

MAGNA CELEBRATES THE SIGNING OF ITS FIRST COMPLETE VEHICLE MANUFACTURING JOINT VENTURE IN CHINA

- JV to have capacity of up to 180,000 vehicles per year
- First production of electric vehicles planned to be launched in late 2020
- Capability to offer EV contract manufacturing services to other potential customers

ZHENJIANG, China, July 24, 2019 — Today Magna, BAIC Group and the Zhenjiang government celebrated the signing of a framework agreement governing their electric vehicle manufacturing joint venture in Zhenjiang, China, which marks another milestone of their continued cooperation. Executives from both companies and Zhenjiang government officials attended the celebration. The transaction, which is pending regulatory approval and other closing conditions, is expected to close in the fourth quarter of 2019.

This joint venture, which is to be controlled by an affiliate of the BAIC Group, represents Magna's first investment in a complete vehicle manufacturing facility outside Europe. It will combine Magna's unique complete vehicle engineering and manufacturing expertise and BAIC's local manufacturing, marketing and distribution footprint to support electric mobility in China. The facility has the capacity of up to 180,000 vehicles per year.



Magna, BAIC Group and the Zhenjiang government sign the framework agreement for their electric vehicle manufacturing JV.

“Magna has proven experience building complete vehicles for customers,” said Günther Apfalter, President of Magna Europe and Magna Steyr. “We are excited to work with BAIC to further strengthen Magna’s e-mobility capability in the largest global market for new energy vehicles.”

“BAIC’s long term strategy, an open and sharing philosophy, and a collaborative and innovative mindset leads us toward the top partners like Magna,” General Manager of BAIC Group Mr. Zhang Xiyong said at the ceremony.

In June 2018, Magna and BJEV announced they would jointly engineer and build premium electric vehicles for customers in China. In January 2019, the two sides celebrated the opening of a new engineering center and announced the groundbreaking of a new NEV test center in Zhenjiang.

The first production of electric vehicles, BJEV’s ARCFOX models, is expected for launch in late 2020. The joint venture will also be capable of offering EV contract manufacturing services to other potential customers.

TAGS

Electric vehicle, contract manufacturing, joint venture, BAIC, BJEV

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ABOUT MAGNA

We are a mobility technology company. We have more than 169,000 entrepreneurial-minded employees and 338 manufacturing operations and 89 product development, engineering and sales centres in 28 countries. We have complete vehicle engineering and contract manufacturing expertise, as well as product capabilities which include body, chassis, exterior, seating, powertrain, active driver assistance, electronics, mirrors & lighting, mechatronics and roof systems. Magna also has electronic and software capabilities across many of these areas. Our common shares trade on the Toronto Stock Exchange (MG) and the New York Stock Exchange (MGA). For further information about Magna, visit www.magna.com.

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