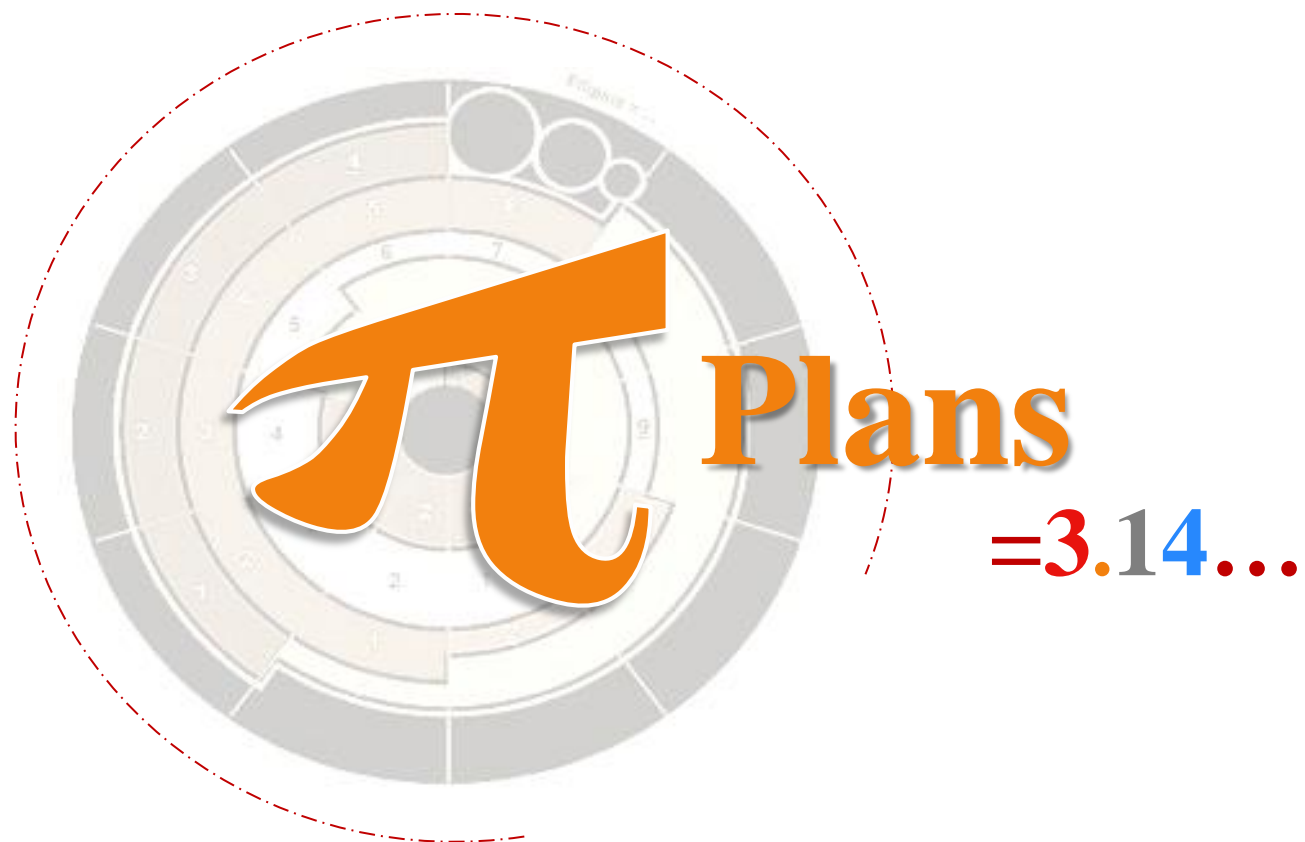


π Plans

Announcement of BAIC Motor 2020 Strategies

行有道·達天下
Your Wish · Our Ways

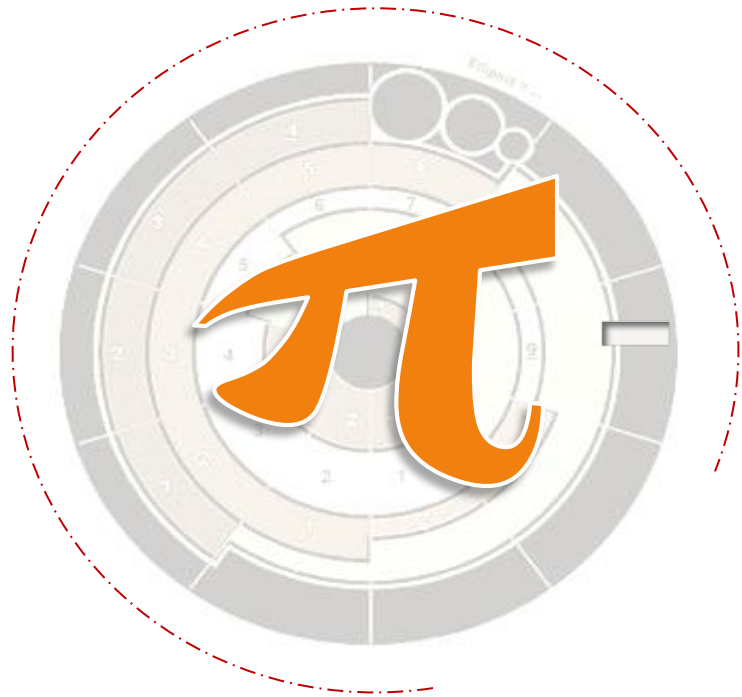
English version is for reference only, and please be subject to the Chinese version.



3 **BAIC Motor**
—Top 3 proprietary brand

1 **BEIJING BENZ**
—Top 1 luxury brand

4 **Beijing Hyundai**
—Top 4 joint venture brand



3.14

Top 3 proprietary brand

Dual-brand Strategy : Senova + Wevan

R&D layout : Beijing base + 3M

Sales and service Strategy : 3F

Manufacturing and procurement strategy: 3H

New technology strategy : SELL Plan

Implementation steps of strategic objectives



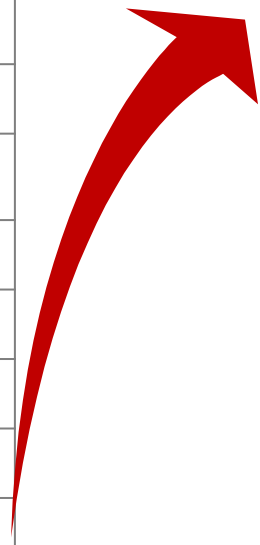
Medium to long-term strategic objective: to increase brand competitiveness and to be among the top 3 domestic brands with the full backing of product competitiveness

1 Brand competitiveness enhancement : Brand health level and brand premium

TOP10 proprietary brand in 2015	
1	SGMW
2	Changan
3	Greatwall Motor
4	Geely
5	Chery
6	BYD
7	JAC
8	BAIC Motor
9	Dongfeng Liuqi
10	FAW

2 Production scale expansion : Comprehensive quantity and quality enhancement

TOP10 proprietary brand in 2020	
1
2
3	BAIC Motor
4
5
6
7
8
9
10





Persevering for performance

Brand positioning : medium to high-end passenger vehicle brand, including sedans, city SUVs, MPVs and off-road passenger vehicles.
Brand properties : powerful, ultra safe, innovative technology and hard-core spirit.
Core values : provide a sense of control and performance experience on the road of an aggressive life by leveraging on the high performance vehicles developed utilising the European advanced vehicle manufacturing technology and coupled with the lineage and hard-core genes of BAIC's SUV Family for the masters of the house and the aggressive, successful pillars of the community highlighting its capabilities and for the hard-core spirit practitioners highlighting its professional technology and spirit of exploration



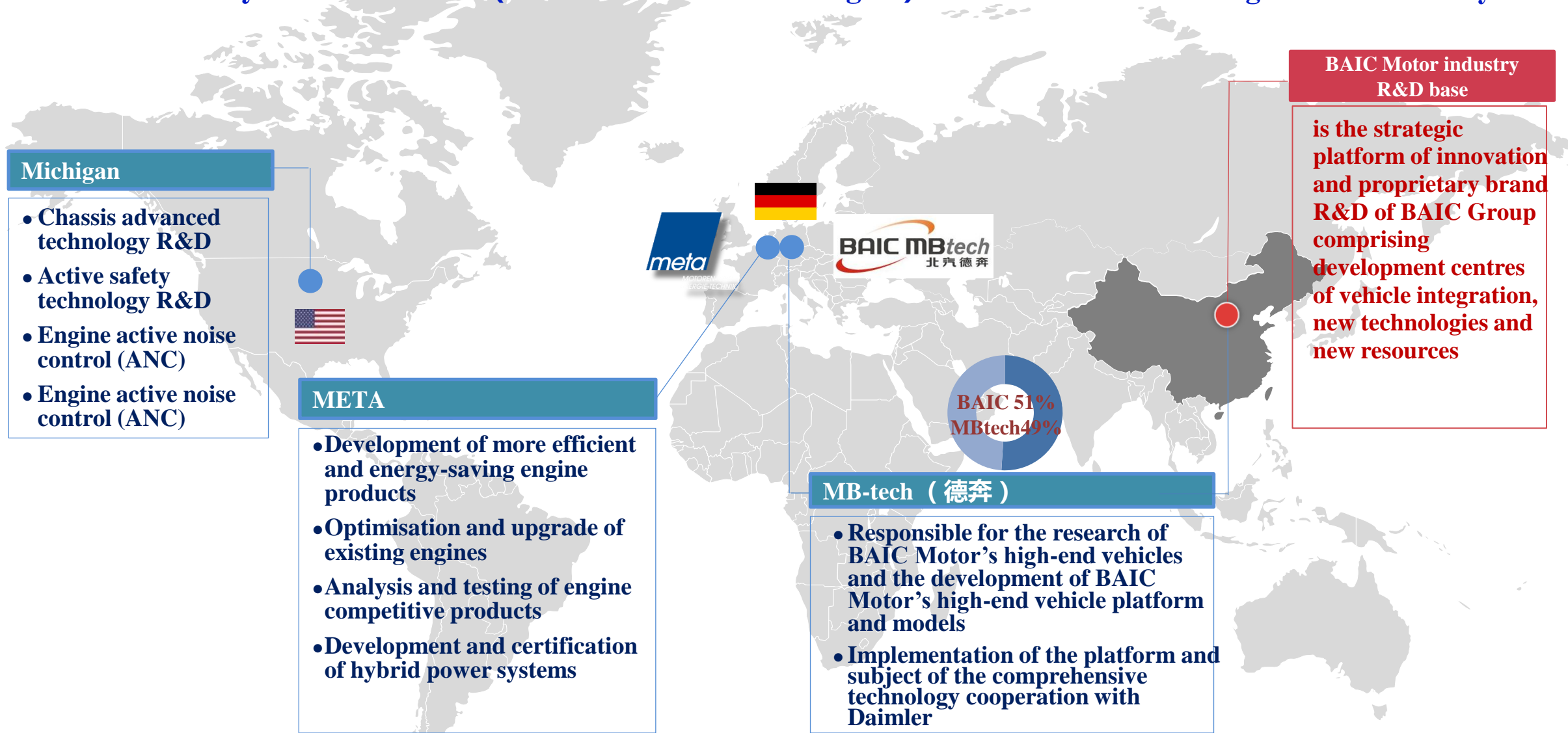
Shakes the world and thriving the future

Brand positioning: economy passenger vehicle brand, including mini vehicles, Mini MPVs, economy sedans and economy SUVs
Brand properties: durable and pleasant
Core values: endeavour to develop “high-quality and reliable” mini vehicles to lead the future of happiness and build a happy and wonderful life with the users





BAIC Motor industry R&D base + 3M (MB-tech / META / Michigan) to build BAIC Motor's globalised R&D system





Fast learn 快速了解客户

1 To promptly understand the customers by leveraging on e-commerce and big data.

Fully understand the customer reach, consumption and experience habits and conduct research thereon through both e-commerce and traditional channels

2 To structure an R&D and communication platform with distributors by capitalising on product seminars.

3 To listen to the voice of customers by leveraging on traditional researches.

10,000 quantitative researches, over 100 seminars and 100 user interviews
Logistic arrive



Fast arrive 快速到达客户

1 Logistic arrive.

To optimise logistic network and implement BTO (estimated order production and lean management to increase logistic efficiency)

2 Information arrive.

To make use of new and existing media platforms including auto exhibitions, WeChat and mobile apps and new auto launch releases via the e-commerce platform

3 Service arrive.

To provide speedy after-sales service: speedy appointment, maintenance, support and handling of customer complaints



Fast help 快速服务客户

1 Vehicle condition monitoring and early warning.

To conduct real-time monitoring of vehicle condition based on big data to make early warning to auto owners to prevent accidents early

2 Credit assistance.

To develop innovative online financing models via e-commerce

3 After-sales assistance (repair and maintenance)

- 2016 : structure a proprietary e-commerce platform
- 2017 : provide a series of extended services
- 2018~2020 : enhance commercial value



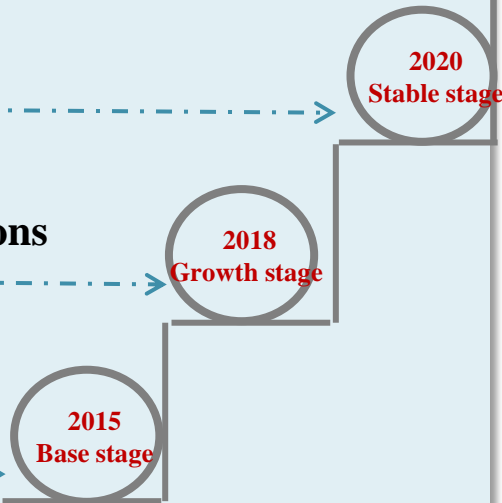
高品质 HIGH QUALITY

- Through three stages of development, the design, manufacturing and quality of the vehicles and parts are reformed, providing a solid foundation of quality to achieve the strategic objectives

Leading quality

Quality operations

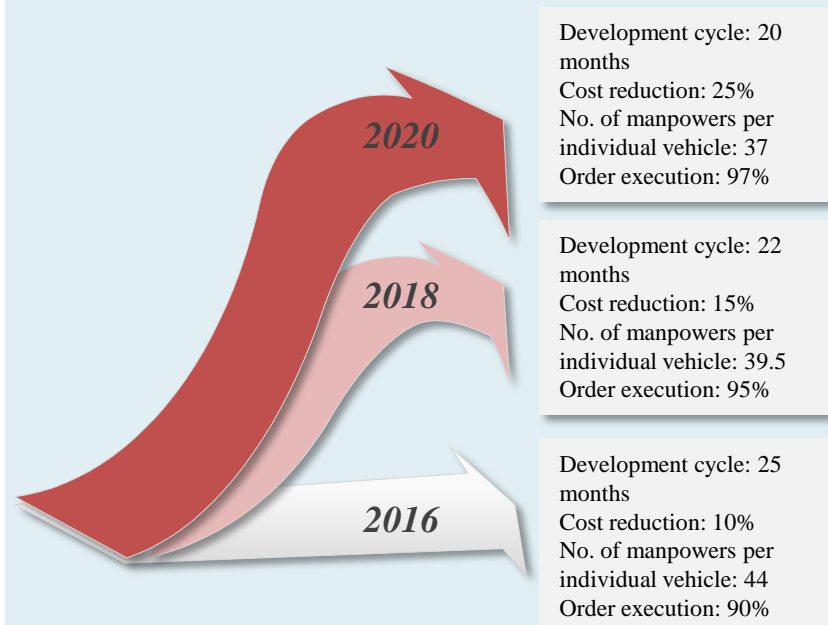
Quality reform



By 2020, AUDIT will decrease by 24%/37%; CS1000 will decrease by 66%/40%; quality improvement system (“QIS”) will increase by 23%; initial quality survey (“IQS”) will increase by 36%/19%; ranking No.1 among the proprietary brands

高效率 HIGH EFFICIENCY

- To develop a flexible, efficient and cost effective production system taking a market-oriented approach and focusing on the elements of quality, lean production, automation, segmentation and flexible manufacturing system



高竞争力 HIGH COMPETENCE

- To achieve highly competitive cost control by capitalising on a high level of resource sharing and ongoing optimisation of procedures across the whole value chain from R&D to production

Resource sharing

- Strengthen the internal cooperation of manufacturing resources
- Enhance the external integration of R&D resources

Process optimisation

- Promote the standardisation transformation of workflow
- Accelerate the IT upgrade of data decision-making

R&D

Manufacturing



S Smart Smart-car

- **Internet of vehicles:** introduce Nova-link brand which covers major functions including mobile connect, real-time traffic conditions, long-range navigation setting, APP store, WIFI hotspots, long-range control and security as a service
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- **Power train advanced technology**
 - **Engine:** apply advanced technologies including aluminium casting tank, fuel stratified injection, Miller cycle, variable valve lift and cold EGR technology; support idle stop-start and 48V micro hybrid functions
 - **Transmission:** multi-speed and wide variable speed ratio DCT and CVT high efficiency transmission
- **Vehicle conventional fuel-saving measures:** technologies including EPS, high efficiency air conditioning, optimised outlook design that reduces drag coefficient, smart grille, low rolling resistance and electric vacuum pump
- **Comply with the PRC Phase IV fuel consumption regulation and China VI emission regulation**

L Low-carbon Less-emission

Electrical Electric-vehicle **E**

- **Pure electric:** launch of pure electric A class sedan C50EB in 2015; full-scale electrification of vehicles of A class or below by 2020 (mileage range of ≥ 200 km)
- **Hybrid:** 12VBSG technology full coverage and gradual promotion of 48V micro hybrid vehicles; active industrialisation of extended range and plug-in hybrid products to achieve steady transition from traditional vehicles to new energy vehicles

- **Light-weight design:** “SFE parametric modelling” to achieve optimised design of the vehicle body structure
- **Light-weight materials:** reasonable application of materials including dead-hard steel, aluminium magnesium alloy and carbon fibre
- **Light-weight technology:** technology research and application of laser welding, thermoforming and warm forming

Lighten Light-weight **L**



2015~2016

- Complete the Generation 1 product launch to build the foundation for production scale and channel capabilities to increase capacity utilisation
- Enhance market ownership and increase recognition
- Plan to introduce the "Internet+" strategy and operating principle to product and marketing services
- Develop Generation 2 products and power trains

2017~2018

- With respect to the layout of Generation 2 products, capitalise on BEIJING BENZ's frontline platform and high-performance power train technology to consolidate the leading competitive position of its proprietary brands
- Continue to enhance brand premium and reputation
- While the star-rated products begin to make profits, its own operations can break even as a whole
- Complete the hardware and software development of smart connected vehicles

2019~2020

- Strive with full force and lock in the leading position of its own brands by leveraging on its production scale and brand competitiveness
- Record profits in all segments
- Focus on 3~4 vehicle platforms or 1~2 segment platforms to form the sustainable product development capability of one generation product launch, one generation development and one generation planning every 30 months

2018~2020

- With the release of planned capacity, the market share is further expanded, thus achieving profitability in all aspects

2015

- Complete the market layout for Generation 1 products to build its production scale and brand influence

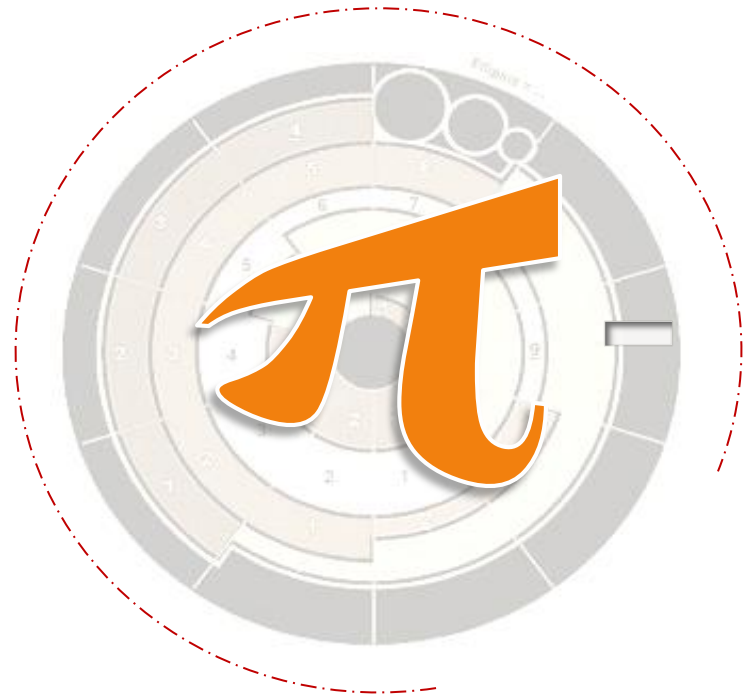
2016~2017

- Complete the market layout for Generation 1 products to build its production scale and brand influence
- The economy passenger vehicle business begins to make profits





BEIJING BENZ——Top1 Luxury Brand



3. **1** **4** **BEIJING BENZ , China Top1**
Top1 Luxury Brand **Splendor Shine @BBAC**

BEIJING BENZ vehicles made in China

Possess strong capability as a world-class luxury sedan production facility to further enhance its market competitiveness

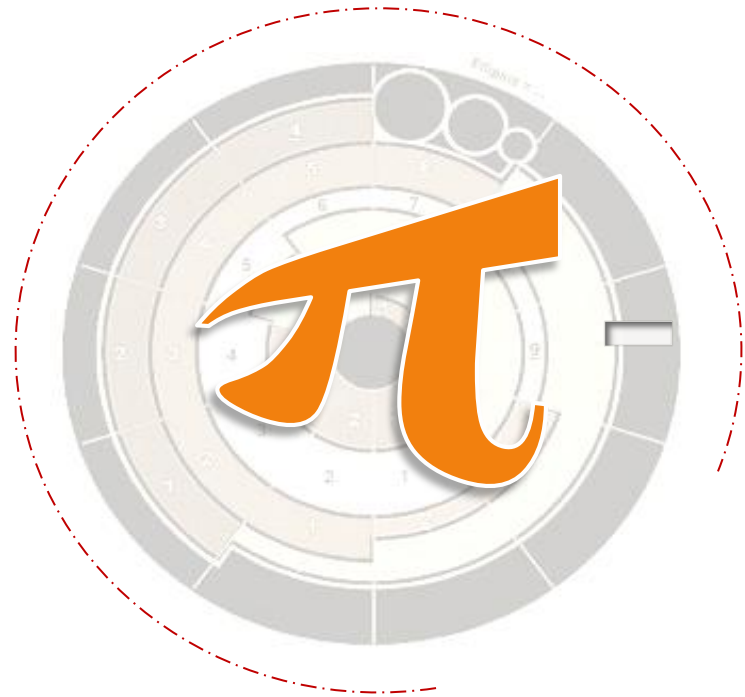
In China, BEIJING BENZ is a high-quality luxury sedan manufacturing in the domestic market

Achieve the highest level of customer satisfaction by utilising the industry’s latest and advanced innovative techniques and technologies

In China, BEIJING BENZ is a high-quality luxury sedan manufacturing in the domestic market



Beijing Hyundai——Top4 JV Brand



3.14
Top4 JV Brand

Rank No.4 in terms of joint venture brand consecutively since 2012

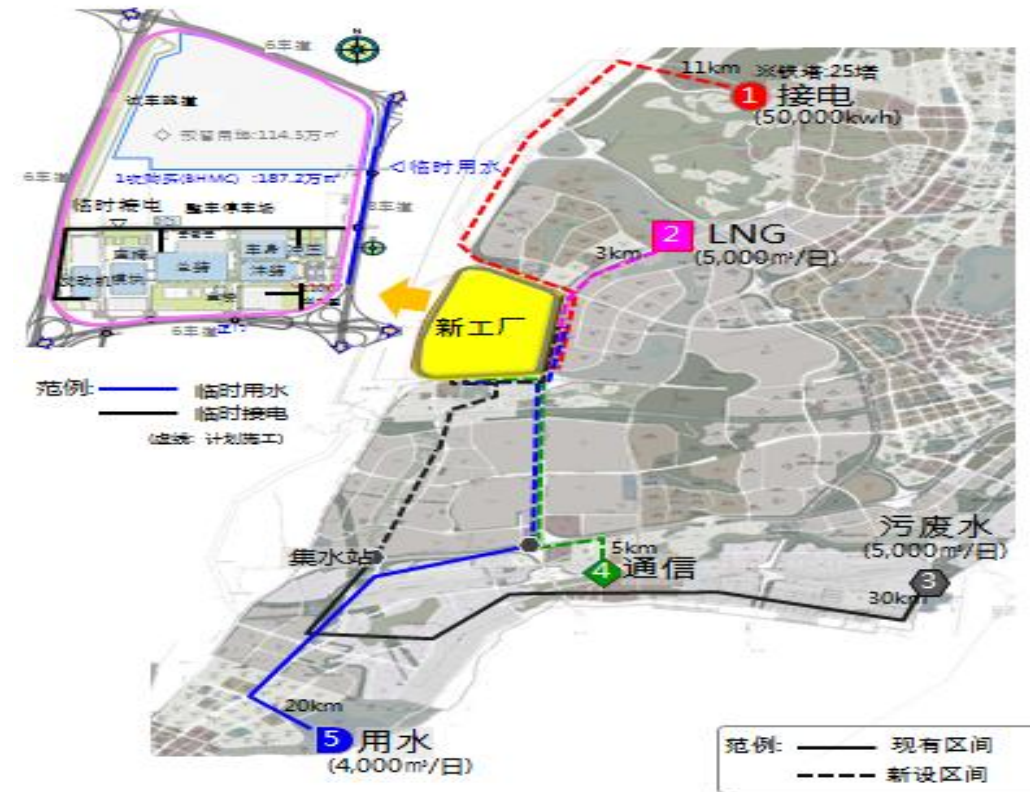


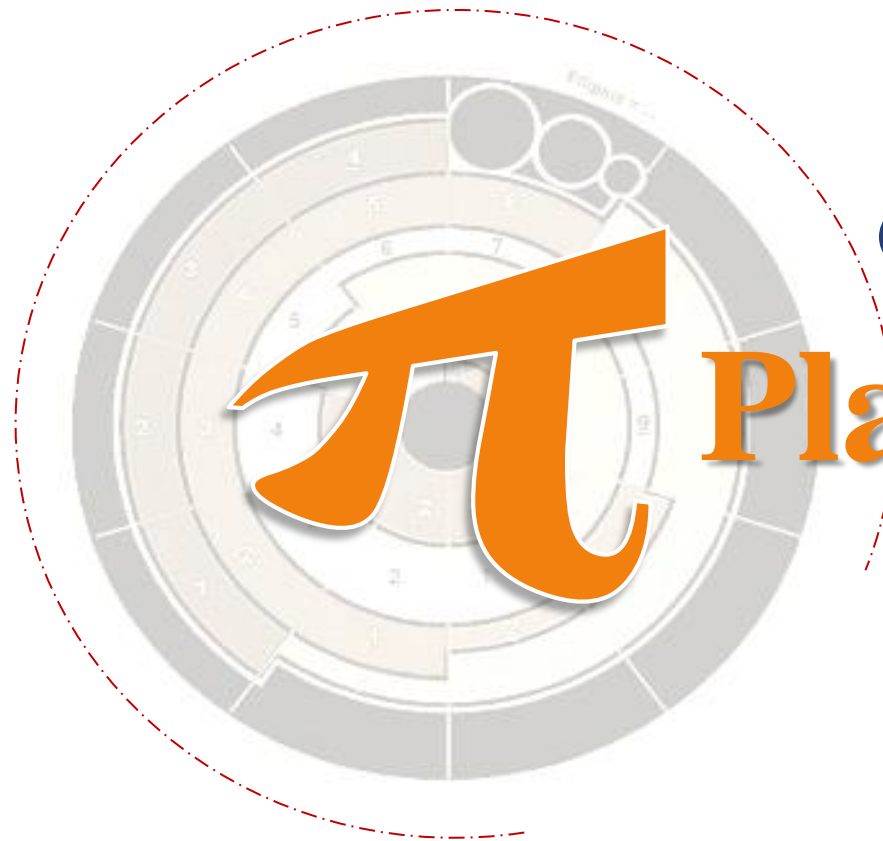
Maintain its No.4 joint venture brand position and strive for better performance in the coming five years



Beijing Hyundai 2020: Commencement of production in the two new production facilities and strive to maintain its No.4 ranking among the joint venture brands

Beijing Hyundai
Cangzhou Plant Chongqing Plant





**Catching up from the pursuit of its dream,
and marching into the future
upon transformation.**

=3.14...