

MAGNA TO JOINTLY ENGINEER AND BUILD PREMIUM ELECTRIC VEHICLES FOR CUSTOMERS IN CHINA

- Forming two Joint Ventures with Beijing Electric Vehicle Co.
- Facility can support up to 180,000 annual vehicle capacity
- JV is capable of supporting the needs of additional customers

SHANGHAI, China, June 18, 2018 — Magna today announced its intention to form two new joint ventures with Beijing Electric Vehicle Co. Ltd (BJEV) for complete vehicle manufacturing as well as engineering of electric vehicles. BJEV, a subsidiary of the BAIC Group for electric cars, and Magna, a global automotive supplier and the world's leading brand-independent vehicle contract manufacturer, gathered today to sign term sheets for the new joint ventures. Executives from both companies were joined by Mr. Wu Zhenglong, Governor of Jiangsu Province and officials from Zhenjiang at a signing ceremony held in Nanjing. Over the coming months, Magna and BJEV will work with authorities to implement legally binding joint-venture agreements which will govern the operations of these two joint ventures.

The engineering and manufacturing joint ventures are expected to take over an existing BAIC manufacturing facility in Zhenjiang, Jiangsu Province, where the first production vehicles are planned for 2020. The plant has the capacity to build up to 180,000 vehicles per year.

The joint ventures will also be set up to offer engineering and complete vehicle manufacturing capacity to other potential customers.

“These joint venture operations mark an historic milestone for Magna. For the first time we will be providing our customers with cars engineered and built outside our complete vehicle manufacturing facility in Graz, Austria,” said Don Walker, CEO of Magna International Inc. “It’s a unique capability for Magna, especially with our ability to



The Zhenjiang facility where Magna and BJEV plan to engineer and build electric vehicles for the Chinese market.

produce vehicles with conventional, hybrid and electric powertrains, and we are excited to bring it to a market like China where there is tremendous opportunity.”

“From a strategic point of view, the establishment of the JVs will benefit both Magna and BAIC to further strengthen our business growth in China”, Mr. Xu Heyi, Chairman of BAIC Group, said at the ceremony. “Based on an open and sharing platform, we will jointly develop and manufacture premium smart electric vehicles bringing the clean energy vehicle industry to the next level.”

In April 2018, BAIC Group and Magna announced they will jointly develop a next generation smart electric vehicle architecture for the Chinese market. It is expected that this vehicle architecture will be transferred to the engineering joint venture and will form the platform of the new electric vehicles to be launched in the joint venture. China is currently the world’s leading market for electric mobility. By 2020, the number of all-electric cars on China’s roads is forecasted to reach around five million.

Both joint ventures are subject to a number of conditions including agreement on final joint venture agreements and obtaining all necessary regulatory approvals.

TAGS

Electric vehicle, Chinese joint venture, complete vehicle manufacturing

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ABOUT MAGNA

We have more than 172,000 entrepreneurial-minded employees dedicated to delivering mobility solutions. We are a technology company and one of the world's largest automotive suppliers with 340 manufacturing operations and 93 product development, engineering and sales centres in 28 countries. Our competitive capabilities include body exteriors and structures, power and vision technologies, seating systems and complete vehicle solutions. 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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