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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)

PROPOSED ALIGNMENT IN ADOPTION OF CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

This announcement is made by CIMC Vehicles (Group) Co., Ltd. (the “**Company**”) pursuant to Rule 13.51(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

PROPOSED ALIGNMENT IN ADOPTION OF CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

Since the date of listing of the Company’s H shares on the Hong Kong Stock Exchange, the Company has been preparing its financial reports in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards, as required by the Articles of Association of the Company (the “**Articles of Association**”).

According to the Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》) published by the Hong Kong Stock Exchange in December 2010, since December 15, 2010, issuers listed in Hong Kong and incorporated in mainland China are approved to adopt the China Accounting Standards for Business Enterprises to prepare their financial statements, and domestic accounting firms recognized by the Ministry of Finance of the People’s Republic of China (the “**MOF**”) and the China Securities Regulatory Commission (the “**CSRC**”) are permitted to provide services for such issuers by using Mainland auditing standards. Currently, PricewaterhouseCoopers Zhong Tian LLP, the Company’s domestic auditor, is a certified public accountant firm approved by the MOF and the CSRC and is qualified to provide audit services by using the China Standards on Auditing for the Certified Public Accountants to issuers listed on the Hong Kong Stock Exchange.

Based on the foregoing requirements, and taking into account the Company listed on the ChiNext Market of the Shenzhen Stock Exchange on July 8, 2021, in order to improve the Company’s working efficiency while reducing information disclosure costs and audit fees, the Company held a meeting of the board of the directors of the Company (“**Board**”) on August 25, 2021, at which, proposed alignment in adoption of China Accounting Standards for Business Enterprises (“**Proposed Alignment in Adoption of China Accounting Standards for Business Enterprises**”) was considered and approved to prepare financial reports, subject to the approval of the Company’s shareholders (“**Shareholders**”) amendments to certain articles of the Articles of Association at the Shareholders’ general meeting of the Company (“**Shareholders’ General Meeting**”).

Upon Shareholders’ approval of the proposed amendments to the Articles of Association, the Company will prepare its financial reports and disclose corresponding financial information in accordance with the China Accounting Standards for Business Enterprises. The Board believes that the Proposed Alignment in Adoption of the China Accounting Standards for Business Enterprises will: (1) not have any significant impact on the Company’s financial position and operating results of 2021 or in the future; and (2) improve the efficiency of information disclosure and reduce costs, in line with the whole interests of the Company and its Shareholders.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of the Proposed Alignment in Adoption of the China Accounting Standards for Business Enterprises as mentioned above and considering the actual needs of the Company, the Company intends to adjust and amend certain articles of the Articles of Association accordingly (“**Proposed Amendments to the Articles of Association**”). Details of the amendments are as follows:

No.	Existing Articles of the Articles of Association	Amended Articles of the Articles of Association
1	Article 7 The chairman of the Board shall be the legal representative of the Company.	Article 7 The chairman of the Board, <u>the executive director or the president</u> shall be the legal representative of the Company.
2	Article 37 Subject to the Articles of Association and all other applicable regulations, upon the transfer of shares of the Company, the transferee shall be treated as a holder of the shares, whose name shall be listed in the register of shareholders. <u>No alteration of the register of shareholders due to the transfer of shares shall be registered within twenty (20) days before the convention of shareholders’ general meetings or five (5) days before the base day of which the Company decides to distribute dividends. If there are other regulations of the securities regulatory authorities at the place where the shares of the Company are listed, such regulations shall prevail.</u>	Article 37 Subject to the Articles of Association and all other applicable regulations, upon the transfer of shares of the Company, the transferee shall be treated as a holder of the shares, whose name shall be listed in the register of shareholders. <u>Where the PRC laws and regulations and the Stock Exchange Listing Rules have provisions on the period of closure of register of members prior to the convening of a general meeting or the date for the determination of the basis of dividend distribution by the Company, such provisions shall prevail.</u>

No.	Existing Articles of the Articles of Association	Amended Articles of the Articles of Association
3	<p>Article 217 The financial reports of the Company shall, in addition to being prepared in accordance with the PRC Accounting Standards and regulations, <u>be prepared in accordance with either international accounting standards, or those of the place outside China where the shares of the Company are listed. If there is any material difference between the financial statements prepared in accordance with the two accounting standards, such difference shall be stated in the notes to the financial reports. When the Company is to distribute its after-tax profits for relevant accounting years, the lower of the after-tax profits as shown in the two financial statements shall be adopted.</u></p>	<p>Article 217 The financial reports of the Company are prepared in accordance with the China Accounting Standards for <u>Business Enterprises</u> and regulations.</p>
4	<p>Article 218 Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC Accounting Standards and regulations, <u>and also in accordance with either international accounting standards or those of the place outside China where the shares of the Company are listed.</u></p>	<p>Article 218 Any interim results or financial information published or disclosed by the Company are prepared in accordance with the China Accounting Standards for <u>Business Enterprises</u> and regulations.</p>

No.	Existing Articles of the Articles of Association	Amended Articles of the Articles of Association
5	<p>Article 273 The Articles of Association shall be considered and passed by a special resolution at a shareholders' general meeting of the Company, <u>and shall take effect and be implemented from the date of the initial public offering of the RMB ordinary shares (A Shares) of the Company in the People's Republic of China and when they are listed on the ChiNext Market, and shall supersede previous articles of association of the Company filed with competent administration for industry and commerce and its amendments.</u></p> <p>Appendices to the Articles of Association shall include the Rules of Procedure for the General Meeting, the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Supervisory Committee.</p>	<p>Article 273 The Articles of Association shall be considered and passed by a special resolution at a shareholders' general meeting of the Company.</p> <p>Appendices to the Articles of Association shall include the Rules of Procedure for the General Meeting, the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Supervisory Committee.</p>

The Proposed Amendments to the Articles of Association shall become effective and be subject to Shareholders' approval at the Shareholders' General Meeting by way of a special resolution. Save for the Proposed Amendments to the Articles of Association as mentioned above, other articles of the Articles of Association will remain unchanged. The Board requested the Shareholders' General Meeting to authorize Mr. Li Guiping, the Chief Executive Officer and President of the Company, and his delegated personnel to handle the corresponding change procedures.

SHAREHOLDERS' APPROVAL AND GENERAL INFORMATION

A circular containing, among other things, the details of the Proposed Amendments to the Articles of Association will be dispatched to the Shareholders in due course. Prior to the passing of the Proposed Amendments to the Articles of Association at the Shareholders' General Meeting, the prevailing Articles of Association shall remain valid and effective.

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

Hong Kong, August 25, 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. Huang Haicheng**, Mr. Chen Bo**, Mr. Feng Jinhua***, Mr. Fan Zhaoping*** and Mr. Cheng Hok Kai Frederick***.*

* *Executive Director*

** *Non-executive Directors*

*** *Independent non-executive Directors*