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CIMC 中集车辆

CIMC Vehicles (Group) Co., Ltd.

中集車輛(集團)股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1839)

INSIDE INFORMATION ANNOUNCEMENT PRELIMINARY PRICE CONSULTATION PERIOD OF THE A SHARE OFFERING AND SUMMARY OF PRINCIPAL PROVISIONS OF THE A SHARE PROSPECTUS

This announcement is made by CIMC Vehicles (Group) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 6 May 2020, 15 May 2020, 22 June 2020, 23 June 2020, 2 August 2020, 30 September 2020, 20 November 2020, 14 December 2020, 16 December 2020, 27 December 2020, 25 March 2021, 30 March 2021, 6 April 2021, 18 May 2021 and 19 May 2021 (collectively, the “**Announcements**”), and the circulars of the Company dated 3 June 2020, 14 September 2020 and 26 April 2021 (collectively, the “**Circulars**”) in relation to the A Share Offering and related matters. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements and Circulars.

I. PRELIMINARY PRICE CONSULTATION PERIOD OF THE A SHARE OFFERING

As disclosed in the announcement of the Company dated 19 May 2021, the CSRC has approved the Company’s application for the registration of the A Share Offering on 19 May 2021. As required by the applicable PRC laws and regulations, the Company and the sponsor (the lead underwriter) will conduct preliminary price consultations among qualified participants who meet the requirements of the PRC laws and regulations on the preliminary price consultation date, i.e. 23 June 2021 (9:30 a.m. to 3:00 p.m.), in the PRC to determine the issue price. The Company will make further announcement(s) once the final size and issue price of the A Share Offering are determined.

II. PRINCIPAL PROVISIONS OF THE A SHARE PROSPECTUS

The full text of the prospectus in relation to the A Share Offering (the “**A Share Prospectus**”) and the relevant appendices were published by the Company in Chinese only on the websites of the Shenzhen Stock Exchange (the “**Shenzhen Stock Exchange**”) (www.szse.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk) on 21 June 2021, respectively.

The following is a summary of the principal provisions of the A Share Prospectus:

1. Overview of the Proposed A Share Offering

- (i) Class of shares: RMB ordinary shares (A shares)
- (ii) Nominal value per share: RMB1.00
- (iii) Number of shares to be issued and their percentage to the total share capital after the issue: 252,600,000 shares, representing 12.52% of the total number of shares after the A Share Offering. The A Share Offering is solely the issue of new shares, and no public offering of shares shall be made by the original shareholders
- (iv) Issue price per share: RMB[•] per share
- (v) Price-to-earnings ratio: [•] times (Earnings per share is calculated by dividing the audited net profit attributable to ordinary shareholders of the Company for the year prior to the issue (before or after deducting non-recurring gains or losses, whichever is lower) by the total share capital after the A Share Offering)
- (vi) Net assets per share before the issue: RMB5.64 per share (calculated by dividing the audited interests attributable to owners of the parent as at 31 December 2020 by the total share capital before the A Share Offering)
- (vii) Net assets per share after issue: RMB[•] per share
- (viii) Price-to-book ratio: [•] times (calculated by dividing the issue price per share by the net asset value per share after the A Share Offering)
- (ix) Method of issue: The A Share Offering will be conducted through a combination of targeted placement to strategic investors, placement to qualified investors through offline price consultation process and subscription by public investors at a price fixed according to market value

- (x) Target subscribers: The target subscribers will be qualified strategic investors, participants in the price consultation process, and other qualified investors. If the CSRC or Shenzhen Stock Exchange or other regulatory bodies have other requirements, such requirements shall be followed. If the target subscribers of the A Share Offering are related (connected) persons of the Company, the Company will take all reasonable measures to ensure that the target subscribers of the A Share Offering comply with the relevant requirements of the regulatory bodies including the CSRC, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange (if applicable)
- (xi) Method of underwriting: Subject to the laws and regulations and the requirements of the relevant regulatory bodies, to authorize the Board or its authorized persons to negotiate and determine with the underwriters
- (xii) Total proceeds raised: RMB[•], which is determined based on the issue price multiplied by the number of shares issued
- (xiii) Net proceeds raised: RMB[•], which is determined by the total proceeds after deducting the issue expenses
- (xiv) Estimated issue expenses (tax exclusive): Details of the expenses for the A Share Offering are as follows:
- (1) Sponsor fee of RMB12 million;
 - (2) The underwriting fee represents 6.80% of the total proceeds. In addition, the Company has the right to negotiate with the lead underwriter to give an additional incentive commission of not more than RMB50 million to the lead underwriter based on the performance of the lead underwriter's team and the final offering situation;
 - (3) Accounting fees of RMB22,157,300;
 - (4) Legal fees of RMB12,865,600;
 - (5) Information disclosure expenses in connection with the A Share Offering of RMB4,820,800;
 - (6) Handling fees and other expenses in connection with the A Share Offering of RMB1,585,600.

Note 1: The above expenses in connection with the A Share Offering are exclusive of value-added tax.

Note 2: Stamp duty in connection with the A Share Offering is not included in the handling fees of the A Share Offering. The tax rate is 0.025% of the net proceeds before deducting stamp duty, which will be calculated based on the final offering situation and included in the handling fees in connection with the A Share Offering.

Note 3: The expenses may be adjusted according to the results of the A Share Offering.

(xv) Proposed stock exchange and place of listing: ChiNext Market of Shenzhen Stock Exchange

(xvi) Issue date: 29 June 2021

2. Major use of proceeds

As approved at the fifth meeting of the 2020 first session of the Board convened on 15 May 2020, and the 2019 annual general meeting, the 2020 first domestic share class meeting and the 2020 first H share class meeting convened on 22 June 2020, the proposed projects to be invested with the proceeds are related to the principal businesses. The net proceeds after deducting the issue expenses will be invested in the following projects in the order of priority:

Unit: RMB0'000

No.	Project name	Total investment amount	Amount intended to be invested with the proceeds
1	Digital transformation, research and development project	78,512.00	50,000.00
2	“Light Tower Plants” upgrade and construction project	148,071.07	115,000.00
3	New marketing construction project	15,310.00	10,000.00
4	Repayment of bank loans and replenishment of working capital	25,000.00	25,000.00
	Total	<u>266,893.07</u>	<u>200,000.00</u>

The total investment amount of the above projects is RMB2,668,930,700 and it is estimated that proceeds amounting to RMB2,000,000,000 will be utilized. Within the scope of the above investment projects, the Board will make appropriate adjustments to the order of investment projects and the specific amount based on the principle of overall arrangement and according to the actual situation of the projects including progress and fund needs.

The Company will first invest the self-raised funds according to the project progress, before receiving the proceeds from the A Share Offering, and will replace the funds with the proceeds when received. If the actual proceeds from the A Share Offering are less than the funds required for the above investment projects, the Company will make up the difference by self-financing. If the actual proceeds from the A Share Offering after deducting the issue expenses exceed the total project investment amount, the difference may be used for replenishing the working capital of the Company in relation to its principal businesses in accordance with the requirements of CSRC and the Shenzhen Stock Exchange.

3. Share capital before and after the A Share Offering

As of the effective date of the A Share Prospectus (i.e. 21 June 2021), the total share capital before the A Share Offering is 1,765,000,000 shares, and the number of Renminbi ordinary shares to be issued under the A Share Offering is 252,600,000 shares. The total share capital upon completion of the A Share Offering is 2,017,600,000 shares, representing 12.52% of the total share capital after the A Share Offering. The changes in the shareholding structure of the Company before and after the A Share Offering are as follows:

No.	Name of Shareholder	Shareholding structure before the A Share Offering		Shareholding structure after the A Share Offering	
		Number of shares held (Shares)	Shareholding percentage (%)	Number of shares held (Shares)	Shareholding percentage (%)
1	China International Marine Containers (Group) Co., Ltd.	728,443,475	41.2716	728,443,475	36.1045
2	China International Marine Containers (Hong Kong) Limited	284,985,000	16.1465	284,985,000	14.1250
3	Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership)	167,836,525	9.5092	167,836,525	8.3186
4	Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership)	161,602,500	9.1559	161,602,500	8.0096
5	Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership)	96,877,500	5.4888	96,877,500	4.8016
6	Shenzhen Long Yuan Gang Cheng Enterprise Management Center (Limited Partnership)	23,160,000	1.3122	23,160,000	1.1479
7	Shenzhen Nan Shan Da Cheng New Material Investment Partnership (Limited Partnership)	23,160,000	1.3122	23,160,000	1.1479
8	Other H shareholders	278,935,000	15.8037	278,935,000	13.8251
9	A Share Offering	—	—	252,600,000	12.5198
	Total	<u>1,765,000,000</u>	<u>100.0000</u>	<u>2,017,600,000</u>	<u>100.0000</u>

The English version of the summary of the principal provisions of the A Share Prospectus mentioned above is an unofficial translation of its Chinese version. In the event of any inconsistency, the Chinese version shall prevail.

The Company will make further announcement(s) on any material updates and developments in relation to the A Share Offering in accordance with the Listing Rules and other applicable laws and regulations as and when appropriate. This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
CIMC Vehicles (Group) Co., Ltd.
Li Guiping
Executive Director

Hong Kong, 21 June 2021

*As at the date of this announcement, the Board comprises nine members, being Mr. Mai Boliang**, Mr. Li Guiping*, Ms. Zeng Beihua**, Mr. Wang Yu**, Mr. Chen Bo**, Mr. Huang Haicheng**, Mr. Feng Jinhua***, Mr. Fan Zhaoping*** and Mr. Cheng Hok Kai Frederick***.*

* *Executive Director*

** *Non-executive Directors*

*** *Independent non-executive Directors*