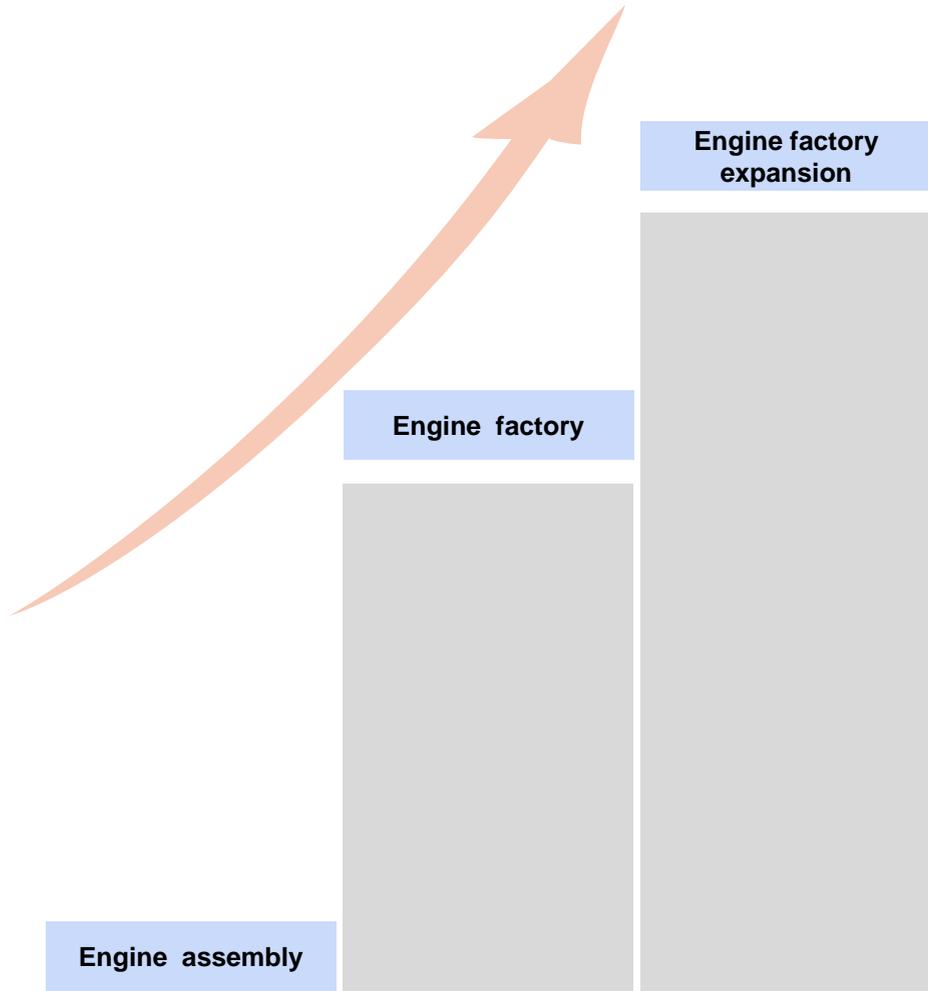


Retail network active expansion



Increase the in-house production of engines

Established Daimler AG's first engine production plant outside of Germany



Expand presence in the production value chain

- ✓ Avoid high import costs of engines and engine components
- ✓ Reduce our production costs and improve our profitability
- ✓ In mid-2014, Beijing Benz started to export key engine components

The largest R&D center under Daimler AG's overseas joint ventures

- ✓ Beijing Benz opened its new R&D center in Beijing in July 2014, which is mainly comprised of a trial production unit, a laboratory and test roads
- ✓ Occupies a land parcel of approximately 150k m² and buildings with a gross floor area of approximately 236k m², equipped with world-class R&D facilities
- ✓ Responsible for localization design, examination of automobiles, parts and components, trial assembly and localization of the production of parts and components
- ✓ Will significantly enhance the competitiveness of Beijing Benz

Equipped with advanced laboratory facilities imported from Germany

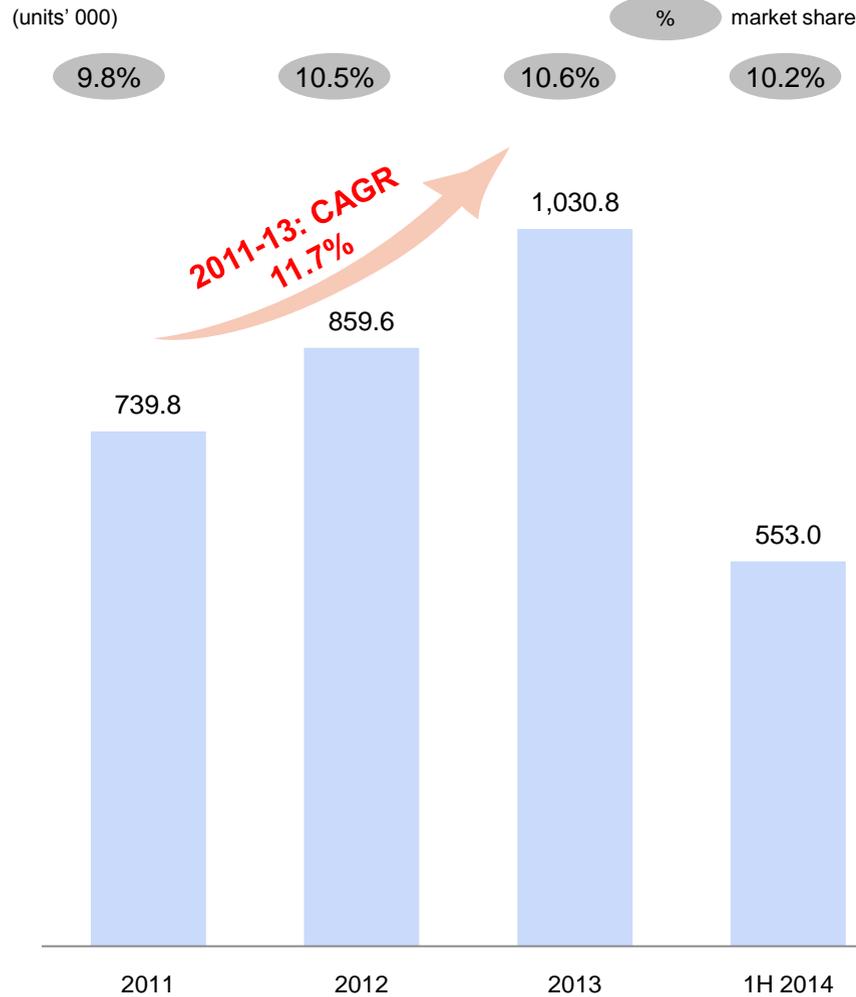


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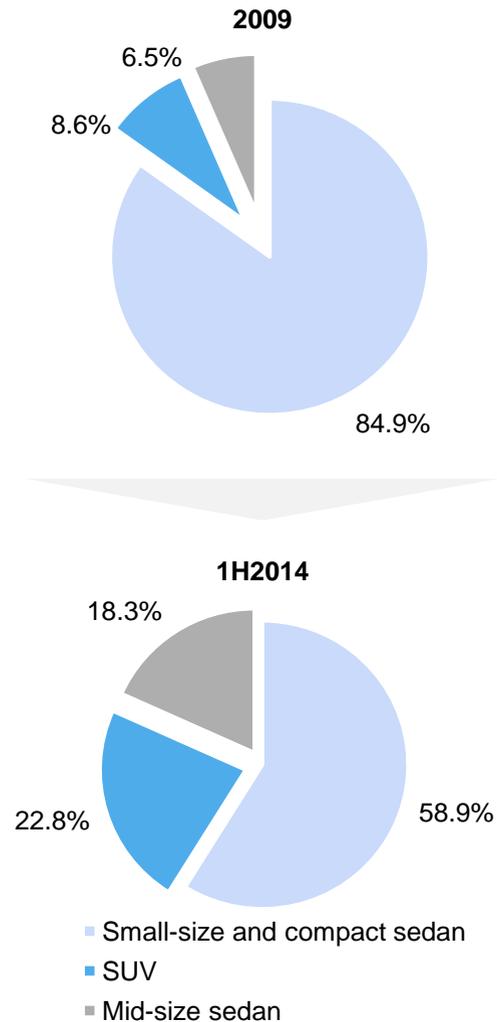
Beijing Hyundai - has been growing rapidly in terms of sales volume, and continues to further improve its product mix

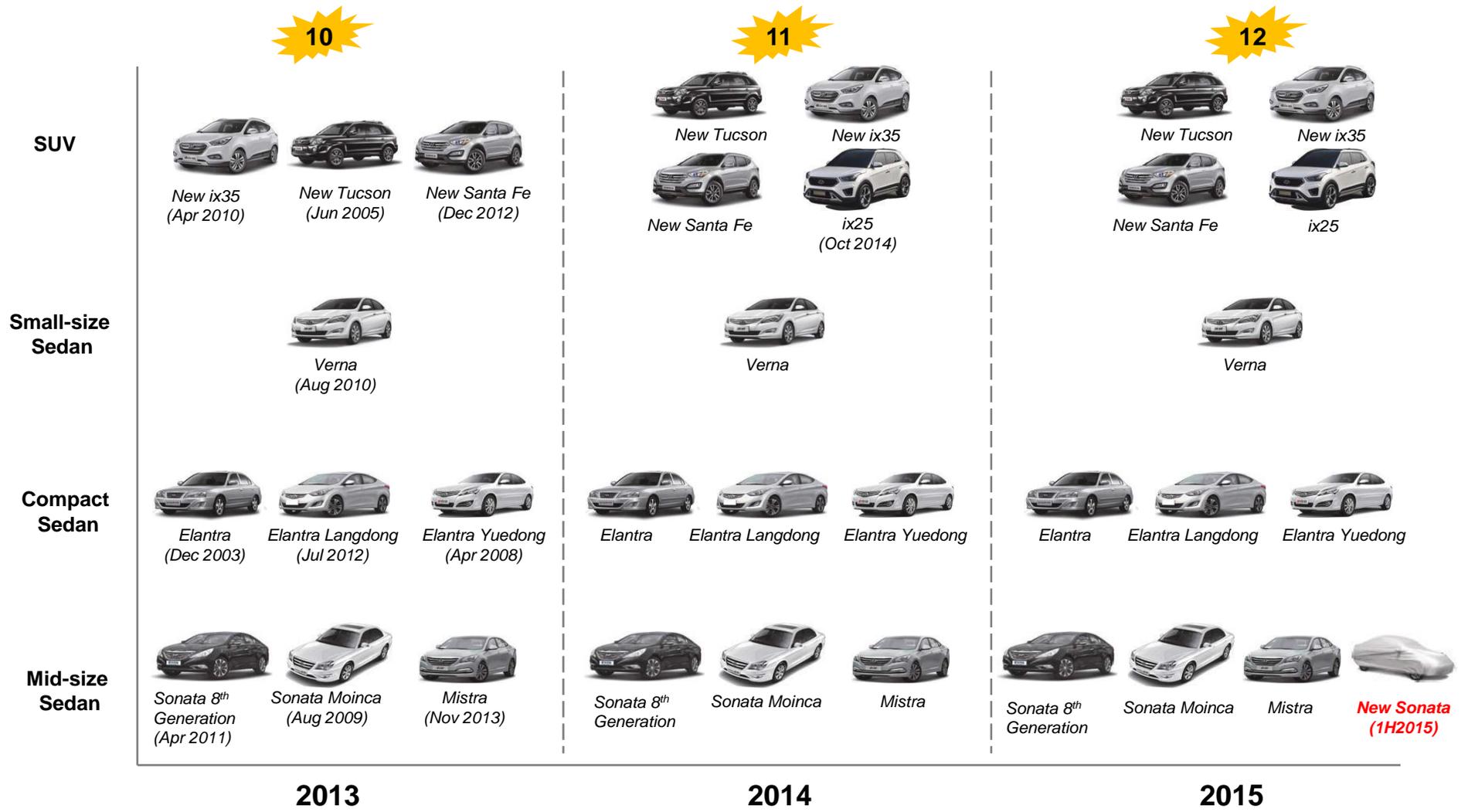


Rapid sales growth with cumulative sales volume exceeding six million units



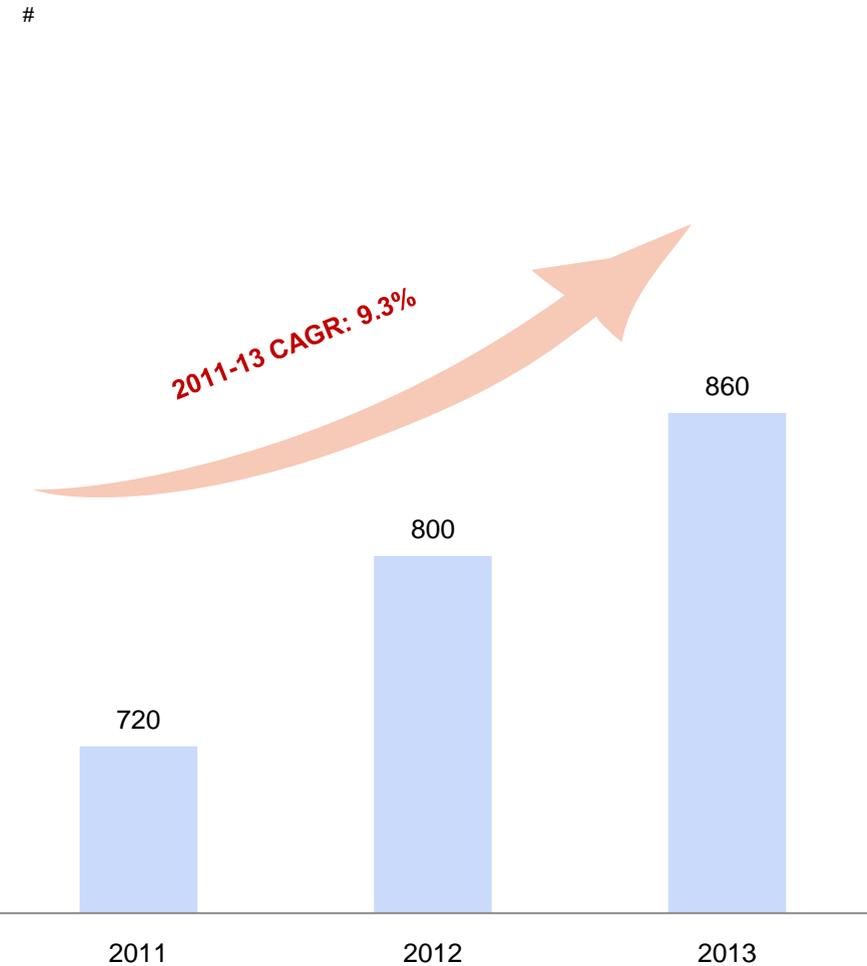
Continues to further improve its product mix and overall pricing position





Continuous dealership network expansion

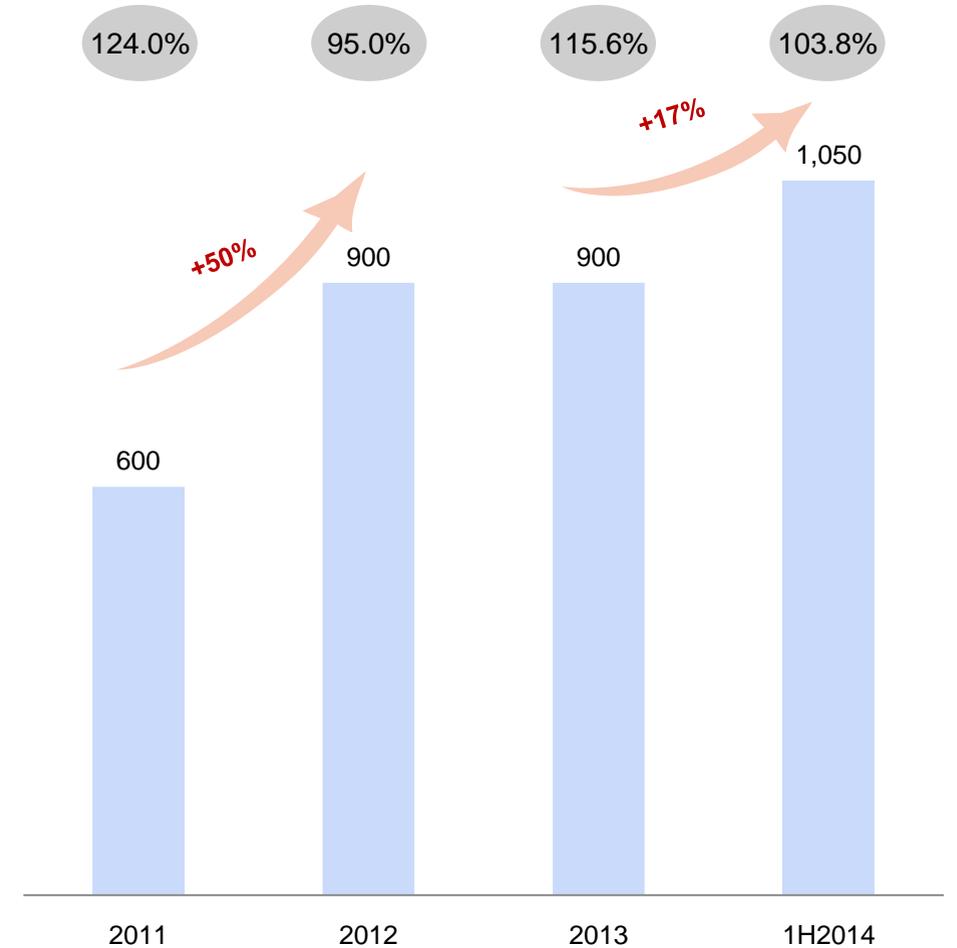
of dealership outlets in China



Utilization rate of production facilities remains high in recent years. Capacity expansion will support future growth

Capacity (units' 000)

Utilization rate (%)



5

A diversified and international shareholding structure and sound corporate governance



A Diversified and international shareholding structure and sound corporate governance provide support for long-term growth

Other SOEs	Controlling Shareholder	Daimler	Financial Investors
首钢股份 ✓ A-share listco (SHE: 000959) 京能集团 Beijing State-Owned Assets Management and Administration Center Beijing Industrial Development Investment Management Co., Ltd	<ul style="list-style-type: none"> ✓ Ranked 248th among the "Fortune Global 500" companies in 2014 ✓ The fifth largest automobile group in terms of passenger vehicle sales in 2013 in the PRC with a market share of 8.2% 	<ul style="list-style-type: none"> ✓ Ranked 20th among the "Fortune Global 500" companies in 2014 ✓ A world-class vehicle manufacturer 	<p>Eight financial investors</p>
25.5% ⁽¹⁾	55.2% ⁽¹⁾	12.0% ⁽¹⁾	7.3% ⁽¹⁾



Directors			INEDs	
Qiu Yinfu	Xu Heyi	Hubertus Troska	Fu Yuwu	
Yang Shi	Zhang Xiyong	Bodo Uebber	Wong Lung Tak Patrick	
Wang Jing	Li Zhili		Bao Robin Xiaochen	
	Li Feng		Zhao Fuquan	
	Ma Chuanqi		Liu Kaixiang	

Note: (1) Pre-IPO

Outstanding management team



Xu Heyi
Chairman of the Board

- ✓ Has over 30 years of industry and management experience in the automobile and related industries
- ✓ Has won numerous awards, and was granted special government allowances by the State Council of the PRC

BAIC Motor management team



Li Feng, President
Directing the overall day-to-day operations of the Company
30 years of experience in industry



Li Jikai, Vice President
Operation, manufacturing, information technology and operation of Beijing Branch of the Company
28 years of experience in industry



Zhang Hui, Vice President
Administrative affairs, public relations and communications, human resources, safety and environmental protection, legal affairs, compliance management and assisting the president in audit management
25 years of experience in industry



Chen Hongliang, Vice President
Financial management and management of sales services of Beijing Benz
26 years of experience in industry



Zhou Yanming, Vice President
Planning and development, capital operations and investment management of the Company
33 years of experience in industry



Jiang Xiaodong, Vice President
Financial management, accounting and audits and management of BAIC Hong Kong's businesses
23 years of experience in financing



Yun Tae Hwa, Vice President
Manufacturing management and quality control
28 years of experience in industry



Chen Bao, Vice President
Procurement
16 years of experience in industry



Liang Guofeng, Vice President
Marketing and sales
17 years of experience in industry



Liu Zhifeng, Vice President
Operation and management of Beijing Hyundai
21 years of experience in industry



Wu Robin Xuebin, Vice President
Product design and research and development
20 years of experience in industry



Yan Xiaolei, Secretary to the Board
Organization and coordination of the listing, ordinary business management of the Board, information disclosure and investor relations management
14 years of experience in finance and corporate management

*Company logo indicates the person's experience in such company

Senior management members have, on average, over 20 years of industry experience and have rich experience in corporate management in many leading international and domestic automobile companies, which enables BAIC Motor to position for future passenger vehicle trends, and technology and industry developments, and to formulate effective and visionary development strategies

Section II

DEVELOPMENT STRATEGIES

Further strengthen the leading position in China's passenger vehicle market

1

Further expand product portfolio and offer new vehicle models

- ✓ Continue to expand product portfolio
- ✓ Increase market share in China's growing SUV market segment by introducing new products and upgrading existing products
- ✓ All JV and proprietary brands plan to increase the production capacity
- ✓ Continue to increase in-house production of engines

4

Further explore business models in automobile sales and expand our sales network

- ✓ Explore business opportunities in automobile sales and related service areas
- ✓ Further expand the sales network in the PRC to increase the sales volume and market share
- ✓ Explore opportunities in overseas markets, in particular in emerging markets



北京汽车
BAIC MOTOR

2

Continue to improve the cost structure of Beijing brand and improve its profitability

- ✓ Maximize the use of our Saab-derived technology platform
- ✓ Reduce component costs
- ✓ Use modular components and leverage scale as production is ramped up to further reduce procurement costs
- ✓ Expand the production capacity of the engine plant and equip more models with proprietary engines

3

Further strengthen R&D and innovation capabilities, enhance competitiveness and achieve sustainable development

- ✓ Continue to invest significant resources in the development of R&D capabilities and attract experienced engineers and researchers
- ✓ Continue to cooperate with domestic and international research institutions with the aim of enhancing R&D capabilities
- ✓ Continue to attract and hire professional talent from different backgrounds

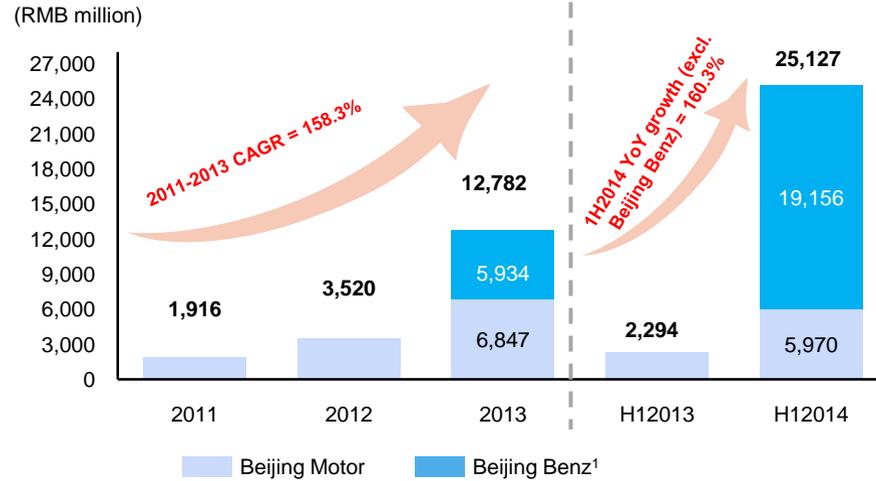
Section III

FINANCIAL INFORMATION

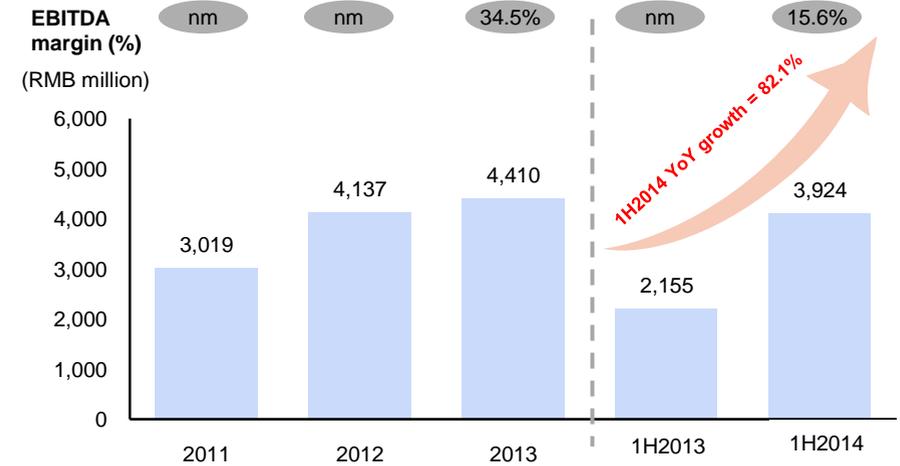
BAIC Motor - financial performance overview



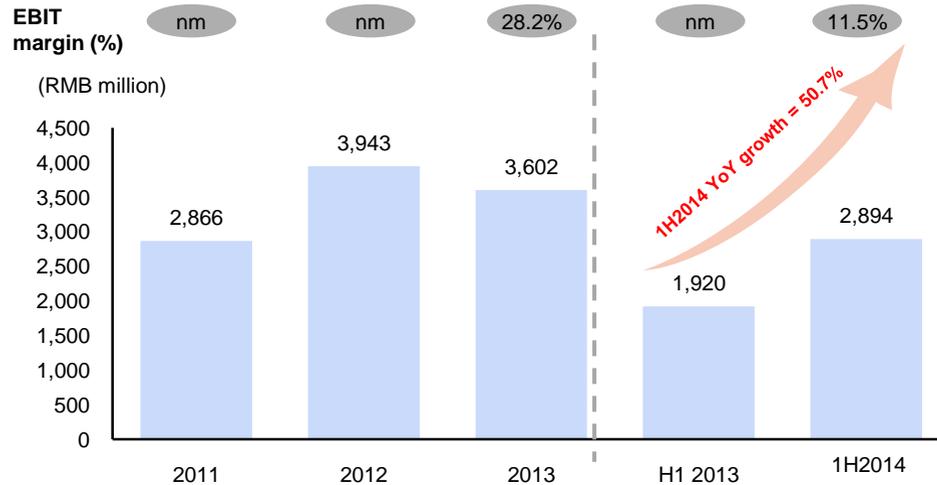
Revenue



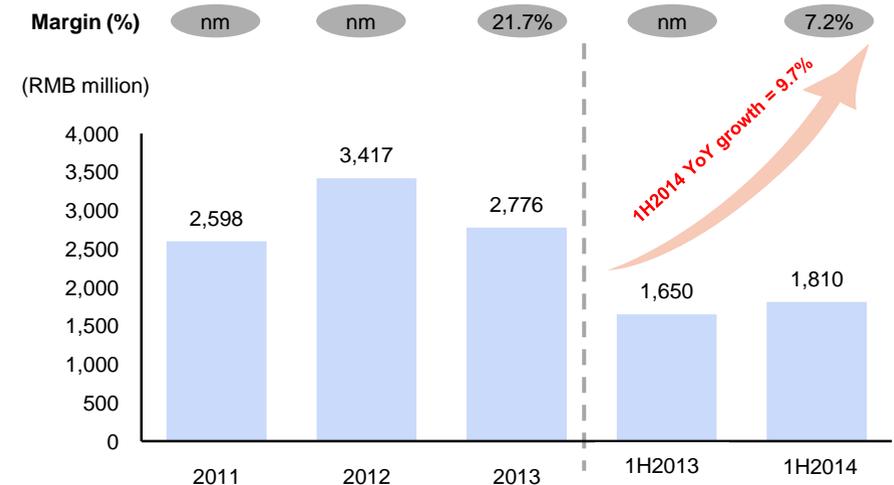
EBITDA²



EBIT²



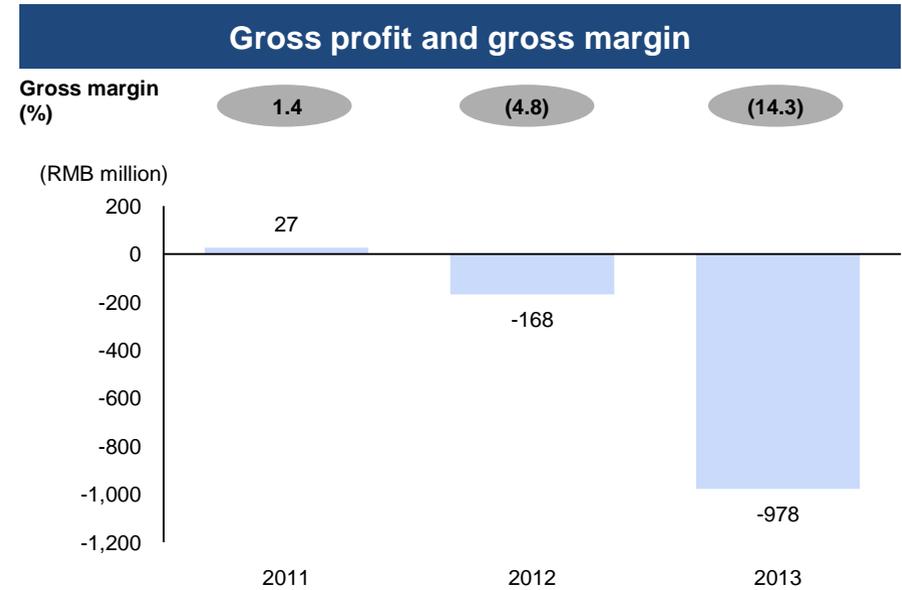
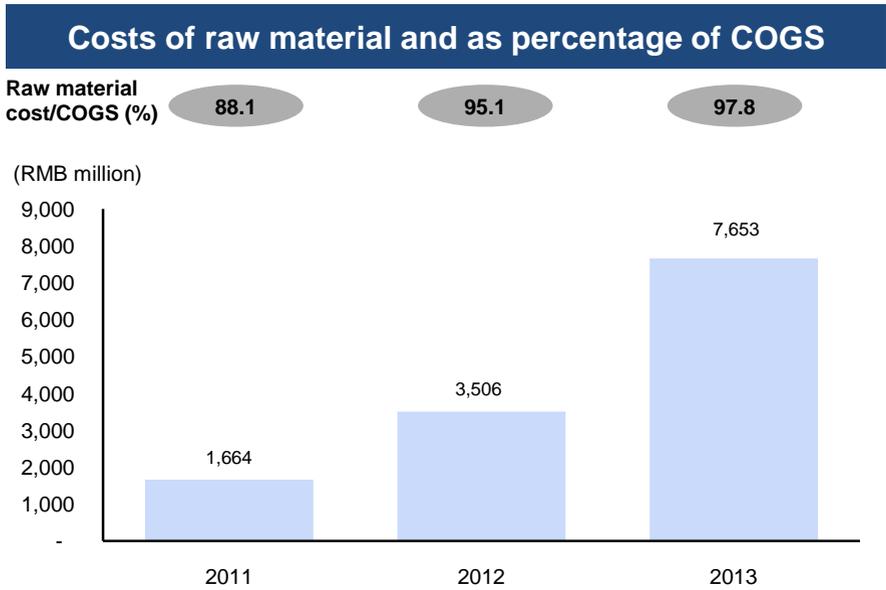
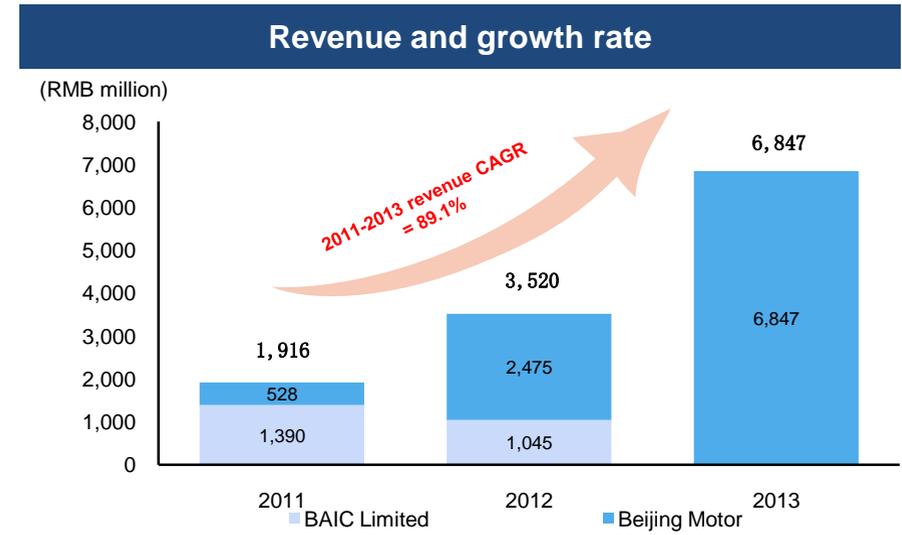
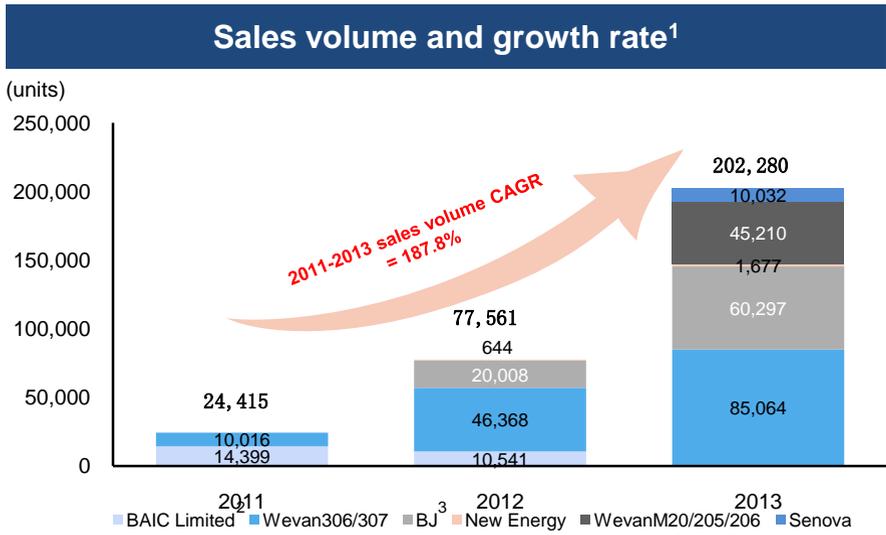
Net income attributable to shareholders' equity



Notes:

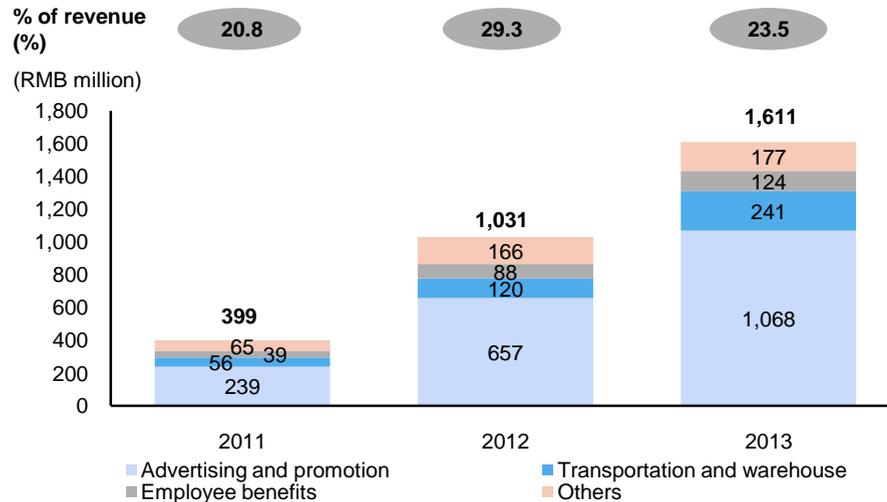
1. BAIC Motor acquired an additional 1% shares of Beijing Benz on Nov. 18, 2013 and consolidated the financials; 2013 revenue includes the consolidated revenue from Beijing Benz for the final 44 days of 2013

2. Including profit contribution from JVs and associates

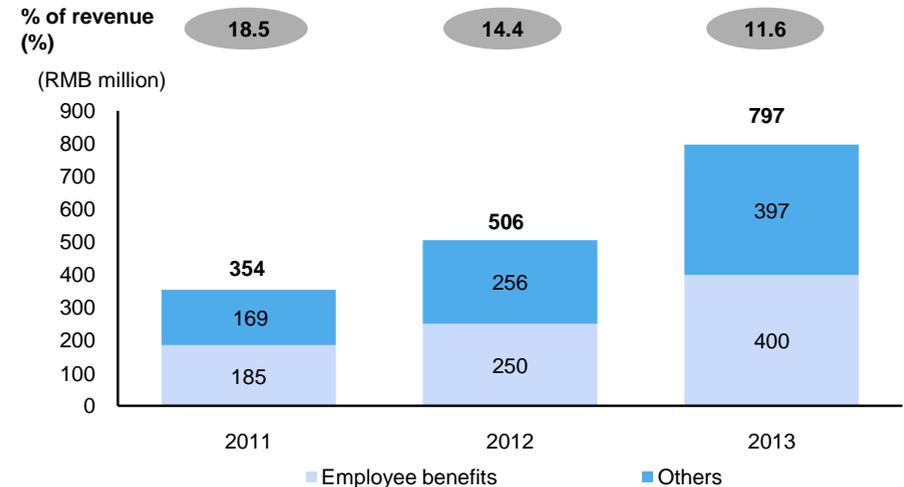


Notes:
 1. Before audit adjustment
 2. In Nov. 2012, BAIC Limited was disposed to BAIC Group; the following financial/business sections exclude this part
 3. Selling of MPVs and CUVs produced by Yinxiang

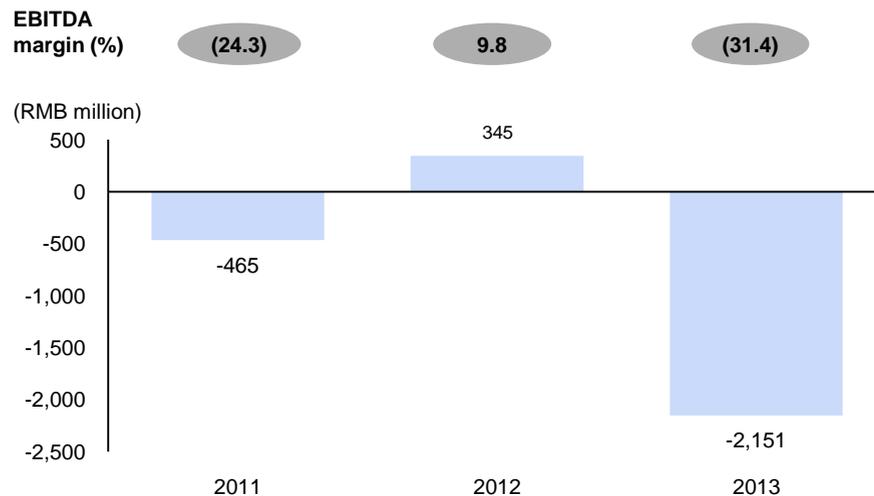
Selling and distribution expenses and as % of revenue



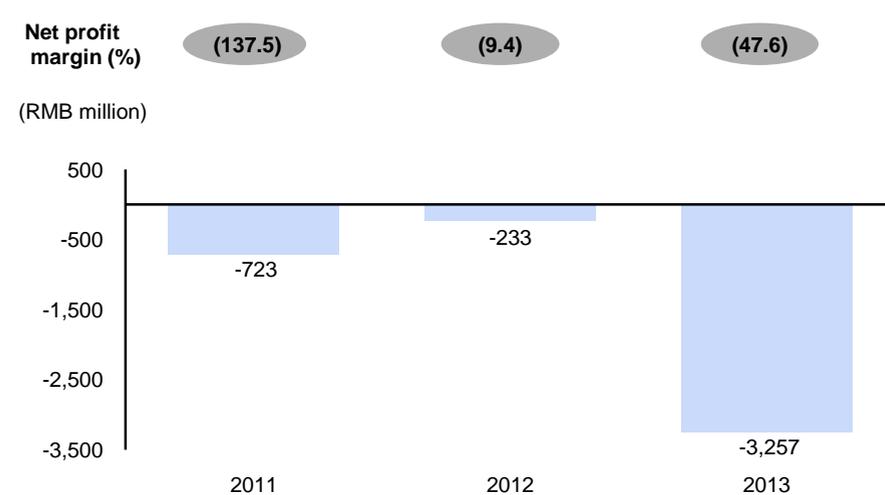
Administrative expenses and as % of revenue



EBITDA and EBITDA margin



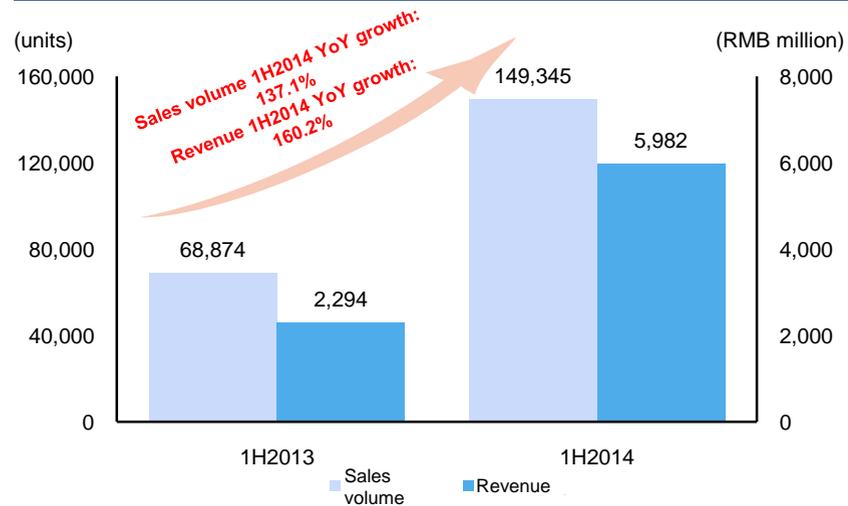
Net profit and net profit margin¹



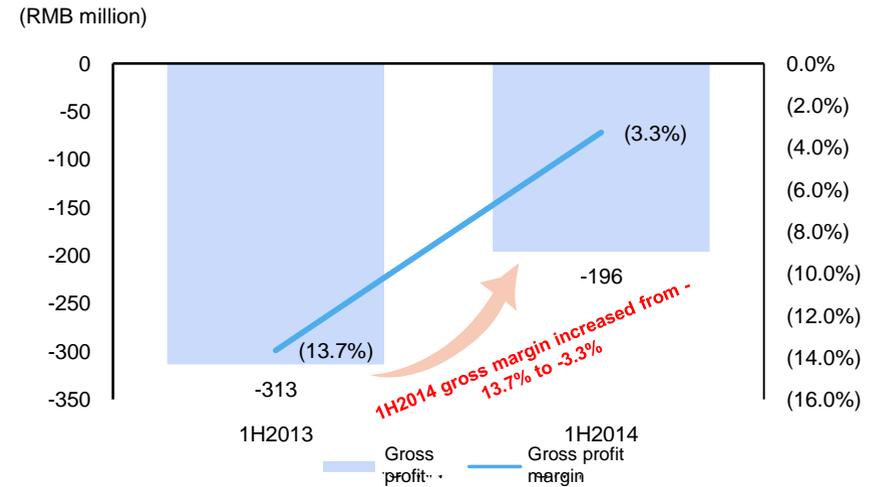
Note:

1. Net profit = Profit from continuing operations - Share of profits of joint ventures - Share of profits of associates

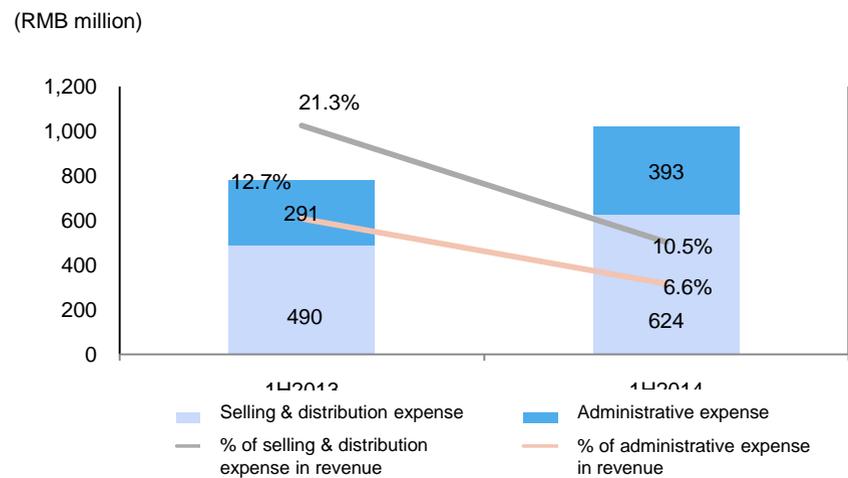
Sales volume and Revenue¹



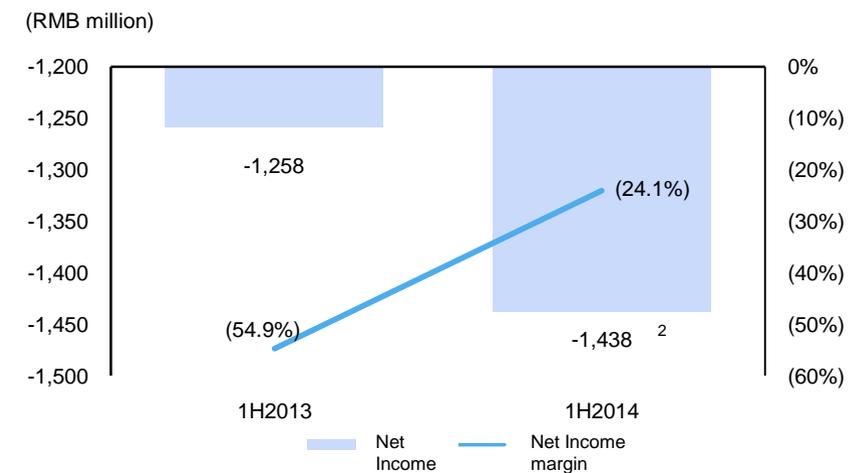
Gross profit and gross margin



Selling & distribution and administrative expense



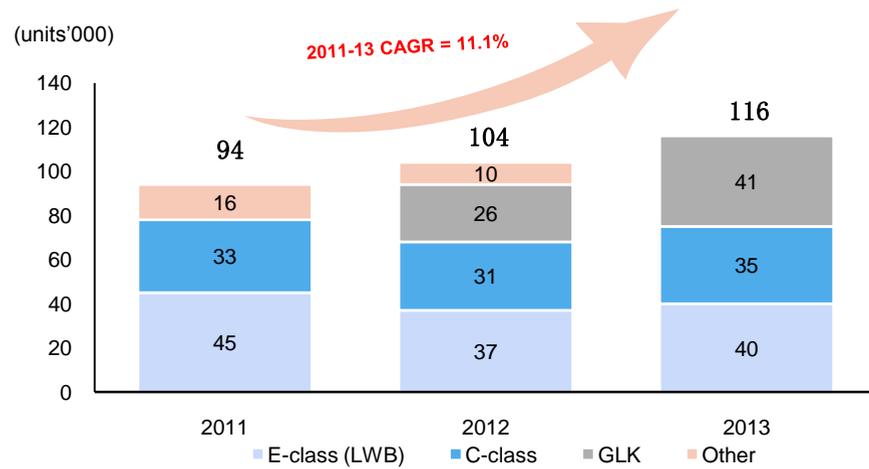
Net income and net income margin¹



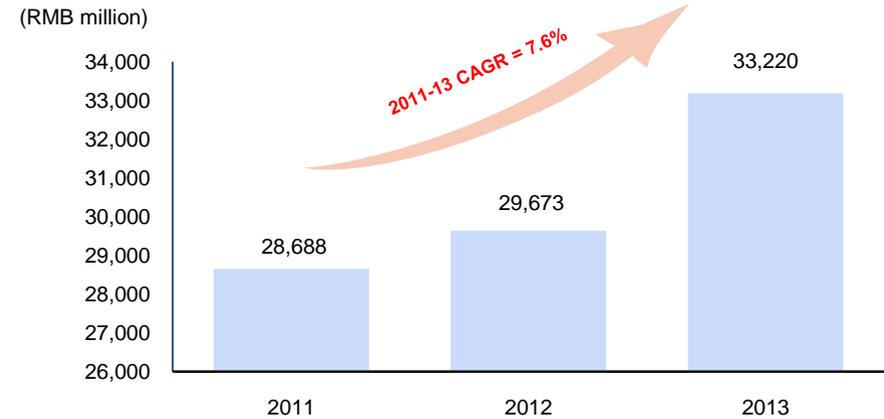
Notes:

- Does not include profit contribution from JVs and associates
- Net profit of BAIC motor minus Beijing Benz

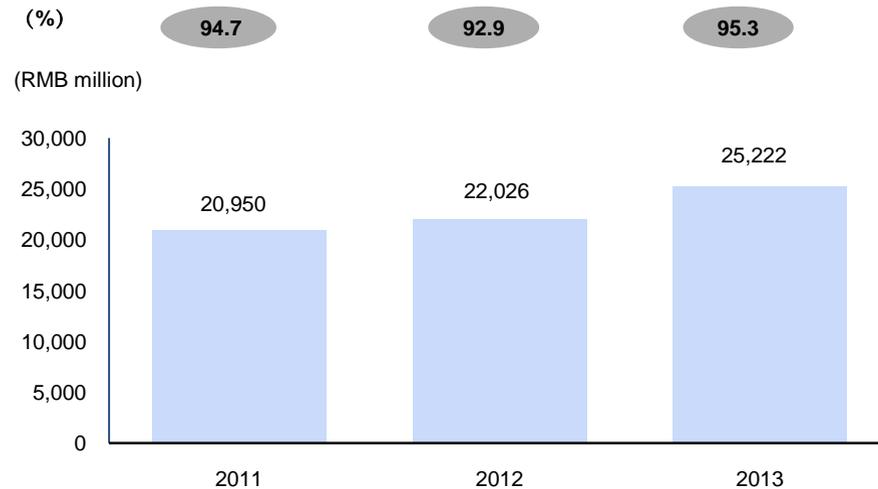
Sales volume



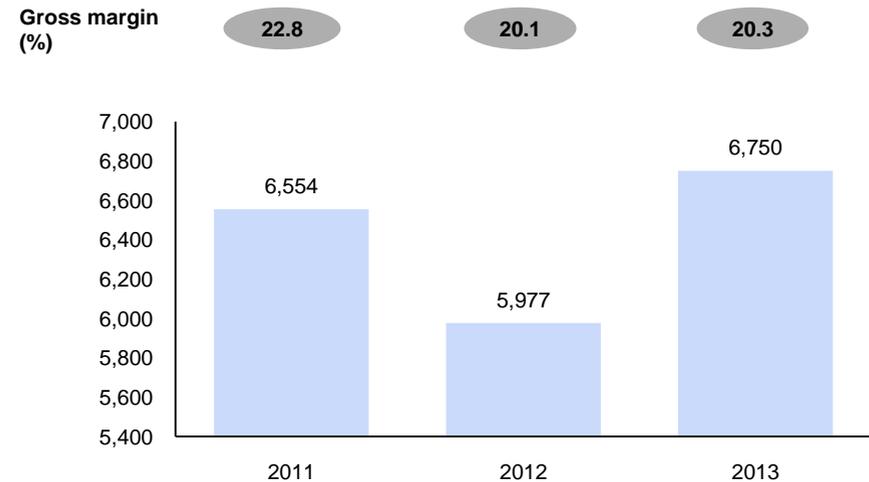
Revenue



Costs of raw material and as percentage of COGS



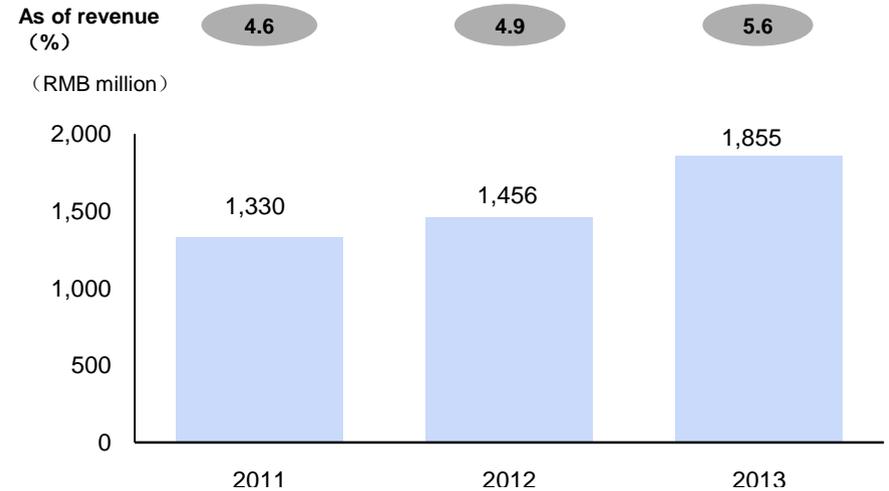
Gross profit and gross margin



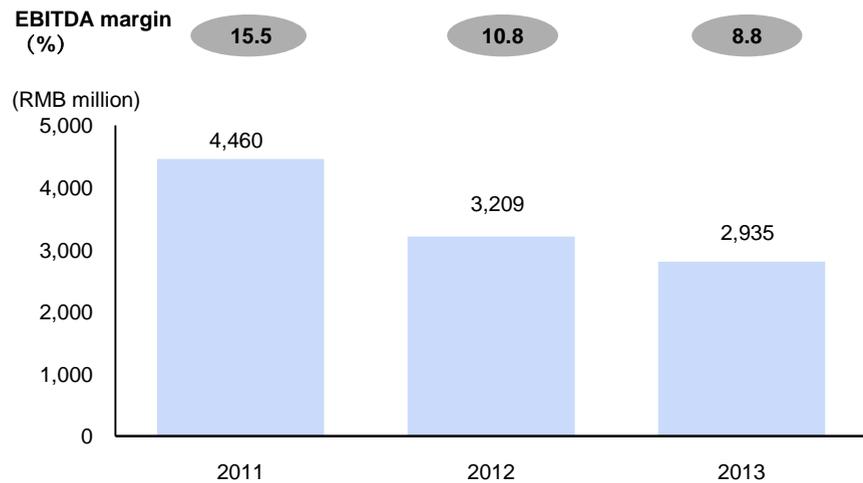
Selling and distribution expenses and as % of revenue



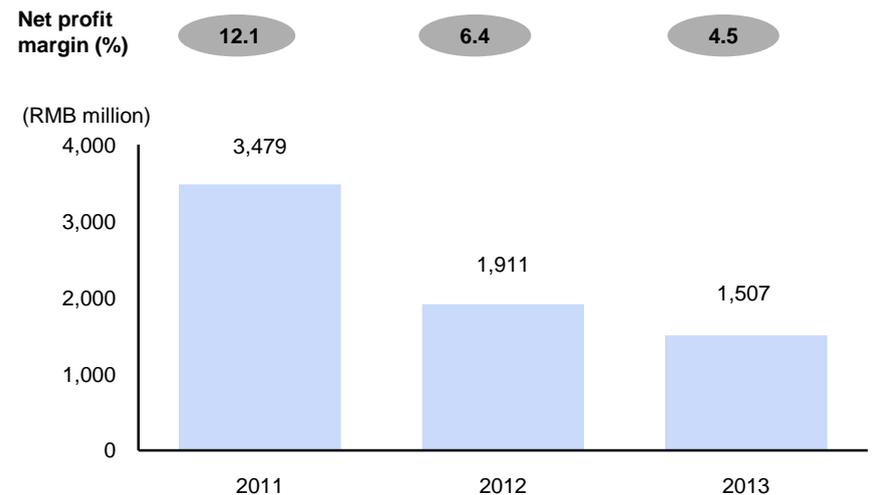
Administrative expenses and as % of revenue



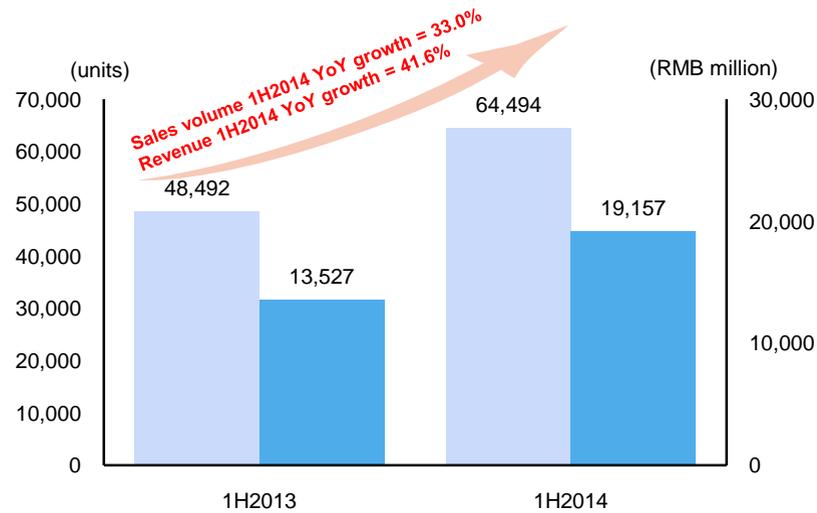
EBITDA and EBITDA margin



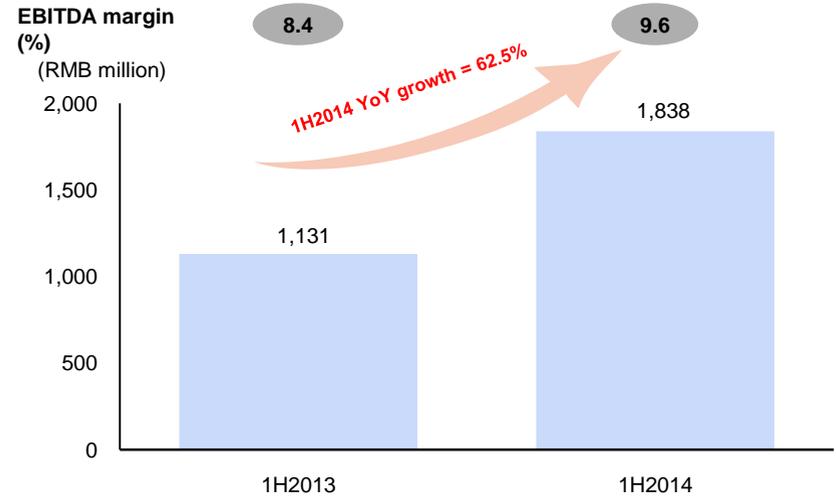
Net profit and net profit margin



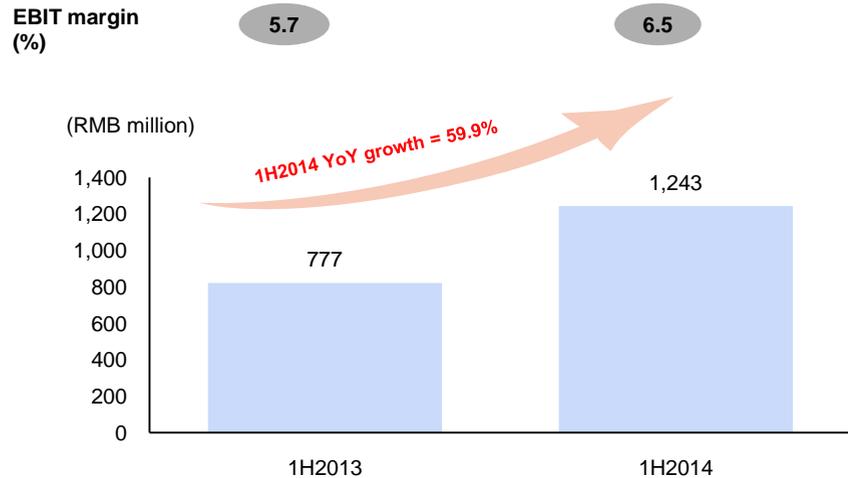
Sales volume and revenue



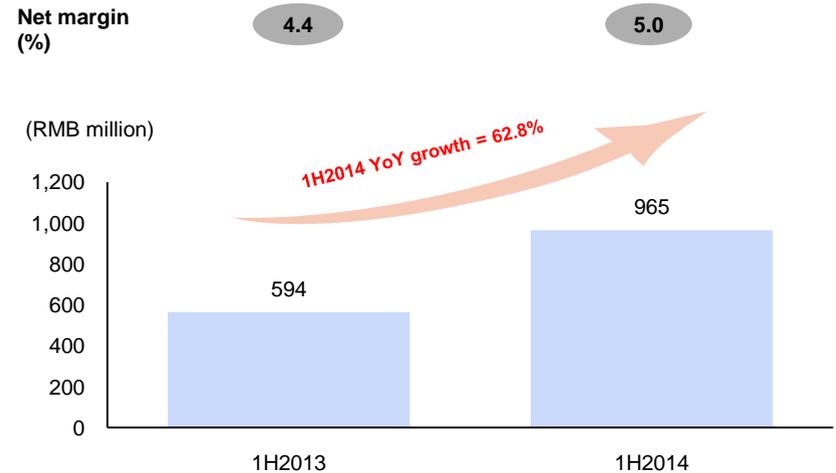
EBITDA and EBITDA margin



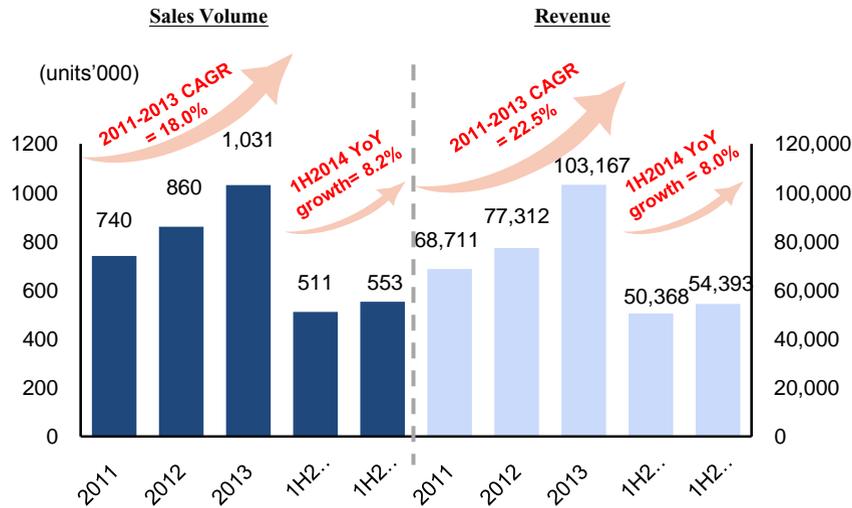
EBIT and EBIT margin



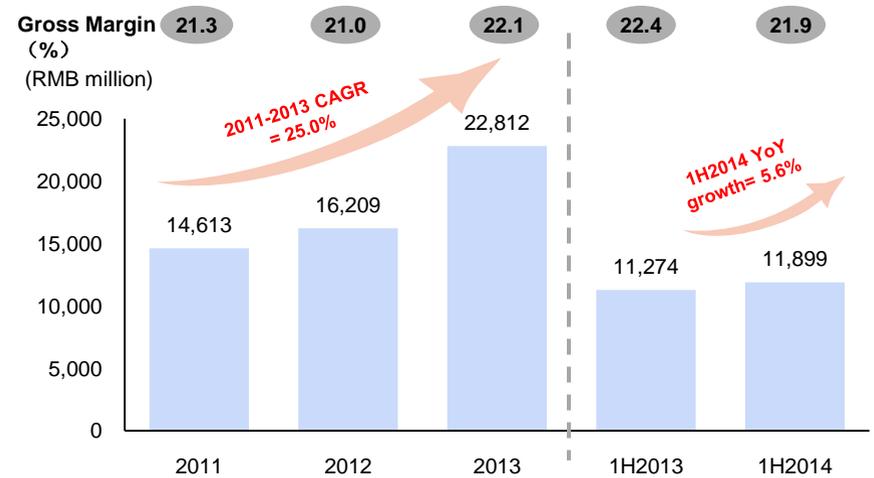
Net profit and net profit margin



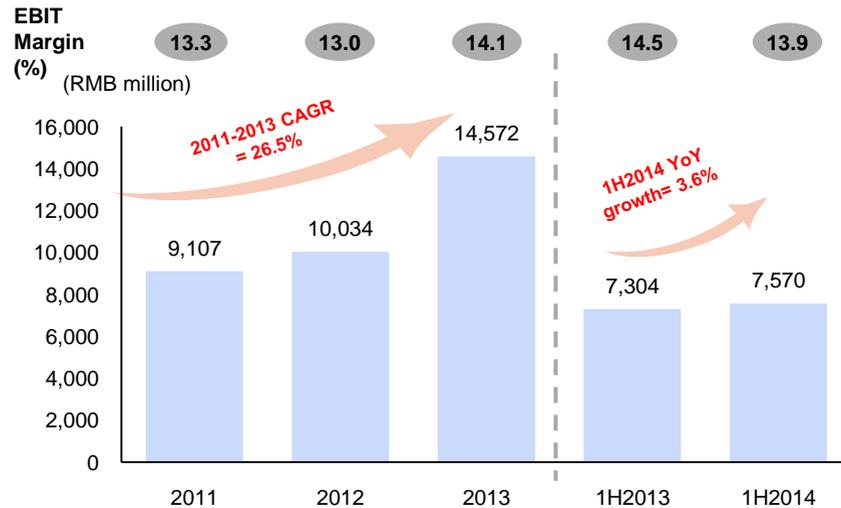
Sales volume and revenue



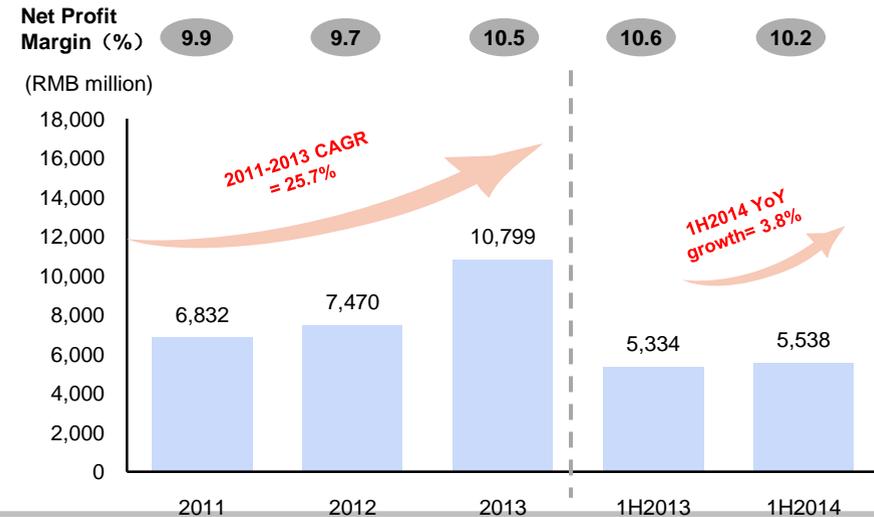
Gross profit and gross margin



EBIT and EBIT margin



Net profit and net profit margin



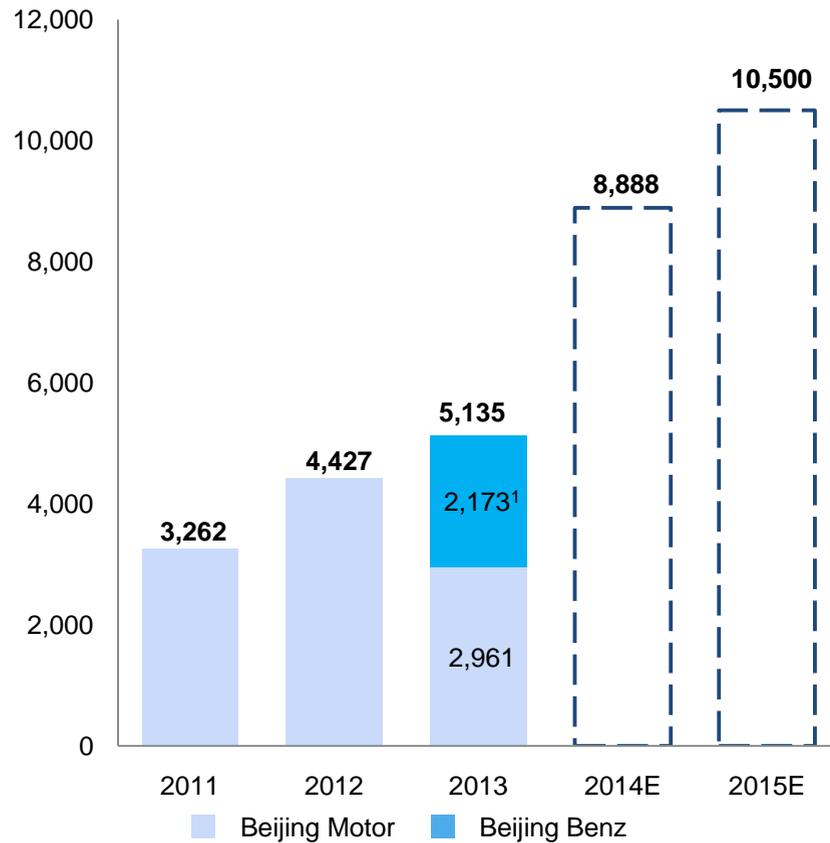
Capital expenditure and use of proceeds



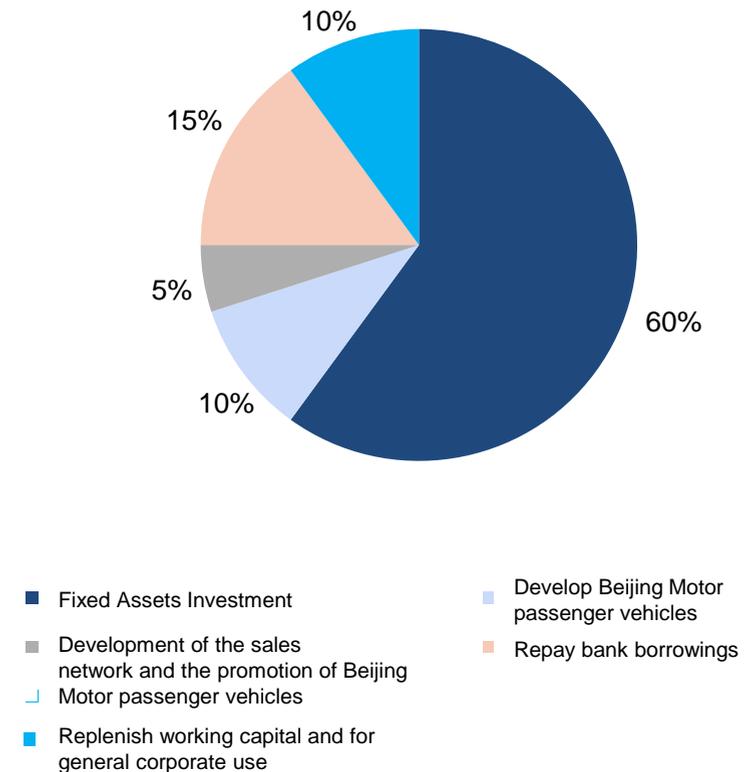
Historical capital expenditure was mainly used for production capacity expansion and R&D of Beijing Motor, laying the foundation for sustainable development and improvement in profitability in the future

Capital expenditure

(RMB million)



Use of proceeds



Note:
1. Only incorporates data of Beijing Benz during subsidiary period

Appendix I

INDUSTRY OVERVIEW

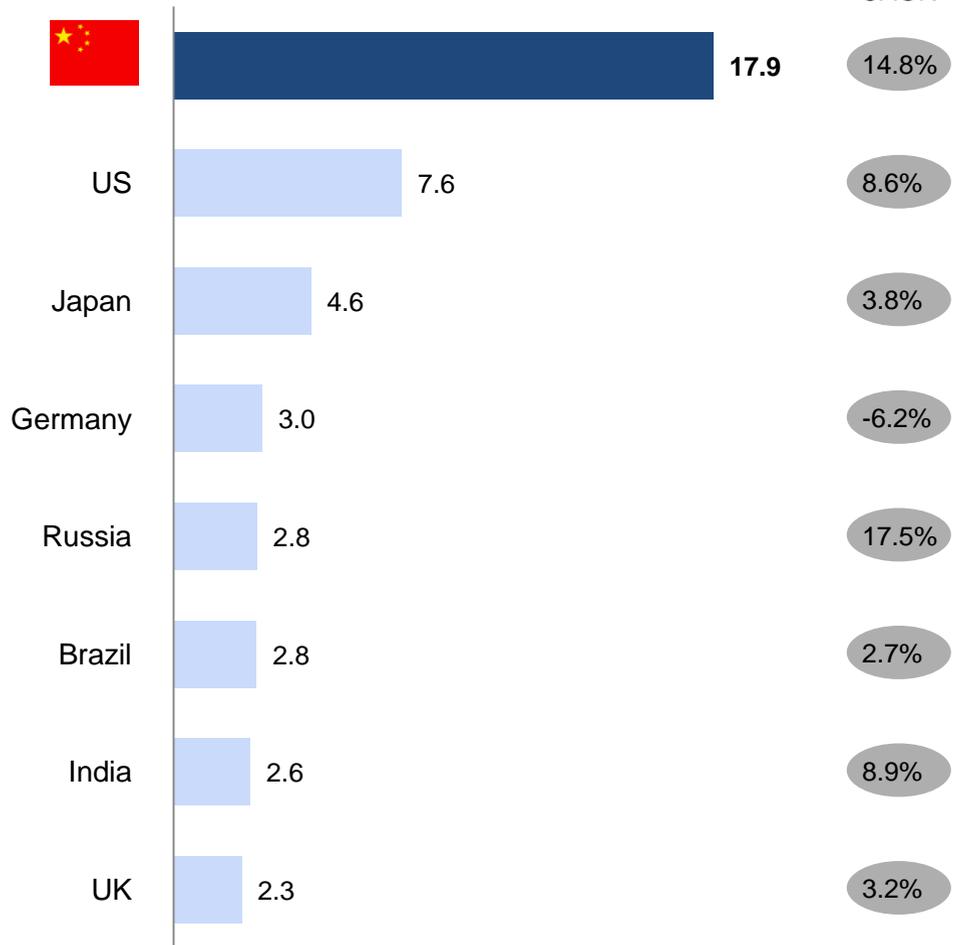
China is the world's largest passenger vehicle market, and has huge development potentials



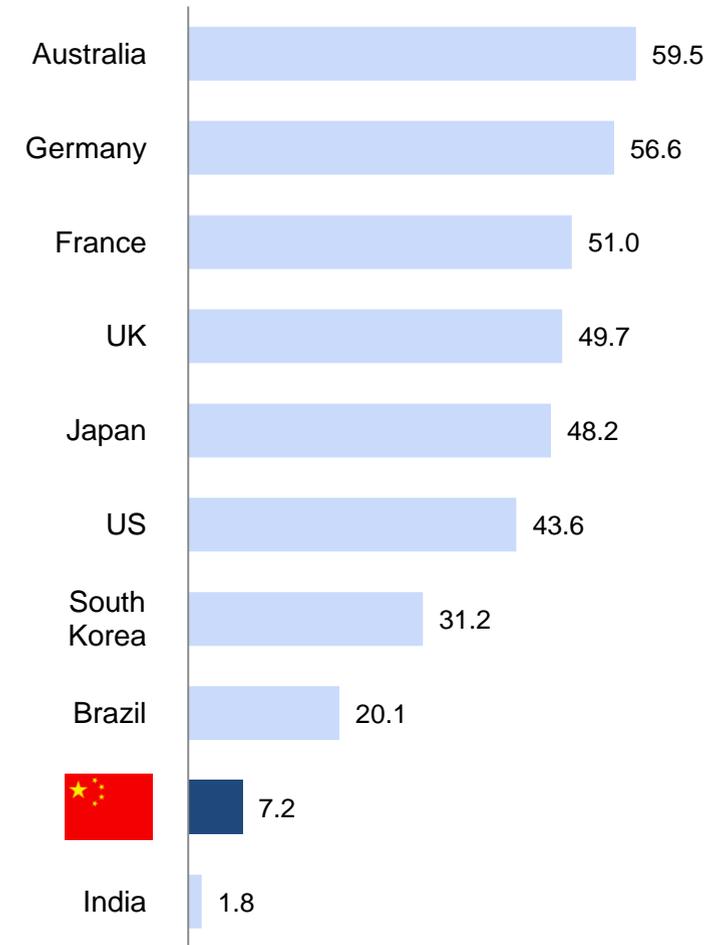
China is the world's largest passenger vehicle market

Low penetration rate implies long-term growth potential

(units' million) 2013



(units/hundred persons)

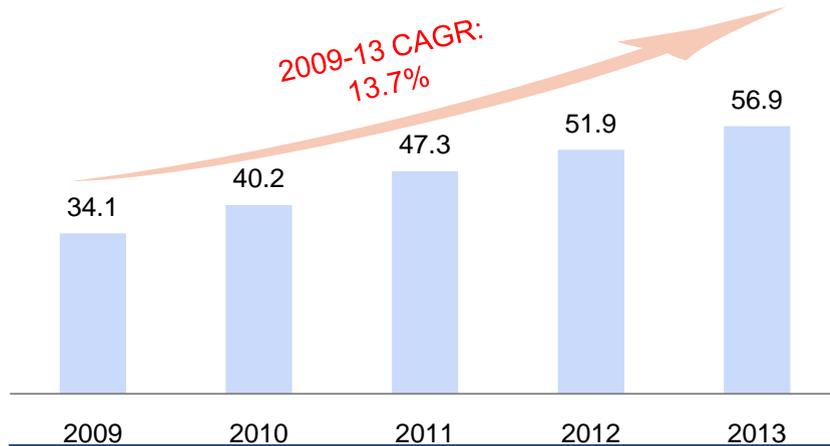


Multiple sectors drive China's passenger vehicle market to grow rapidly



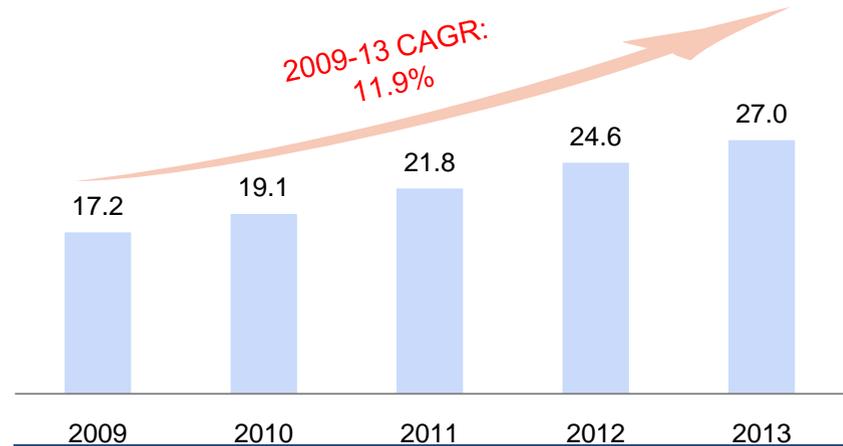
Rapid economic growth

RMB trillion

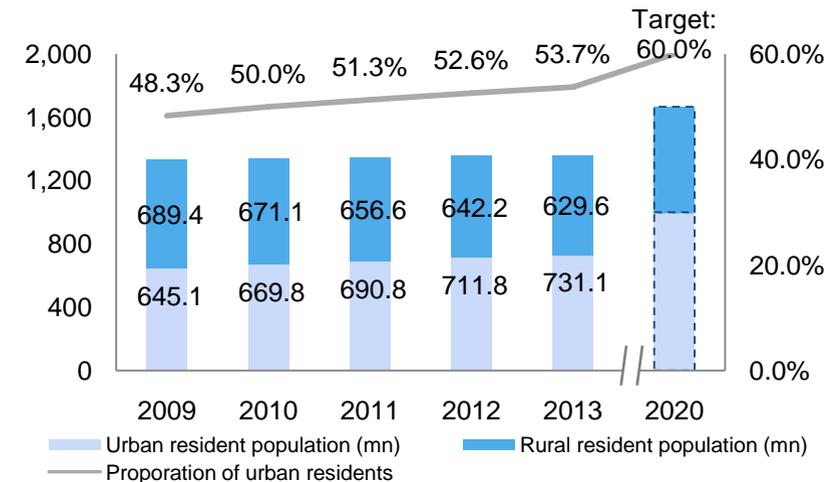


Per capita annual disposable income of China's urban population increased constantly

RMB' 000

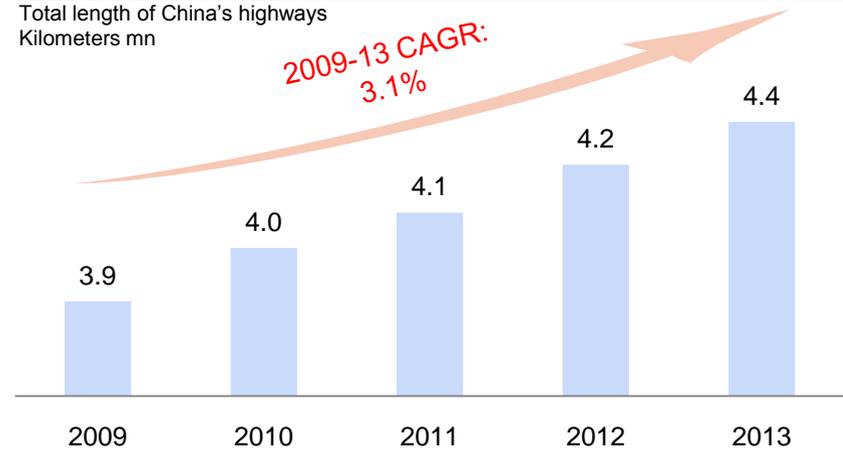


The urbanization rate in the PRC has increased rapidly



Increased investment in transportation infrastructure

Total length of China's highways
Kilometers mn



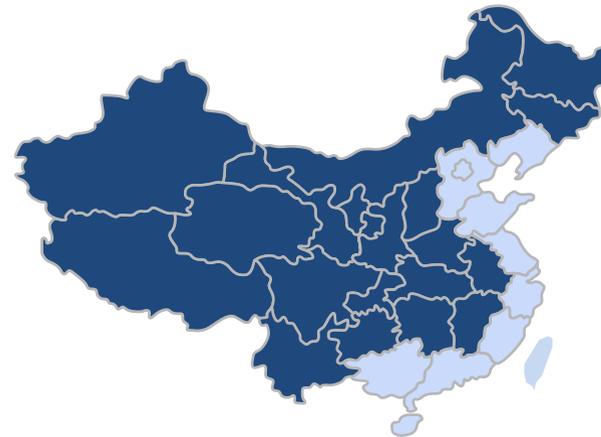
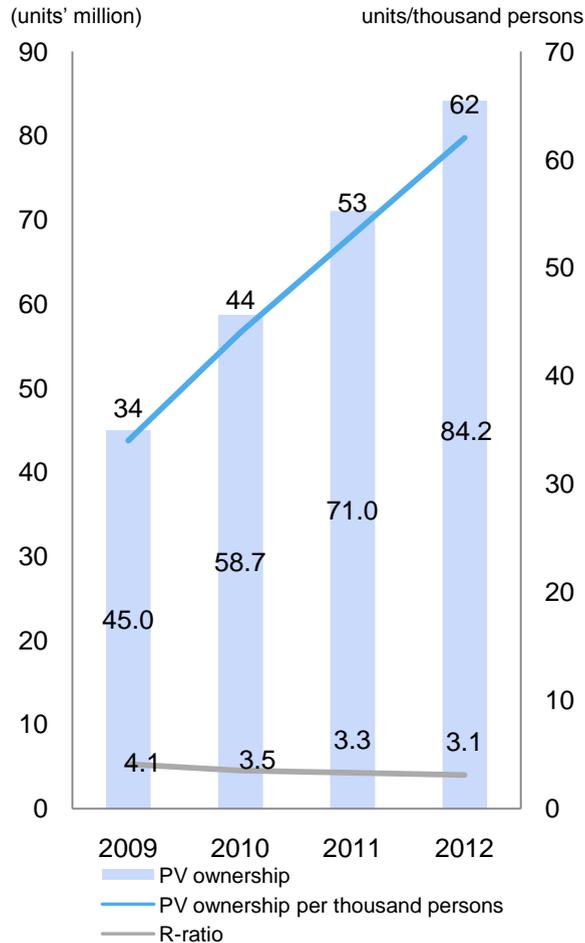
Key features of China's passenger vehicle market



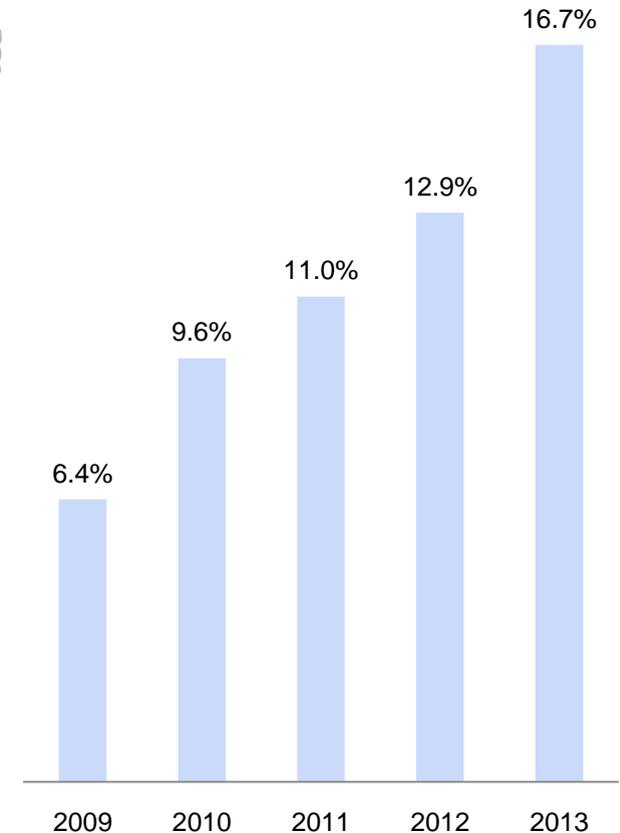
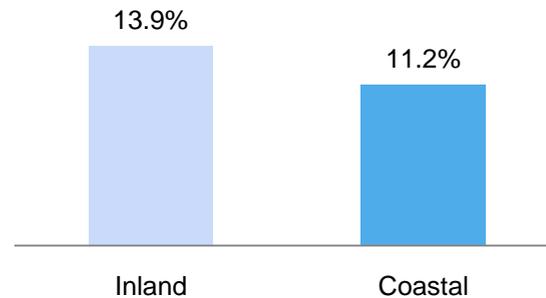
Declining R-ratio ⁽¹⁾ set to drive further near-term market growth

Higher sales growth rates in central and western provinces driven by low penetration rates

Domestically-produced SUVs' share of the overall domestically-produced passenger vehicle market has grown constantly



Inland PV market grows faster (2009~2013 CAGR)



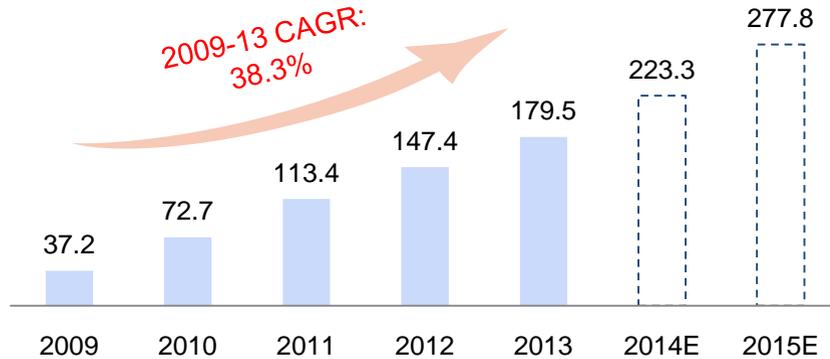
Note: "R-ratio" refers to the car price and GDP per capita ratio, i.e. $R = \text{car price} / \text{GDP per capita}$. Based on international precedents, the mid/long-term development trend of a country's automobile market is determined by the R-ratio. Experience in countries with developed automotive markets shows that, when the R-ratio reaches 2-3, the car ownership per thousand persons will increase rapidly

China's premium passenger vehicle market has entered an explosive phase of growth

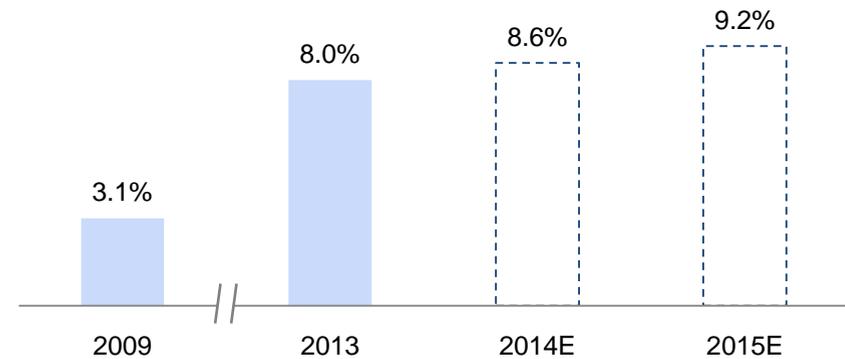


Premium PV consumption gradually picks up

(units' 10K)

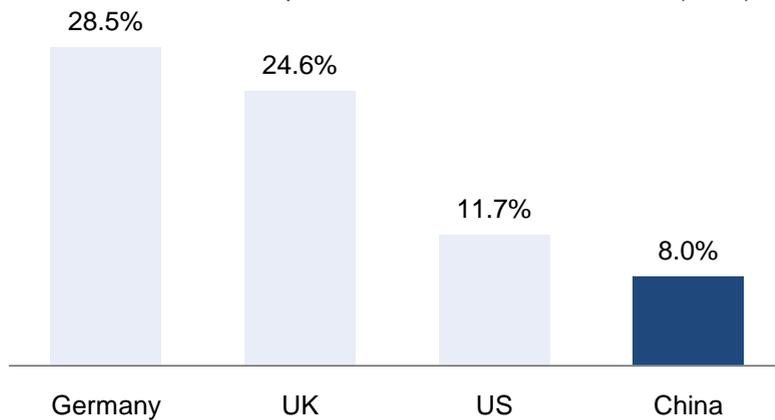


Market share of premium PV in the PV market (including imports) in China grew rapidly

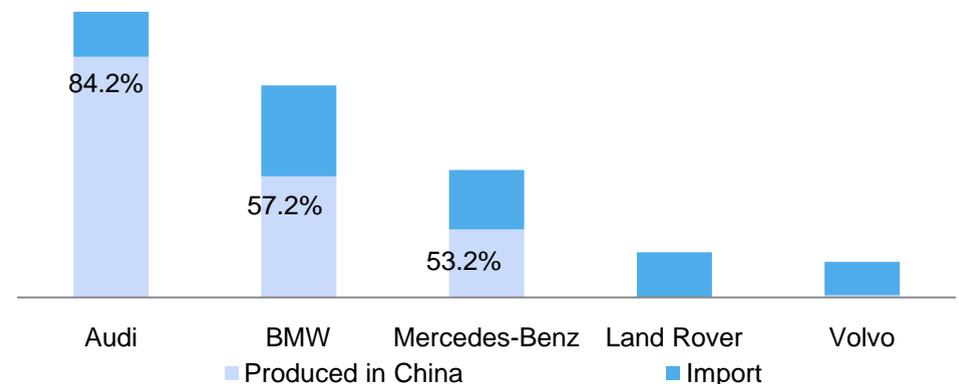


The market share of premium PV is still comparably low

The market share of premium PV in various countries (2013)



Leading premium brand sales in China that are produced domestically under joint ventures

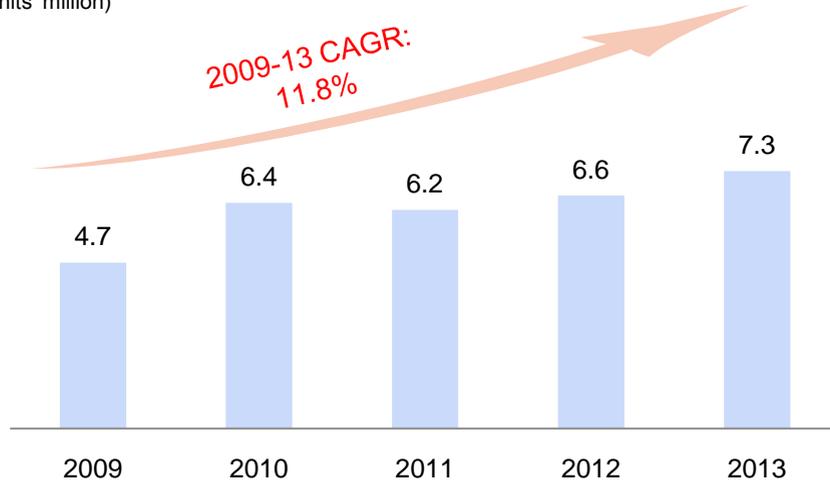


China's proprietary brand OEMs are entering a phase of rapid growth and becoming major players



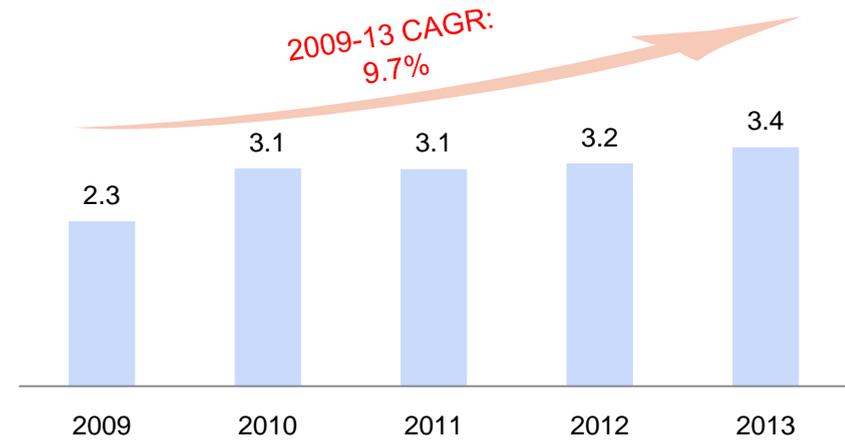
Proprietary PV sales volume growth

(units' million)



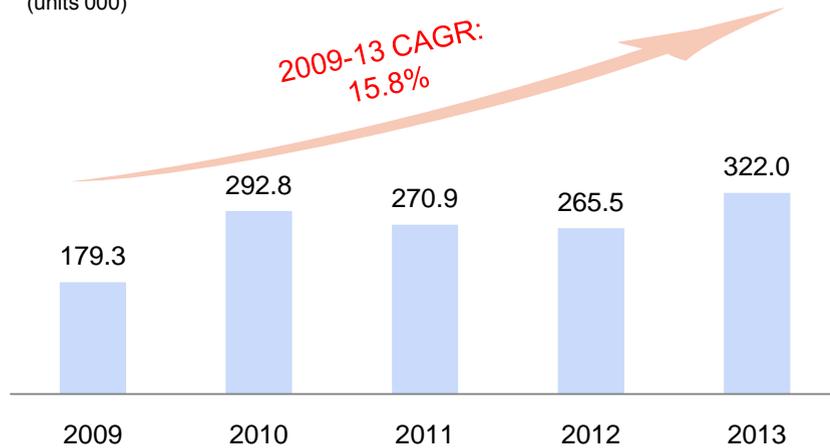
Proprietary sedan sales volume growth

(units' million)



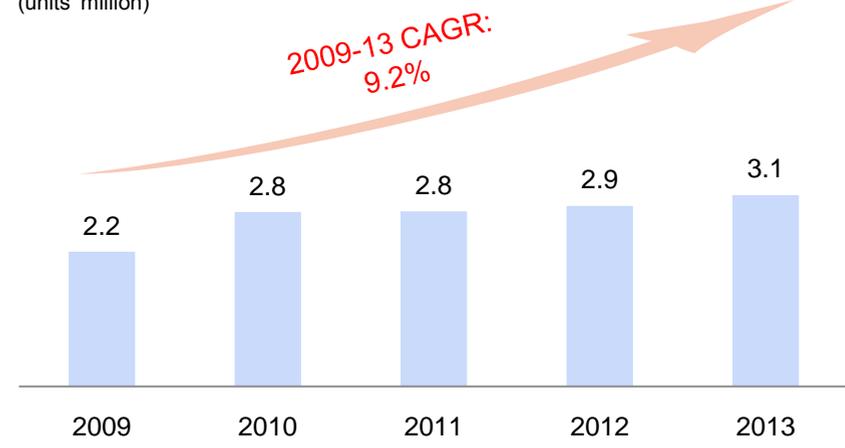
Proprietary mid-to high-end sedan sales volume growth

(units'000)



Proprietary economy sedan sales volume growth

(units' million)



Appendix II

SHAREHOLDING STRUCTURE

Pre- and post-IPO shareholding structure



行有道·達天下
Your Wish · Our Ways

Pre-IPO shareholding structure

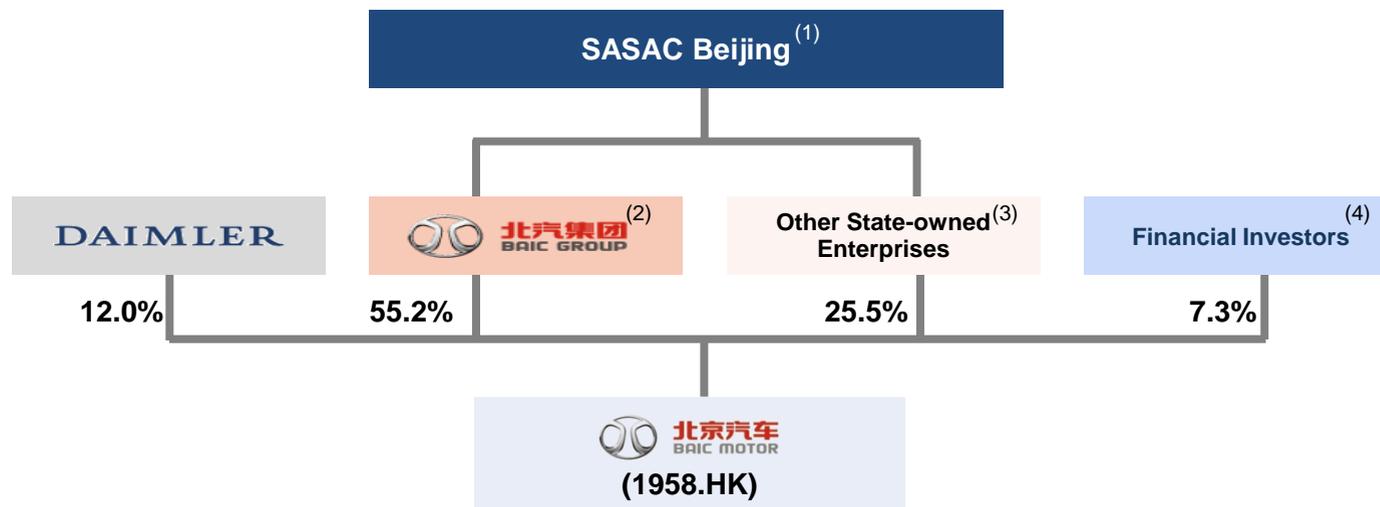
Note:

(1) SASAC Beijing: State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality

(2) SOE controlling shareholder

(3) SOE shareholder: Shougang Limited (16.12%), BSAMAC (4.4%), Beijing Energy Investment (4.19%), Industry Investment (0.80%)

(4) Domestic institutional shareholders (financial investors): Benyuan Jinghong (5.36%), Qingtian Yunsheng (0.53%), Jingguofa Fund (0.47%), Qingtian Yunzhong (0.35%), Hangzhou Jingjie (0.20%), Quanzhou Citong (0.18%), Guoyuan Capital (0.10%), Tianjin Blueberry (0.09%)



Post-IPO shareholding structure

Note:

The above shareholding structure assumes 1) green-shoe will not be exercised, 2)H-share public float accounts for 15% of the enlarged total # of shares, 3) Daimler will not exercise anti-dilution rights, 4) NSSF sell down shares transferred from SOE shareholders

(1) SASAC Beijing: State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality

(2) SOE controlling shareholder

(3) SOE shareholder: Shougang Limited (13.70%), BSAMAC (3.66%), Beijing Energy Investment (3.48%), Industry Investment (0.67%)

(4) Domestic institutional shareholders (financial investors): Benyuan Jinghong (4.56%), Qingtian Yunsheng (0.45%), Jingguofa Fund (0.40%), Qingtian Yunzhong (0.30%), Hangzhou Jingjie (0.17%), Quanzhou Citong (0.15%), Guoyuan Capital (0.09%), Tianjin Blueberry (0.07%)

