
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stock broker, a licensed securities dealer under the Securities and Futures Ordinance, bank manager, solicitor, accountant or other professional adviser.

If you have sold or transferred all your shares in CIMC Vehicles (Group) Co., Ltd., you should at once hand this circular together with the proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CIMC VEHICLES

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)

**PLAN REGARDING INTERIM SPECIAL
DIVIDEND DISTRIBUTION FOR 2021;
PROPOSED CHANGES IN THE USE OF PROCEEDS FROM H SHARES;
PROPOSED ELECTION OF THE MEMBERS OF
THE SECOND SESSION OF THE BOARD AND
THE NON-EMPLOYEE REPRESENTATIVE SUPERVISORS OF
THE SECOND SESSION OF THE SUPERVISORY COMMITTEE;
PROPOSED REMUNERATION OF THE MEMBERS OF
THE SECOND SESSION OF THE BOARD AND
THE NON-EMPLOYEE REPRESENTATIVE SUPERVISORS OF
THE SECOND SESSION OF THE SUPERVISORY COMMITTEE;
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS;
ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS
WITH JIANGSU WANJING FOR YEARS OF 2022-2024;
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
AND
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING FOR 2021**

A letter from the Board is set out on pages 7 to 45 of this circular. A notice convening the EGM to be held at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC at 2:50 p.m. on Wednesday, 29 September 2021, is despatched to the Shareholders together with this circular.

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the appropriate proxy form in accordance with the instructions printed thereon. The proxy form must be signed by you or your attorney duly authorized in writing or, in case of a legal person, must either be executed under its seal or under the hand of its director or other attorney duly authorized to sign the same. If the proxy form is signed by an attorney of the appointer, the power of attorney authorizing that attorney to sign, or other document of authorization, must be notarially certified.

In case of joint holders of any Share, any one of such joint holders may vote at the EGM, either personally or by proxy, in respect of such Shares as if he is solely entitled thereto. However, if more than one of such joint holders are present at the EGM, personally or by proxy, the vote of the joint shareholder whose name stands first in the register of members and who tenders a vote, whether personally or by proxy, will be accepted to the exclusion of the votes of other joint shareholder(s).

For holders of H Shares, please return the proxy form together with any documents of authority to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, and in any event not later than 24 hours before the time appointed for holding the EGM. For holders of A Shares, please return the proxy form together with any documents of authority to the registered office of the Company in the PRC at No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC or the office of Investor Relations Department of the Company at Unit 1804, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC as soon as possible, and in any event not later than 24 hours before the time appointed for holding the EGM. Completion and return of the proxy form will not preclude you from attending and voting at the EGM, or any adjournment thereof should you so wish.

13 September 2021

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“A Share(s)”	domestic listed ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed and traded on the ChiNext Market of the Shenzhen Stock Exchange
“A Share Offering”	the initial public offering by the Company of 252,600,000 A Shares listed on the ChiNext Market of the Shenzhen Stock Exchange on 8 July 2021
“A Share Shareholder(s)”	A Shareholder(s) of the Company
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules of the Hong Kong Stock Exchange
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China, for the purpose of this circular only, excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“ChiNext Market”	the ChiNext Market of the Shenzhen Stock Exchange
“CIMC”	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司), a joint stock company with limited liability incorporated in the PRC on 14 January 1980 and listed on the Shenzhen Stock Exchange (stock code: 000039) and the Hong Kong Stock Exchange (stock code: 2039), and the Controlling Shareholder of the Company
“CIMC Connected Persons”	CIMC Group and associates/related parties of CIMC (for the purposes of this circular, excluding the Group)

DEFINITIONS

“CIMC Enric”	CIMC Enric Holdings Limited (中集安瑞科控股有限公司), a limited liability company incorporated in the Cayman Islands on 28 September 2004, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3899) and a non-wholly owned subsidiary of CIMC
“CIMC Financial Group”	non-bank financial institution(s) of CIMC
“CIMC Financial Institution”	CIMC Finance Co., Ltd. (中集集團財務有限公司), a limited liability company established in the PRC on 9 February 2010, a non-wholly owned subsidiary of CIMC
“CIMC Group”	CIMC and its subsidiaries (excluding the Company and its subsidiaries)
“circular”	the circular of the Company dated 13 September 2021
“Company”	CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)股份有限公司), a joint stock company with limited liability established under the laws of the PRC on 29 August 1996, whose H Shares and A Shares are listed and traded on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, respectively
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules of the Hong Kong Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules of the Hong Kong Stock Exchange
“Deposit Service Framework Agreement”	the deposit service framework agreement for years of 2022-2024 proposed to be entered into by the Company and CIMC Financial Institution with regard to the provision of deposit services to the Group, which will be officially entered into, subject to the approval at the First Extraordinary General Meeting for 2021, and will come into force from 1 January 2022; both parties agree that the Existing Deposit Service Framework Agreement will expire on 31 December 2021
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM” or “First Extraordinary General Meeting for 2021”	the first extraordinary general meeting for 2021 of the Company to be convened at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC at 2:50 p.m. on Wednesday, 29 September 2021, or any adjournment thereof
“Existing Agreements”	collectively, the Existing Deposit Service Framework Agreement, the Existing Procurement Framework Agreement, the Existing Provision of Products and Services Framework Agreement and the Existing Financial Guarantees Framework Agreement
“Existing Deposit Service Framework Agreement”	the deposit service framework agreement entered into on 15 January 2019 by and between the Company and CIMC with regard to the provision by CIMC Group of deposit services to the Group
“Existing Financial Guarantees Framework Agreement”	the financial guarantees framework agreement entered into on 15 January 2019 by and between the Company and CIMC, with the supplementary agreement entered into before the Listing Date
“Existing Procurement Framework Agreement”	the procurement of products and services framework agreement entered into on 15 January 2019 by and between the Company and CIMC, with the supplementary agreement entered into before the Listing Date
“Existing Provision of Products and Services Framework Agreement”	the provision of products and services framework agreement entered into on 15 January 2019 by and between the Company and CIMC
“Financial Guarantees Framework Agreement”	the financial guarantees and performance bond framework agreement 2022-2024 proposed to be entered into by the Company with CIMC, which will be officially entered into, subject to approval at the First Extraordinary General Meeting for 2021, and will come into force on 1 January 2022; both parties agree that the Existing Financial Guarantees Framework Agreement will expire on 31 December 2021
“Global Offering”	the global offering of the Company’s H Shares and the listing on the Main Board of the Hong Kong Stock Exchange

DEFINITIONS

“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed and traded on the Main Board of the Hong Kong Stock Exchange
“H Share Shareholder(s)”	H Shareholder(s) of the Company
“HK\$” or “HK Dollar(s)”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Non-executive Director(s)” or “Independent Director(s)”	the independent non-executive director(s) of the Company
“Independent Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules of the Hong Kong Stock Exchange
“Jiangsu Wanjing”	Jiangsu Wanjing Technology Co., Ltd., a company incorporated in the PRC with limited liability, with 42.67% of shares held by the Company
“Jiangsu Wanjing Procurement Framework Agreement”	the procurement framework agreement 2022-2024 proposed to be entered into by the Company with Jiangsu Wanjing, which will be officially entered into, subject to approval at the First Extraordinary General Meeting for 2021, and will come into force on 1 January 2022
“Latest Practicable Date”	8 September 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Date”	11 July 2019, the date on which the H Shares were listed and started to be traded on the Hong Kong Stock Exchange
“Listing Rules of the Hong Kong Stock Exchange”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time

DEFINITIONS

“Listing Rules of the Shenzhen Stock Exchange”	the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, as amended from time to time
“Longyuan Investment”	Shenzhen Long Yuan Gang Cheng Investment and Development Co., Ltd. (深圳市龍源港城投資發展有限責任公司), a limited liability company established in the PRC on 14 December 2015
“New Agreements”	collectively, the Deposit Service Framework Agreement, the Procurement and Service Framework Agreement, the Provision of Products and Services Framework Agreement and the Financial Guarantees Framework Agreement
“Nomination Committee”	the nomination committee of the Company
“Proceeds from the Global Offering” or “Proceeds from H Shares”	the proceeds received upon the completion of the Global Offering of H Shares on the Main Board of the Hong Kong Stock Exchange on 11 July 2019
“Procurement and Service Framework Agreement”	the procurement of products and services framework agreement 2022-2024 proposed to be entered into by the Company with CIMC, which will be officially entered into, subject to the approval at the First Extraordinary General Meeting for 2021, and will come into force on 1 January 2022; both parties agree that the Existing Procurement Framework Agreement will expire on 31 December 2021
“Prospectus”	the prospectus of the Company dated 27 June 2019 in relation to the listing of H Shares
“Provision of Products and Services Framework Agreement”	the provision of products and services framework agreement 2022-2024 proposed to be entered into by the Company with CIMC, which will be officially entered into, subject to the approval at the First Extraordinary General Meeting for 2021, and will come into force on 1 January 2022; both parties agree that the Existing Provision of Products and Services Framework Agreement will expire on 31 December 2021
“related party(ies)”	has the meaning ascribed thereto under the Listing Rules of the Shenzhen Stock Exchange

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company
“Shenzhen Longyuan”	Shenzhen Long Yuan Gang Cheng Enterprise Management Center (Limited Partnership) (深圳市龍源港城企業管理中心(有限合夥)), a limited liability partnership incorporated in the PRC on 29 April 2016, and the Shareholder of the Company
“Shenzhen Stock Exchange”	Shenzhen Stock Exchange
“Southbound Shareholders”	H Share Shareholders through the Southbound Trading Link
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Xiangshan Huajin”	Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) (象山華金實業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on 22 November 2017, and the Substantial Shareholder of the Company
“%”	per cent

LETTER FROM THE BOARD

CIMC VEHICLES
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)

Non-executive Directors:

Mr. Mai Boliang (*Chairman*)
Ms. Zeng Beihua
Mr. Wang Yu
Mr. Chen Bo
Mr. Huang Haicheng

Registered Office:

No. 2 Gangwan Avenue,
Shekou,
Nanshan District,
Shenzhen, Guangdong,
the PRC

Executive Director:

Mr. Li Guiping (*Chief Executive Officer and President*)

Principal Place of

Business in Hong Kong:
40/F, Dah Sing Financial Centre,
No. 248 Queen's Road East,
Wan Chai,
Hong Kong

Independent Non-executive Directors:

Mr. Feng Jinhua
Mr. Fan Zhaoping
Mr. Cheng Hok Kai Frederick

13 September 2021

To the Shareholders

Dear Sir or Madam,

**PLAN REGARDING INTERIM SPECIAL
DIVIDEND DISTRIBUTION FOR 2021;
PROPOSED CHANGES IN THE USE OF PROCEEDS FROM H SHARES;
PROPOSED ELECTION OF THE MEMBERS OF
THE SECOND SESSION OF THE BOARD AND
THE NON-EMPLOYEE REPRESENTATIVE SUPERVISORS OF
THE SECOND SESSION OF THE SUPERVISORY COMMITTEE;
PROPOSED REMUNERATION OF THE MEMBERS OF
THE SECOND SESSION OF THE BOARD AND
THE NON-EMPLOYEE REPRESENTATIVE SUPERVISORS OF
THE SECOND SESSION OF THE SUPERVISORY COMMITTEE;
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS;
ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS
WITH JIANGSU WANJING FOR YEARS OF 2022-2024;
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
AND
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING FOR 2021**

INTRODUCTION

The purpose of this circular is to provide you with the detailed information in relation to, among other things, (I) Plan regarding Interim Special Dividend Distribution for 2021; (II) Proposed Changes in the Use of Proceeds from H Shares; (III) Proposed Election of the Members of the Second Session of the Board and the Non-Employee Representative Supervisors of the Second Session of the Supervisory Committee; (IV) Proposed Remuneration of the Members of the Second Session of the Board and the Non-Employee Representative Supervisors of the Second Session of the Supervisory Committee; (V) Renewal of Continuing Connected Transactions; (VI) Estimated Ordinary Related Party Transactions with Jiangsu Wanjing for Years of 2022-2024; and (VII) Proposed Amendments to the Articles of Association, to enable you to make informed decisions on whether to vote for or against the following resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

I. Plan Regarding Interim Special Dividend Distribution for 2021

An ordinary resolution will be proposed at the EGM to approve the resolution in relation to the proposed distribution of interim special dividend for 2021 (“**2021 Interim Special Dividend**”).

Reference is made to the interim results announcement for the six months ended 30 June 2021 of the Company dated 25 August 2021 and the announcement on the plan regarding interim special dividend distribution for 2021 set out in the overseas regulatory announcement dated 25 August 2021, a cash dividend of RMB3.00 for every 10 Shares (tax inclusive) (i.e. RMB0.30 per Share (tax inclusive)) is proposed to be distributed to all the Shareholders by the Board with a total amount of approximately RMB605,280,000.00 (tax inclusive), no bonus shares will be issued, and no Share will be converted from reserves into the share capital of the Company. The balance of undistributed profit was carried forward and will be distributable for future use.

The 2021 Interim Special Dividend will be denominated and declared in RMB, and distributed to A Share Shareholders and Southbound Shareholders in RMB, and distributed to H Share Shareholders in HK Dollar. The actual distribution amount in HK Dollar shall be determined based on the relevant central parity rate published by the People’s Bank of China on the first business day after the date of the EGM. The Company will complete the cash dividend distribution within 2 months after the approval at the EGM. The 2021 Interim Special Dividend is expected to be paid in cash on or before Friday, 26 November 2021.

The 2021 Interim Special Dividend will be distributed based on the number of total share capital of the Company registered on the equity registration date of the implementation of the equity distribution. If the number of total share capital of the Company changes before the equity registration date, then the distribution amount per Share will remain unchanged while the total distribution amount will be adjusted accordingly and a further announcement will be published for the details of the adjustment (if any).

In order to ascertain the entitlement of the 2021 Interim Special Dividend, the register of members of Shares will be closed from Wednesday, 6 October 2021 to Sunday, 10 October 2021 (both days inclusive), during which no transfer of Shares will be registered. To be eligible to receive the aforesaid cash dividend, the transfer documents must be lodged with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for H Share Shareholders no later than 4:30 p.m. on Tuesday, 5 October 2021 (subject to the approval by the Shareholders at the EGM).

LETTER FROM THE BOARD

II. Proposed Changes in the Use of Proceeds From H Shares

An ordinary resolution will be proposed at the EGM to approve the proposed changes in the use of Proceeds from H Shares/Proceeds from the Global Offering.

Reference is made to the announcements of the Company dated 5 December 2019, 25 March 2020, 12 October 2020 and 20 November 2020 in relation to the changes in the use of Proceeds from the Global Offering and dated 25 August 2021 in relation to the proposed further change in the use of Proceeds from the Global Offering, the details of which are presented as follows:

Intended use of the net proceeds	Original intended amount <i>(HK\$ in millions)</i>	Utilized amount as of 30 June 2021 <i>(HK\$ in millions)</i>	Amount arranged to pay as of 30 June 2021 <i>(HK\$ in millions)</i>	Remaining amount as of 30 June 2021 <i>(HK\$ in millions)</i>	Amount for the changed use <i>(HK\$ in millions)</i>	Unutilized amount for allocation after further changes <i>(HK\$ in millions)</i>
Develop new manufacturing or assembly plants and upgrade the marketing model	1,102.70	630.08	340.09	132.53	145.56	618.18
- Develop a new automated production facility for chassis trailers in the coastline regions along the eastern or southern US	39.20	38.83	-	0.37	(0.37)	-
- Develop a new assembly plant for high-end refrigerated trailers in the UK or Poland	38.50	14.30	17.80	6.40	(6.40)	17.80
- Develop a new automated production facility for refrigerated trailers in Monon, the US	165.40	159.38	3.62	2.40	(2.40)	3.62
- Develop a new assembly plant for swap bodies and chassis and flatbed trailers in the Netherlands	105.30	78.27	26.92	0.11	(0.11)	26.92
- Develop a new assembly plant for refrigerated trailers in Canada	39.00	15.99	4.25	18.76	(18.76)	4.25
- Develop a new manufacturing plant in Jiangmen, China	87.00	65.58	21.42	-	-	21.42
- Upgrade the marketing model in China	99.60	-	-	99.60	(99.60)	-
- Technical reform and informatization construction for Xi'an plant in China	32.90	-	32.71	0.19	(0.19)	32.71
- Develop a new manufacturing plant in Baoji City, China	70.00	-	70.00	-	-	70.00

LETTER FROM THE BOARD

Intended use of the net proceeds	Original intended amount <i>(HK\$ in millions)</i>	Utilized amount as of 30 June 2021 <i>(HK\$ in millions)</i>	Amount arranged to pay as of 30 June 2021 <i>(HK\$ in millions)</i>	Remaining amount as of 30 June 2021 <i>(HK\$ in millions)</i>	Amount for the changed use <i>(HK\$ in millions)</i>	Unutilized amount for allocation after further changes <i>(HK\$ in millions)</i>
- Build a vehicle park in Kunming, China	78.40	48.03	30.37	-	-	30.37
- Expand the manufacturing plant for semi-trailers in Dongguan, China	118.40	63.11	51.66	3.63	(3.63)	51.66
- Expand the manufacturing plant for dry truck bodies and refrigerated truck bodies in Zhenjiang, China	35.50	9.94	24.49	1.07	(1.07)	24.49
- Expand the manufacturing and assembly plant for chassis trailers in Rayong, Thailand	193.50	136.65	56.85	-	-	56.85
- Increase the registered capital and production capacity of subsidiaries in the UK <i>(Note 1)</i>	-	-	-	-	278.09	278.09
Research and develop new products	157.50	55.13	11.43	90.94	(90.94)	11.43
- Invest in industrial funds	84.10	34.43	-	49.67	(49.67)	-
- Develop high-end refrigerated trailers	26.30	14.87	11.43	-	-	11.43
- Develop other smart trailers	15.70	-	-	15.70	(15.70)	-
- Invest in product standardization, unit weight reduction and modularization in our Europe and US plants	15.70	-	-	15.70	(15.70)	-
- Develop other trailer products	15.70	5.83	-	9.87	(9.87)	-
Repay the principal amount and interests of bank borrowings	157.50	153.77	-	3.73	(3.73)	-
Working capital and general corporate purposes	173.60	151.45	-	22.15	(22.15)	-
Interest income generated from the designated account	-	-	-	28.74	(28.74)	-
Total <i>(Note 2)</i>	1,591.30	990.43	351.52	278.09	-	629.61

Note 1: New use of net proceeds

Note 2: Any discrepancies between totals and sums of amounts added are due to rounding

LETTER FROM THE BOARD

Reasons for and Benefits of the Changes in Use of the Proceeds from the Global Offering

Based on the actual use of the Proceeds from the Global Offering in each project and taking into consideration the changes in the global trading environment, the Group made corresponding adjustments to the strategic arrangements for its overseas businesses. Accordingly, the Company determines to centralize and reallocate all the remaining amount after deducting the amount of scheduled payments or unutilized amount of the Proceeds from the Global Offering for each intended use, together with the interest accrued in designated bank account for the Proceeds from Global Offering, totalling approximately HK\$278.09 million to the additional project located in the United Kingdom (“UK”) as described in the above table, and the Proceeds from the Global Offering are not used for certain projects for the following reasons:

1. Upgrade the new marketing model in China

Reference is made to the announcement of the Company dated 5 December 2019 which discloses the intention to invest HK\$99.6 million in upgrading the marketing model in China, but due to the impact of the COVID-19 outbreak, the preliminary preparation for the project was later than originally planned. Meanwhile, the capital currently invested by the Company in “upgrade the new marketing model in China” is focused on customer needs, product customization, supply chain integration, and the linkage between the marketing system and manufacturing plant operations, and is mainly working capital, which differs from the investment model of the Proceeds from the Global Offering in the construction of manufacturing plants and assembly plants. Therefore, the proceeds for this project has not been arranged and used properly.

On 6 May 2020, the Company officially commenced the project for the A Share Offering. According to the Company’s supplemental circular dated 3 June 2020 and the overseas regulatory announcement dated 5 July 2021 which set out the Prospectus for the Initial Public Offering and Listing of Shares of CIMC Vehicles (Group) Co., Ltd. on the ChiNext Market, the Proceeds from the Global Offering are mainly used for building new manufacturing or assembly plants in China or overseas, and projects for research and development of high-end refrigerated trailers and other new products; the proceeds from the A Share Offering are mainly used for “Light Tower Plants” upgrade and construction project, digital transformation, research and development projects, new marketing construction projects and other projects in China. The amount of RMB100 million in the proceeds from the A Share Offering proposed to be invested in the new marketing construction is mainly used for replenishing working capital and workplace layout.

Therefore, the Board recommends not to invest the Proceeds from the Global Offering in the above project, and arrangements will be made subsequently according to the plan for use of the proceeds from the A Share Offering.

LETTER FROM THE BOARD

2. *Invest in industrial funds*

Since the second and third tranches of capital for investment in industrial funds shall be paid in 2022 and 2023, the Board recommends to use its own funds for the investment project subsequently, in order to improve the efficiency in the use of funds.

3. *Develop other smart trailers*

Due to the global impact of the COVID-19 outbreak and global production line adjustment by the Group, the development project was later than originally planned. Subsequent research and development will be re-planned and carried out mainly in the “Semi-trailer Core Module Digitalisation Upgrading Project” and “New Generation Intelligent Refrigerated Truck Bodies Module Digitalisation Upgrading Project” in the projects proposed to be funded by the proceeds from the A Share Offering. Therefore, the Board recommends not to invest the Proceeds from the Global Offering in the above project, and arrangements will be made subsequently according to the plan for use of the proceeds from the A Share Offering.

4. *Invest in product standardization, unit weight reduction and modulization in European and US plants*

Due to the global impact of the COVID-19 outbreak, it is difficult for the Group to mobilize personnel to carry out overseas research and development collaboratively. In view of the uncertainty about the date of subsequent commencement, the Board recommends not to invest the Proceeds from the Global Offering in the above project.

5. *Develop other trailer products*

The amount of HK\$5.83 million in the Proceeds from the Global Offering was invested by the Group in “develop other trailer products”, with relevant investment used for developing the life cycle management system for semi-trailer products, which serves as a platform for modular and digital design of semi-trailer products generally used by the Company and its subsidiaries. The system has gone live. According to the arrangements of the Company in relation to the proceeds from the A Share Offering, subsequent research and development in relation to other trailer products will be converted to the “Semi-trailer Core Module Digitalisation Upgrading”, a project funded by the proceeds from the A Share Offering, for unified planning and implementation. Therefore, the Board recommends not to invest the Proceeds from the Global Offering in the above project, and arrangements will be made subsequently according to the plan for use of the proceeds from the A Share Offering.

LETTER FROM THE BOARD

New Project

In order to realize the Group's global operation strategy and optimal allocation of global resources, the Company has made a strategic arrangement in Europe through CIMC Vehicles UK Limited ("CIMC UK"), a wholly-owned subsidiary of the Company in the UK, mainly engaged in the research and development, production, sales and related services of semi-trailers. SDC Trailers Ltd, a wholly-owned subsidiary of CIMC UK, is mainly engaged in research, development, production and sales of semi-trailer products including curtain-side trailer, platform semi-trailer and other semi-trailer products. In 2021, as Brexit becomes a reality, the Company expects that the development trend of the semi-trailer market in the UK will improve in the next five years, and the semi-trailer market environment will be further stabilized. Meanwhile, the Group adjusted its global supply chain strategy, and CIMC UK and its subsidiaries will become one of the main manufacturing bases for the Group's overseas business. In order to seize the opportunity of expanding the market share in the UK, the Group determines to use the remaining or unutilized amounts under "develop new manufacturing or assembly plants and upgrade the marketing model", "research and develop new products", "repay the principal amount and interests of bank borrowings", and "working capital and general corporate purposes" and interest accrued in the designated bank account for the Proceeds from the Global Offering totalling approximately HK\$278.09 million to increase the registered capital of SDC Trailers Ltd, so as to support the expansion of its production scale and payment of relevant production expenses (such as costs of purchasing raw materials and labor costs), and the amount is planned to be used within one year from the date of approval at the First Extraordinary General Meeting for 2021.

The Board believes that further changes in the use of the net Proceeds from the Global Offering will help more effectively use the Group's financial resources and facilitate the future development of the Group, and are in the best interests of the Company and its Shareholders as a whole.

III. Proposed Election of the Members of the Second Session of the Board and the Non-Employee Representative Supervisors of the Second Session of the Supervisory Committee

Proposed Election of the Non-independent Directors and Independent Directors of the Second Session of the Board

Two separate ordinary resolutions will be proposed by the Company at the EGM to approve the appointment of the candidates for the Non-independent Directors and Independent Directors of the second session of the Board.

Pursuant to Article 117 of the Articles of Association, the Directors shall be elected or replaced at the general meeting in accordance with the procedures specified in Article 99 of the Articles of Association. The Directors serve for a term of 3 years and are eligible for re-election at the expiry of their term of office. Considering that the term of office of the first session of the Board will expire on 9 October 2021, as resolved at the tenth meeting of the first session

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of the Board in 2021, Mr. Li Guiping has been nominated as a candidate for executive Director of the second session of the Board; Mr. Mai Boliang, Mr. Wang Yu, Mr. Huang Haicheng and Mr. Chen Bo have been nominated as the candidates for the non-executive Directors of the second session of the Board; Mr. Zeng Han was nominated by CIMC and examined by the Nomination Committee of the Company as the candidate for the non-executive Director of the second session of the Board.

Mr. Feng Jinhua, Mr. Fan Zhaoping and Mr. Cheng Hok Kai Frederick have been nominated as the candidates for the Independent Non-executive Directors of the second session of the Board. All the above Board members, excluding Mr. Zeng Han, remain the same as those on the first session of the Board.

Among the members of the first session of the Board, Ms. Zeng Beihua will retire as a Board member when the members of the first session of the Board retire at the First Extraordinary General Meeting for 2021 and will no longer serve as a member of the Remuneration Committee and the Strategy and Investment Committee, as she has attained statutory retirement age. Ms. Zeng Beihua currently still serves as a director of China Jiangsu Vanguard Trailer Rental Co., Ltd. (江蘇掛車幫租賃有限公司), a subsidiary of the Company. Ms. Zeng Beihua has confirmed that she has no disagreement with the Board and that there are no other matters relating to her retirement that need to be brought to the attention of the Shareholders. The Company would like to take this opportunity to express its heartfelt thanks to Ms. Zeng Beihua for her contribution to the development of the Company during her term of office.

Pursuant to the Articles of Association, the Board will propose ordinary resolutions by way of cumulative voting at the First Extraordinary General Meeting for 2021 for appointment of the proposed Directors of the second session of the Board. The Company will respectively enter into service contracts with the Directors upon approval by the Shareholders of the above resolutions on the proposed appointment of the Directors. The term of office of the Directors at the second session of the Board is 3 years from the date of passing the resolution at the First Extraordinary General Meeting for 2021.

The biographical details of the aforesaid proposed Directors for the second session of the Board are set out in Appendix I to this circular.

Proposed Appointment of the Non-Employee Representative Supervisors of the Second Session of the Supervisory Committee

Pursuant to Articles 174 and 175 of the Articles of Association, Supervisors serve for a term of 3 years and are eligible for re-election at the expiry of the term. The term of office of the Supervisors commences on the date of passing of the resolution at the general meeting and ends on the date of expiry of the term of office of the Supervisory Committee. Considering that the term of office for the first session of the Supervisory Committee of the Company will expire on 9 October 2021, as nominated by more than 3% of the Shareholders of the Company and resolved at the fourth meeting of the first session of the Supervisory Committee in 2021,

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Ms. Wang Jinghua and Mr. Li Xiaofu have been nominated as the candidates for the non-employee representative Supervisors of the second session of the Supervisory Committee. In accordance with the Articles of Association, the employee representative Supervisors of the Company will be elected at the employee representatives' meeting, the employee meeting or otherwise democratically, without the approval at the general meeting. The results of the election of employee representative Supervisors will be announced separately.

Among the members of the first session of the Supervisory Committee, Mr. Liu Zhenhuan will retire when the members of the first session of the Supervisory Committee retire at the First Extraordinary General Meeting for 2021, as he has attained statutory retirement age. Mr. Liu Zhenhuan has confirmed that he has no disagreements with the Board and the Supervisory Committee and that there are no other matters relating to his retirement that need to be brought to the attention of the Shareholders. The Company would like to take this opportunity to express its heartfelt thanks to Mr. Liu Zhenhuan for his contribution to the development of the Company during his term of office.

Pursuant to the Articles of Association, the Supervisory Committee will propose an ordinary resolution by way of cumulative voting at the First Extraordinary General Meeting for 2021 for appointment of the above non-employee representative Supervisors. The Company will respectively enter into service contracts with them upon approval by the Shareholders of the above resolution on the proposed appointment of the non-employee representative Supervisors. The term of office of the Supervisors at the second session of the Supervisory Committee is 3 years from the date of passing the resolution at the First Extraordinary General Meeting for 2021.

The biographical details of non-employee representative Supervisors of the second session of the Supervisory Committee are set out in Appendix II to this circular.

IV. Proposed Remuneration of the Members of the Second Session of the Board and the Non-Employee Representative Supervisors of the Second Session of the Supervisory Committee

Two separate ordinary resolutions will be proposed by the Company at the EGM to approve the remuneration of the members of the second session of the Board and the non-employee representative Supervisors of the second session of the Supervisory Committee.

Proposed Remuneration of the Members of the Second Session of the Board

Mr. Li Guiping (apart from the remuneration received for his services at the administrative position of the Company) will not receive any remuneration from the Company for his services as an executive Director of the Company. Mr. Mai Boliang, Mr. Zeng Han, Mr. Wang Yu, Mr. Huang Haicheng and Mr. Chen Bo (apart from the remuneration received for their services at the administrative position of the Company) will not receive any remuneration from the Company for their services as non-executive Directors of the Company.

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The Board considered and approved the proposed annual remuneration (pre-tax) Independent Non-executive Directors of the second session of the Board with reference to their roles, responsibilities and the prevailing market conditions:

Serial Number	Name	Annual Remuneration (Pre-tax) (RMB)
1.	Feng Jinhua	200,000
2.	Fan Zhaoping	200,000
3.	Cheng Hok Kai Frederick	200,000

The members of the second session of the Board can be paid for reasonable out-of-pocket expenses (including travel expenses) incurred in conducting the Company's affairs, but they must provide evidence of expenses in a compliant form.

Proposed Remuneration of the Non-Employee Representative Supervisors of the Second Session of the Supervisory Committee

Ms. Wang Jinghua and Mr. Li Xiaofu (apart from the remuneration received for their services at the current positions of the Company) will not receive any remuneration from the Company for their services as non-employee representative Supervisors of the Company.

V. Renewal of Continuing Connected Transactions

Three ordinary resolutions will be proposed by the Company at the EGM to seek for the approval from the Independent Shareholders for (i) the Procurement and Service Framework Agreement and the Provision of Products and Services Framework Agreement and the transactions contemplated thereunder (i.e. the estimated continuing connected transactions/ordinary related party transactions with CIMC and its connected parties/related parties for years of 2022-2024); (ii) the Financial Guarantees Framework Agreement and the transactions contemplated thereunder (i.e. the proposed entering into of the financial guarantees and performance bond framework agreement and the continuing connected/related party transactions); and (iii) the Deposit Service Framework Agreement and the transactions contemplated thereunder (i.e. the proposed entering into of the deposit service framework agreement and the estimated continuing connected/related party transactions), respectively and to seek for the approval from the Independent Shareholders to authorized any of the Directors of the Company to make any amendment to the relevant agreements as he thinks desirable or necessary and to do all such further acts, execute such further documents and take all such steps which in his opinion may be necessary, desirable or appropriate to implement and/or give effect to the terms of such transactions.

CIMC and China International Marine Containers (Hong Kong) Limited, its associate, shall abstain from voting on the aforesaid resolutions at the EGM.

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Background

Reference is made to the Prospectus, the announcements of the Company dated 25 March 2020 and 22 June 2020 and the circular of the Company dated 28 April 2020, in relation to, among others, (1) the waiver by the Hong Kong Stock Exchange of strict compliance by the Company with the announcement requirements under Rule 14A.35 of the Listing Rules of the Hong Kong Stock Exchange, in respect of the transactions under the Existing Deposit Service Framework Agreement, for a period from the Listing Date to (a) the date one year after the Listing Date or (b) the date of the first annual general meeting following the listing of H Shares, whichever is earlier, pursuant to Rule 14A.105 of the Listing Rules of the Hong Kong Stock Exchange; and (2) the approval by the Shareholders for the Existing Deposit Service Framework Agreement and the transactions thereunder, and the annual caps for the two financial years ending 31 December 2021.

Reference is further made to the Prospectus in relation to, among others, the details of transactions under (1) the Existing Procurement Framework Agreement; (2) the Existing Provision of Products and Services Framework Agreement; and (3) the Existing Financial Guarantees Framework Agreement, and the annual caps for the three financial years ending 31 December 2021 for the aforesaid agreements.

As the Existing Agreements will expire on 31 December 2021 and the Company expects to proceed with the aforesaid continuing connected transactions with CIMC and its associates thereafter, on 25 August 2021, the Board considered and approved the proposal on the entering into of the Deposit Service Framework Agreement with CIMC Financial Institution for the annual caps for the three financial years ending 31 December 2024, and the entering into of (1) the Procurement and Service Framework Agreement, (2) the Provision of Products and Services Framework Agreement and (3) the Financial Guarantees Framework Agreement with CIMC for the annual caps for the three financial years ending 31 December 2024, which will come into force on 1 January 2022 and will be valid for a term of three years, subject to the approval at the EGM.

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(I) Estimated Continuing Connected Transactions/Ordinary Related Party Transactions with CIMC and Its Connected Parties/Related Parties for Years of 2022-2024

1. Principal Terms of the Procurement and Service Framework Agreement

Parties: CIMC (on behalf of CIMC Connected Persons, and as the supplier); and

the Company (on behalf of the Group, and as the purchaser)

Term: Subject to the approval of the First Extraordinary General Meeting for 2021, the agreement will come into force on 1 January 2022 and will be valid for a term of three years.

Scope of cooperation: CIMC Connected Persons will supply, including but not limited to, raw materials, containers, truck chassis and vehicle parts and components and logistics services to the Group.

Pricing policy: In order to ensure that the terms of transactions in respect of the procurement by the Group of products and services by the Group from CIMC Connected Persons complies with the consensus and arm's length principles, and that the transaction terms under the agreement are on normal commercial terms or better, the Group will take the following measures:

1.1 The Group will regularly contact CIMC Connected Persons, to keep abreast of market developments and the price trend of products and services.

1.2 The Group will review, evaluate and compare the quotations or proposals obtained, in consideration of other factors, such as continuity of business cooperation, product quality and suitability, payment period, end-customer selection and provision of after-sales service, so as to ensure that the transaction is in the best interests of the Group and the Shareholders as a whole.

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1.3 In pricing, the Group will take into consideration, the following factors:

1.3.1 In the case of procurement of raw materials, containers, truck chassis and vehicle parts and components: if market prices of similar raw materials, containers, truck chassis and vehicle parts and components are available, market prices and quotations from CIMC Connected Persons will be taken into consideration; if no relevant market prices of similar products are available, raw material, labor and other production-related costs arising from procurement or production of relevant raw materials, parts and components will be taken into consideration, and the procurement costs will be calculated, based on expected reasonable profit margin plus cost. Based on the above considerations, the procurement of the products is calculated at unit cost.

In the case of procurement of services: The fees of logistics services will be charged on the basis of the volume, size and weight of the semi-trailers, truck bodies or components and parts to be shipped, custodial requirements, and delivery and handling requirements. In determining the prices, the Group will also take into consideration the market prices of similar services. When the Group procures relevant services in its ordinary and usual course of business, it determines the relevant procurement terms through negotiations based on the categories and scale of the procurement. The Group implements various internal approval and monitoring procedures, including obtaining quotations from independent suppliers of similar services and take into consideration the assessment criteria (including price, quality, suitability, payment terms, and time required for the provision and delivery of the products and services) before entering into any new procurement arrangement with CIMC Connected Persons, and reviewing such quotes, together with the offer from CIMC Connected Persons.

After considering the above factors, the purchase prices payable by the Group to CIMC Connected Persons shall be close to the market prices or shall not exceed prices for transactions with independent third parties.

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Reasons for and Benefits of Transactions

The Group has always procured and will continue to procure products and services from CIMC Connected Persons as such procurement meets the daily operational needs of the Group in its ordinary course of business while CIMC Connected Persons have been providing the Group with such products and services with standard and quality commensurate with the requisite safety and quality standard of the Group and can meet the needs of the Group efficiently and reliably. In addition, as CIMC Connected Persons and the Group are subsidiaries of CIMC Group, it is expected that both parties' deeper understanding of their respective operations in previous cooperation should make the products and services provided by CIMC Connected Persons more rapid and efficient than those provided by other independent third parties.

Based on relevant annual caps, none of the continuing connected transactions under the Procurement and Service Framework Agreement will exceed 5% of the cost of sales of the Group (by reference to the cost of sales of the Group as disclosed in the 2020 annual report of the Company). Therefore, such continuing connected transactions will not lead to dependency on CIMC Connected Persons. The Group has readily available access to identical or similar raw materials, containers, truck chassis and vehicle parts and components and logistics services from independent third parties on similar terms in the PRC and elsewhere, but that such procurement from independent third parties would not be as efficient as the Group's current procurement arrangements with CIMC Connected Persons, in terms of cost, quality or operation.

Furthermore, as shipowners and carriers of CIMC Connected Persons that provide certain logistics services to the Group are the leaders in the shipping industry and have sufficient freight spaces, they can provide more freight spaces more flexibly for the Group to meet urgent transportation needs. Therefore, although the Group can obtain similar logistics services from independent suppliers, the logistics services provided by CIMC Connected Persons are more flexible than those provided by other independent third parties in meeting the logistics and transportation needs of the Group.

Historical Amounts

	For the year ended 31 December (RMB'000)		Six months ended 30 June (RMB'000) (Unaudited)
	2019 (Note)	2020 (Note)	2021
Goods procurement	466,077	404,414	183,922
Services received	150,608	74,968	24,737
Total	<u>616,685</u>	<u>479,382</u>	<u>208,659</u>

Note: Including but not limited to the amount of previous goods procurement and services received from Jiangsu Wanjing and other associates.

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Proposed Annual Caps

The aggregate annual transaction amount of goods procurement and services received under the Procurement and Service Framework Agreement for the three years ending 31 December 2024 shall not exceed the annual caps set out below:

	For the year ending 31 December		
	<i>(RMB'000)</i>		
	2022	2023	2024
Goods procurement	400,000	440,000	490,000
Services received	<u>70,000</u>	<u>75,000</u>	<u>83,000</u>
Total	<u><u>470,000</u></u>	<u><u>515,000</u></u>	<u><u>573,000</u></u>

Basis of Proposed Annual Caps

In determining the annual caps on the above transaction amount of procurement and services, the Group takes into consideration: (i) the historical amount of goods procurement and services received from CIMC Connected Persons; (ii) the macro-economic situation, market demand and industry standards, and the future development strategy and business plan of the Group; (iii) the number of products and services expected to be procured from CIMC Connected Persons and the market price fluctuation; and (iv) the proposed annual caps on the amount of goods procurement from CIMC Connected Persons for the next three years, which will exclude the upper limit of the amount of goods procurement from Jiangsu Wanjing, while the proposed annual caps on the amount of goods procurement from Jiangsu Wanjing will be determined separately.

Internal Control Measures

In order to ensure that the terms under the Procurement and Service Framework Agreement are fair and reasonable, and no less favorable to the Group than terms available to or from independent third parties, and the connected transactions are carried out on normal commercial terms, the Group has adopted the following internal control procedures.

The Group has adopted and implemented a management system on connected transactions. Under such system, the Audit Committee will be responsible for regular review on an annual basis on compliance with relevant laws, regulations, the Group's policies, the Listing Rules of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange in respect of the continuing connected transactions. In addition, the Board, the Audit Committee and various internal departments of the Company (including but not limited to the finance department of the Company, the procurement departments of subsidiaries, and the Board

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secretary's office) are jointly responsible for evaluating the terms under the Procurement and Service Framework Agreement in relation to the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under the Procurement and Service Framework Agreement.

Before entering into any individual procurement contract with CIMC Group and after receipt of the procurement quotation from CIMC Group, the procurement departments of subsidiaries will obtain from independent third parties, quotations for the same quantities of identical or similar raw materials, truck chassis, containers, vehicle parts and components, and logistics services, so as to determine relevant market prices. Meanwhile, the Group will also take into consideration the counterparty's corporate background, reputation and credibility, product quality, ability to customize parts and components and the corresponding savings in the Group's time and transaction costs.

The Board, the Audit Committee and the finance department of the Company will also regularly monitor the implementation and the transaction progress under the Procurement and Service Framework Agreement. In addition, the management of the Company also regularly reviews the pricing policies under the Procurement and Service Framework Agreement.

Independent Non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the Procurement and Service Framework Agreement and provide annual confirmation to ensure that, in accordance with the Listing Rules of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, the abovementioned transactions are conducted pursuant to the terms of the Procurement and Service Framework Agreement, normal commercial terms and the pricing policies.

2. Principal Terms of the Provision of Products and Services Framework Agreement

Parties:	CIMC (on behalf of CIMC Connected Persons, and as the purchaser); and the Company (on behalf of the Group, and as the supplier)
Term:	Subject to the approval of the First Extraordinary General Meeting for 2021, the agreement will come into force on 1 January 2022 and will be valid for a term of three years.
Scope of cooperation:	CIMC Connected Persons will purchase, including but not limited to, semi-trailers, truck bodies, parts and components, vehicle and equipment lease services, container maintenance and supply chain services from the Group.

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Pricing policy:

In order to ensure that the provision by the Group of products and services to CIMC Connected Persons complies with the consensus and arm's length principles, and that the transaction terms under the agreement are on normal commercial terms, the Group will take the following measures:

- 1.1 In determining the prices of semi-trailers, truck bodies, parts and components, the Group will take into consideration the profit margin of similar products sold by the Group to independent third parties and relevant costs of selling the products. Costs include but are not limited to: raw materials, auxiliary materials, depreciation, labor, energy, taxes and other costs and expenses. The Group ensures that the pricing basis is no less favorable than the price offered to an independent third party under the same circumstances and is in the interests of the Group and all its Shareholders.
- 1.2 The fees for the provision of vehicle and equipment lease services, supply chain services and container maintenance are determined through arm's length negotiation between the parties. The Group will consider the previously applicable prices of relevant services, in consideration of comparable market prices; if no reference prices are available in the market, the price will be based on cost plus a reasonable profit margin. The Group ensures that the terms of the services provided to CIMC Connected Persons are fair and reasonable to the Group.

After considering the above factors, the selling prices payable by CIMC Connected Persons to the Group shall be close to the market prices or shall be no less favorable than the prices for transactions with independent third parties.

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Reasons for and Benefits of Transactions

The Group has provided CIMC Connected Persons with semi-trailers, truck bodies, parts and components, vehicle and equipment lease services, container maintenance and supply chain services. The Group provides various products and comprehensive services to CIMC Connected Persons in its ordinary and usual course of business. The Directors (including the Independent Non-executive Directors) believe that it is in the interest of the Group and its Shareholders to provide products and comprehensive services on normal commercial terms to CIMC Connected Persons for the following reasons:

- a) The Group has established long-term cooperation relationships with CIMC Connected Persons and understands the business plans, quality control and other special requirements of both parties; in addition, as the Group and CIMC Connected Persons are subsidiaries of CIMC Group, the Group can obtain relatively comprehensive information in terms of customer credit assessment of CIMC Connected Persons before sales, and more efficiently carry out financial work including reconciliation of accounts receivable from sales, and collection of payments;
- b) The prices and terms of products and services provided by the Group to CIMC Connected Persons are no less favorable to the Group than those provided by the Group to independent third parties;
- c) Entering into the Provision of Products and Services Framework Agreement enables the Group to sell products to CIMC Connected Persons for their manufacturing and business operations, so that the Group can additionally maintain a stable source of revenue; and
- d) Based on relevant annual caps, none of the connected transactions under the Provision of Products and Services Framework Agreement will exceed 5% of revenue of the Group (by reference to the revenue of the Group disclosed in the 2020 annual report). Therefore, the Board believes that the relevant connected transactions will not lead to dependency of the Group on CIMC Connected Persons.

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Historical Amounts

	For the year ended 31 December (RMB'000)		Six months ended 30 June (RMB'000) (Unaudited)
	2019 (Note)	2020 (Note)	2021
Sales of goods	116,038	271,126	175,940
Services provided	12,337	7,335	15,927
Total	128,375	278,461	191,867

Note: Including but not limited to the amount of previous sales of goods and services provided between the Group and Jiangsu Wanjing and other associates.

Proposed Annual Caps

The aggregate annual amount of procurement and services provided under the Provision of Products and Services Framework Agreement for the three years ending 31 December 2024 shall not exceed the annual caps set out below:

	For the year ending 31 December (RMB'000)		
	2022	2023	2024
Sales of goods	460,000	510,000	560,000
Services provided	50,000	55,000	60,000
Total	510,000	565,000	620,000

Basis of Proposed Annual Caps

In determining the annual caps on the above amount of sales of goods and services provided, the Group takes into consideration: (i) the amount of previous sales of goods and services provided for CIMC Connected Persons; (ii) the stable increase in sales of products and the number of relevant supporting services provided by the Group to CIMC Connected Persons in the future, after taking into consideration, among others, the macro-economic situation, market demand, market price fluctuation, industry standards and CIMC Group and the Group's development strategy and business expansion plan; and (iii) excluding the annual caps on the amount of sales of goods and services provided with Jiangsu Wanjing will not have an impact on determining the annual caps on the amount of sales of goods and services to be provided to CIMC Connected Persons for the next three years.

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Internal Control Measures

In order to ensure that the terms under the Provision of Products and Services Framework Agreement are fair and reasonable, and no less favorable to the Group than terms available to or from independent third parties, and the connected transactions are carried out on normal commercial terms, the Group has adopted the following internal control procedures.

The Group has adopted and implemented a management system on connected transactions. Under such system, the Audit Committee will be responsible for regular review on an annual basis on compliance with relevant laws, regulations, the Group's policies, the Listing Rules of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange in respect of the continuing connected transactions. In addition, the Audit Committee, the Board and various internal departments of the Company (including but not limited to the finance department of the Company, the sales departments of subsidiaries, and the Board secretary's office) are jointly responsible for evaluating the terms under the Provision of Products and Services Framework Agreement in relation to the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under the Provision of Products and Services Framework Agreement.

In determining the prices of semi-trailers, truck bodies, parts and components, the sales department of the Group will take into consideration the profit margin of similar products sold by the Group to independent third parties and relevant costs of selling the products. Costs include but are not limited to: raw materials, auxiliary materials, depreciation, labor, energy, cutter/tool, technical consumption, equipment maintenance, management costs and financial costs. The Group ensures that the pricing basis is no less favorable than the price offered to an independent third party and is in the interests of the Group and all its Shareholders. The Group will also take into consideration the previously applicable prices of relevant services, including the prices for identical services provided by the Group to independent third parties or by independent third parties, and will ensure that the terms of services provided to CIMC Connected Persons are fair and reasonable to the Group, based on comparable market prices and the principle of cost plus a reasonable profit margin.

The Board, the Audit Committee and the finance department of the Company will also regularly monitor the implementation and the transaction progress under the Provision of Products and Services Framework Agreement. In addition, the management of the Company also regularly reviews the pricing policies under the Provision of Products and Services Framework Agreement.

Independent Non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the Provision of Products and Services Framework Agreement and provide annual confirmation to ensure that, in accordance with the Listing Rules of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, the abovementioned transactions are conducted pursuant to the terms of the Provision of Products and Services Framework Agreement, normal commercial terms and the pricing policies.

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(II) Proposed Entering into of the Financial Guarantees Framework Agreement and the Continuing Connected/Related Party Transactions

Principal Terms of the Financial Guarantees Framework Agreement

Parties:	CIMC (on behalf of CIMC Connected Persons); and the Company (on behalf of the Group)
Term:	Subject to the approval of the First Extraordinary General Meeting for 2021, the agreement will come into force on 1 January 2022 and will be valid for a term of three years.
Scope of cooperation:	The Group agrees to provide financial guarantee and performance bond for CIMC financial institutions, so that CIMC financial institutions can provide financing to customers of the Group.
Pricing policy:	The financial guarantees provided by the Group to the CIMC Financial Group are on normal commercial terms or better to the Group compared to those of the financial guarantees provided by the Group to independent commercial banks in the PRC and/or other non-bank financial institutions.

Reasons for and Benefits of Transactions

Certain customers of the Group may obtain financing from commercial banks in the PRC or other non-bank financial institutions (including CIMC Financial Group) for the purchase of products from the Group. Following such financing arrangement, the Group has, based on our credit assessment of the relevant customers, entered into financial guarantee contracts with the lenders which are the commercial banks or other non-bank financial institutions in the PRC (including CIMC Financial Group) to provide financial guarantees for the benefit of, and to facilitate financing to, such customers.

The provision of financial guarantees to facilitate a customer's purchase of products from the Group is a service offered by the Group to our customers and is a common practice in the semi-trailer and truck body industry and in line with market practice.

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Historical Amounts

	For the year ended 31 December (RMB'000)		Six months ended 30 June (RMB'000) (Unaudited)
	2019	2020	2021
Maximum daily balance of financial guarantees	684,026	625,658	722,296

Proposed Annual Caps

The maximum daily balance of financial guarantees under the Financial Guarantees Framework Agreement for the three years ending 31 December 2024 shall not exceed the annual caps set out below:

	For the year ending 31 December (RMB'000)		
	2022	2023	2024
Maximum daily balance of financial guarantees	820,000	820,000	820,000

Basis of Proposed Annual Caps

The Group takes into consideration (i) historical balance of financial guarantees provided by the Group to CIMC Financial Group; (ii) the expected increase in demand for financing of customers taking into account estimated increase in the demand for certain types of semi-trailers and truck bodies; and (iii) the development strategies and business expansion plan of the Group. After comprehensive consideration, the Group believes that the level maintained at RMB820 million in the next three years can better meet the transaction demand in the next three years.

Internal Control Measures

The Group has adopted and implemented a management system on connected transactions. Under such system, the Audit Committee will be responsible for regular review on an annual basis on compliance with relevant laws, regulations, the Group's policies, the Listing Rules of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange in respect of the continuing connected transactions. In addition, the Audit Committee, the Board and various internal departments of the Company (including but not limited to the treasury department of the Company and the Board secretary's office) are jointly responsible for evaluating the terms under the Financial Guarantees Framework Agreement in relation to the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under the Financial Guarantees Framework Agreement.

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In accordance with relevant management systems of the Group including the Management Measures of CIMC Vehicles Group for Vehicle Loan Business and the Post-loan Operation Rules of CIMC Vehicles Group for Vehicle Loan Business, the Group has also adopted several internal control procedures and risk management measures, including but not limited to (i) pursuant to established review procedures and evaluation standards, conducting credit investigation of relevant customers before providing financial guarantees to customers, so as to ensure that vehicle purchasers are natural persons and corporate customers who meet the requirements of the Group and cooperative banks or leasing companies; (ii) checking the information in relevant supporting documents, including customers' recent business contracts or other materials that can prove revenues and materials required for mortgage; (iii) obtaining the approval of designated persons; and (iv) appropriate post-loan management, including regular monitoring of repayment by customers, collection of overdue payments, judicial remedy, so as to reduce the risks involved in the provision of guarantees by the Group.

The performance guarantee measures adopted by the Group mainly include (1) vehicle mortgage: Customers are required to complete the vehicle mortgage registration procedures within the period specified by financial institutions. If the vehicle mortgage registration cannot be completed due to special reasons, physical properties with the same value shall be mortgaged; in principle, vehicle loan business shall not be carried out in areas where vehicle mortgage registration cannot be completed; (2) counter guarantee: Customers who purchase vehicles through financing shall provide counter guarantee measures; and (3) post-loan management and judicial remedy: It is necessary to strengthen collection and seek for judicial remedy in a timely manner, in case of overdue payment by customers.

The Board, the Audit Committee and the finance department of the Company will also regularly monitor the implementation and the transaction progress under the Provision of Products and Services Framework Agreement. In addition, the management of the Company regularly reviews the pricing policies under the Financial Guarantees Framework Agreement.

Independent Non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the Financial Guarantees Framework Agreement and provide annual confirmation to ensure that, in accordance with the Listing Rules of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, the transactions are conducted pursuant to the terms of the Financial Guarantees Framework Agreement, normal commercial terms and the pricing policies.

After the Financial Guarantees Framework Agreement and the transactions thereunder being approved at the First Extraordinary General Meeting for 2021, the Company shall conduct review procedures on the financial guarantees provided to CIMC financial institutions by the customers of the Group in terms of purchases of its products, and make relative disclosure, under the Listing Rules of the Shenzhen Stock Exchange, the Guidelines on Compliant Operation of Listed Companies of the ChiNext of the Shenzhen Stock Exchange and other relevant requirements.

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(III) Proposed Entering into of the Deposit Service Framework Agreement and the Estimated Continuing Connected/Related Party Transactions

Principal Terms of the Deposit Service Framework Agreement

Parties:	CIMC Financial Institution; and the Company (on behalf of the Group)
Term:	Subject to the approval of the First Extraordinary General Meeting for 2021, the agreement will come into force on 1 January 2022 and will be valid for a term of three years.
Scope of cooperation:	CIMC Financial Institution will provide deposit services to the Group. With regard to deposit services provided, the Group deposits cash, including cash from daily business operations and security deposit from the vehicle loan business, into the bank account opened by the Group with CIMC Financial Institution. In return, CIMC Financial Institution pays deposit interests to the Group.
Pricing policy:	<p>The interest rates for the deposits placed by the Group with CIMC Financial Institution are determined with reference to: (i) the interest rates for deposits of a similar type for the same period published by the People's Bank of China; (ii) the interest rate for deposits of a similar type for the same period placed by CIMC Group to CIMC Financial Institution; and (iii) the interest rate for deposits of a similar type for the same period offered by independent commercial banks and/or other non-bank financial institutions to the Group.</p> <p>The Deposit Service Framework Agreement specifically provides that terms of transactions of the Group contemplated thereunder are to be no less favorable than those entered into between the Group and independent commercial banks and/or other non-bank financial institutions.</p>

LETTER FROM THE BOARD

Reasons for Transactions and Benefits of Deposit Services

Since February 2010, the Group has deposited cash into the bank account opened by it with CIMC Financial Institution, which is a non-wholly owned subsidiary of CIMC and a non-bank financial institution, while CIMC Financial Institution has provided deposit services for the Group. In return, the Group receives interest incomes from CIMC Financial Institution for relevant deposits. Such deposit services are within the ordinary and usual course of business of CIMC Financial Institution. CIMC Financial Institution is restricted from providing deposit services to independent parties from the public in accordance with applicable PRC laws.

The Group's demand for deposit services provided by CIMC Financial Institution is mainly derived from the inflow of monetary funds from its sales. Besides, with regard to the relevant deposit services, the Group believes that it is in the best interests of the Group and its Shareholders to enter into transactions with CIMC Financial Institution in accordance with the Deposit Service Framework Agreement for the following reasons:

- (a) the interest rates on the deposit services offered by CIMC Financial Institution will, on a case-by-case basis, be no less favorable than those offered to the Group by independent third parties;
- (b) CIMC Financial Institution has acquired extensive knowledge of the industry of the Group over the years of providing deposit services to the Group and is therefore familiar with the capital structure, business operations, funding needs and cash flow patterns of the Group, which enables it to better anticipate business needs of the Group;
- (c) the arrangements under the Deposit Service Framework Agreement would allow the Group to efficiently manage its funds, and would increase its bargaining power with regard to the terms and interest rates of the deposit services.

CIMC Financial Institution has the necessary licenses required to provide deposit services in China. The Company confirms that, after considering the actual situation, it may also select relevant deposit services provided by other financial institutions during the term of the Deposit Service Framework Agreement. The Group will use the financial services of CIMC Financial Institution on a voluntary basis rather than a compulsory basis, and is not obliged to engage CIMC Financial Institution for any particular services.

LETTER FROM THE BOARD

Historical Amounts

	As of 31 December/ For the year ended 31 December (RMB'000)		As of 30 June/ For the six months ended 30 June (RMB'000) (Unaudited)
	2019	2020	2021
Maximum daily balance of deposit placed by the Group with CIMC Financial Institution	690,546	677,898	685,695
Interest income derived from the cash deposit	17,352	9,181	4,902

Proposed Annual Caps

The maximum daily balance of deposit and the aggregate annual amount of interest income under the Deposit Service Framework Agreement for the three years ending 31 December 2024 shall not exceed the caps set out below:

	As of 31 December/For the year ending 31 December (RMB'000)		
	2022	2023	2024
Maximum daily balance of deposit placed by the Group with CIMC Financial Institution	700,000	700,000	700,000
Interest income derived from the cash deposit	14,000	14,000	14,000

Basis of Proposed Annual Caps

Considering that the balance of deposits previously placed by the Group with CIMC Financial Institution is close to the existing annual caps, the Group has a certain demand for deposit services provided by CIMC Financial Institution. Considering the increase in the demand for placement of deposits with CIMC Financial Institution as a result of (i) the increase in the balance of monetary funds of the Group due to the increase in sales in recent years; and (ii) the increase in the security deposits from the financing services provided by CIMC Connected Persons for customers of the Group, on one hand, and with the hope of enhancing the subsequent independence of the Group from CIMC Group, on the other hand, it is proposed

LETTER FROM THE BOARD

that relevant annual caps should not be increased, and that the annual caps on the maximum daily balance of deposit placed by the Group with CIMC Financial Institution for the three years ending 31 December 2024 should be maintained at RMB700 million.

With regard to deposit services to be provided by CIMC Financial Institution to the Group, the caps on the interest incomes to be received by the Group annually from CIMC Financial Institution are determined based on the expected interest rate for the maximum deposits of the Group, namely an annualized rate of approximately 2.0%, which is within the range of deposit interest rates (between 0.455% and 3.50%, depending on the deposit term) offered by CIMC Financial Institution and more favorable than the benchmark interest rate set by the People's Bank of China (ranging from 0.35% to 2.75%) and the prevailing interest rate offered by major independent commercial banks in China for deposits of the similar type (ranging from 0.3% to 3.15%), with the premium between approximately 10% and 50%.

Internal Control Measures

In order to ensure that the terms under the Deposit Service Framework Agreement for the continuing connected transactions are fair and reasonable, and no less favorable to the Group than terms available to or from independent third parties, and the connected transactions are carried out on normal commercial terms, the Group has adopted the following internal control procedures.

The Group has adopted and implemented a management system on connected transactions. Under such system, the Audit Committee will be responsible for regular review on an annual basis on compliance with relevant laws, regulations, the Group's policies, the Listing Rules of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange in respect of the continuing connected transactions. In addition, the Audit Committee, the Board and various internal departments of the Company (including but not limited to the treasury department of the Company and the Board secretary's office) are jointly responsible for evaluating the terms under the Deposit Service Framework Agreement in relation to the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under the Deposit Service Framework Agreement.

The Audit Committee, the Board and the treasury department of the Company will also regularly monitor the implementation and the transaction progress under the Deposit Service Framework Agreement. In addition, the management of the Company regularly reviews the pricing policies under the Deposit Service Framework Agreement.

Independent Non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the Deposit Service Framework Agreement and provide annual confirmation to ensure that, in accordance with the Listing Rules of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, the transactions are conducted pursuant to the terms of the Deposit Service Framework Agreement, normal commercial terms and the pricing policies.

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The Group has adopted the following procedures to control the risks in relation to the deposits placed by the Group with CIMC Financial Institution, so as to ensure that the applicable annual caps are not exceeded:

- (a) the treasury department of the Company will monitor the daily deposits placed by the Group with CIMC Financial Institution, so as to monitor its accounts and ensure that relevant transaction amounts will not exceed annual caps under the Deposit Service Framework Agreement, and conduct a periodic risk assessment of deposits placed by the Group with CIMC Financial Institution;
- (b) if the balance is close to or expected to exceed the applicable maximum daily deposit balance, the Group will transfer part of the funds to a designated bank account opened by it with an independent commercial bank or a non-bank financial institution. The Group will also be notified immediately once the daily deposit balance is close to the maximum daily balance limit; and
- (c) the Group will closely monitor the financial and operating conditions of CIMC Financial Institution. If the Company considers that there are material adverse changes in the financial position of CIMC Financial Institution, the Company will take appropriate measures, including early withdrawal of deposit and suspension of further deposits, to protect its financial position. The Company will, from time to time, at its sole discretion, request that the deposits with CIMC Financial Institution be withdrawn or terminated early (either in full or in part) to assess and ensure the liquidity and safety of its deposits.

VI. Estimated Ordinary Related Party Transactions with Jiangsu Wanjing for Years of 2022-2024

On 25 August 2021, the Board considered and approved the proposal on the entry into of Jiangsu Wanjing Procurement Framework Agreement with Jiangsu Wanjing for the annual caps for the three financial years ending 31 December 2024, which will come into force on 1 January 2022 and will be valid for a term of three years, subject to the approval at the First Extraordinary General Meeting for 2021.

The Company will propose the above ordinary resolution at the EGM to seek for the approval from the Independent Shareholders, and to authorize any of the Directors of the Company to make any amendment to the relevant agreement as he thinks desirable or necessary and to do all such further acts, execute such further documents and take all such steps which in his/her opinion may be necessary, desirable or appropriate to implement and/or give effect to the terms of such transactions.

Mr. Li Guiping, the executive Director, the chief executive Officer and president, is interested in 80% of the equity interest of Longyuan Investment, the general partner of Shenzhen Longyuan, and therefore Mr. Li is also deemed to be interested in 23,160,000 A Shares held by Shenzhen Longyuan. Thus, Shenzhen Longyuan shall abstain from voting on the above resolution.

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Principal Terms of the Jiangsu Wanjing Procurement Framework Agreement

- Parties: Jiangsu Wanjing (as the supplier); and
the Company (on behalf of the Group, and as the purchaser)
- Term: Subject to the approval of the First Extraordinary General Meeting for 2021, the agreement will come into force on 1 January 2022 and will be valid for a term of three years.
- Scope of cooperation: Jiangsu Wanjing will supply axle parts and components to the Group.
- Pricing policy: In order to ensure that the procurement by the Group of products and services from Jiangsu Wanjing complies with the consensus and arm's length principles, and that the transaction terms under the agreement are on normal commercial terms or better, the Group will take the following measures:
- 1.1 adopting a unified bidding procedure to ensure that the price offered by Jiangsu Wanjing is more favorable than the comparable price offered by an independent third party. Jiangsu Wanjing acts in strict compliance with the price list for the bidding-based pricing of the Group. The Group has the right to request that the prices offered by Jiangsu Wanjing should be lower than those offered by Jiangsu Wanjing to other enterprises in the same industry;
 - 1.2 the Group will, from time to time, take into consideration, the current market prices of the same products and assess the profit margins that may be obtained.

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1.3 in pricing, the Group will take into consideration the following factors: continuity of business cooperation, product quality and suitability, payment period, quality warranty terms and after-sales service, so as to ensure that the transaction is in the best interests of the Group and the Shareholders a whole.

After considering the above factors, the purchase prices payable by the Group to Jiangsu Wanjing shall be close to the market prices or shall not exceed prices for transactions with independent third parties.

Reasons for and Benefits of Transactions

According to the Global Trailer's top global OEM ranking list for semi-trailer manufacturers announced in 2020, the Group was the world's No.1 semi-trailer manufacturer in terms of production volume. The Group began to make arrangements for axle business and invested in Jiangsu Wanjing, in order to enhance its bargaining power against upstream parts suppliers, extend the value chain of semi-trailer products and meet the customization requirements for axle parts and components. The principal business of Jiangsu Wanjing is the manufacturing of bearings, research and development, design, production and sales of axle parts and components, with its main products being axle parts and components. After completion of its equity investment in Jiangsu Wanjing, the Group basically realized its arrangements for the industry chain of axle production, research and development, and further improved its bargaining power against upstream axle suppliers.

Jiangsu Wanjing, as a professional manufacturer of axle parts and components, can provide products and services including the development of integrated axles, verification of purchased parts and quality assurance of axles for the axle business of the Group. The standards and quality of relevant products and services provided by Jiangsu Wanjing have always complied with the Group's safety and quality standards, and Jiangsu Wanjing can meet the Group's needs efficiently and reliably.

Jiangsu Wanjing is a joint venture established by the Company and an independent third party. It is expected that both parties' deeper understanding of their respective operations in previous cooperation should make the products provided by Jiangsu Wanjing more rapid and efficient than those provided by other independent third parties, and post-procurement financial work including reconciliation and payment can be carried out more efficiently to minimize the impact on operations and internal procedures of the Group.

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In addition, axle parts and components purchased by the Group from Jiangsu Wanjing are used for the production of axles, which are core components for semi-trailer production. The procurement of relevant components from Jiangsu Wanjing can meet the Group's demand for customization of axles and axle components.

Historical Amounts

	For the year ended 31 December (RMB'000)		For the six months ended 30 June (RMB'000) (Unaudited)
	2019	2020	2021
Procurement amount	29,426	90,125	62,318

Proposed Annual Caps

The aggregate annual procurement amount under the Jiangsu Wanjing Procurement Framework Agreement for the three financial years ending 31 December 2024 shall not exceed the annual caps set out below:

	For the year ending 31 December (RMB'000)		
	2022	2023	2024
Procurement amount	100,000	200,000	240,000

Basis of Proposed Annual Caps

In determining the annual caps on the above procurement services, the Group takes into consideration: (i) the historical amount of procurement from Jiangsu Wanjing, and the increase in the estimated amount for the year ending 31 December 2021 as compared with the actual amount for the year ending 31 December 2020; and (ii) the macroeconomic situation, market demand and industry standards, and the future development strategy, business plan of the Group and market price fluctuation.

Internal Control Measures

In order to ensure that the terms under the Jiangsu Wanjing Procurement Framework Agreement for the related transactions are fair and reasonable, and no less favorable to the Group than terms available to or from independent third parties, and the related transactions are carried out on normal commercial terms, the Group has adopted the following internal control procedures.

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The Group has adopted and implemented a management system on connected transactions. Under such system, the Audit Committee will be responsible for regular review on an annual basis on compliance with relevant laws, regulations, the Group's policies, the Listing Rules of the Hong Kong Stock Exchange and the Listing Rules of the Shenzhen Stock Exchange in respect of the related transactions. In addition, the Audit Committee, the Board and various internal departments of the Company (including but not limited to the finance department of the Company, the procurement department of the Group, and the Board secretary's office) are jointly responsible for evaluating the terms under the Jiangsu Wanjing Procurement Framework Agreement in relation to the related transactions, in particular, the fairness of the pricing policies and annual caps under the Jiangsu Wanjing Procurement Framework Agreement.

The procurement department of the Group carries out the bidding-based pricing for axle parts and components in accordance with the centralized procurement management rules, so as to ensure that the bid price offered by Jiangsu Wanjing is more favorable than those offered by competitors, and that the quality warranty terms offered by Jiangsu Wanjing are more favorable than those offered by other suppliers.

The Audit Committee, the Board and the finance department of the Company will also regularly monitor the implementation and the transaction progress under the Jiangsu Wanjing Procurement Framework Agreement. In addition, the management of the Company regularly reviews the pricing policies under the Jiangsu Wanjing Procurement Framework Agreement.

GENERAL INFORMATION

The Company

The Group is the world's leading high-end manufacturer of semi-trailers and specialty vehicles. According to the Global Trailer's top global OEM ranking list for semi-trailer manufacturers announced in 2020, the Group was the world's No. 1 semi-trailer manufacturer in terms of production volume. The Group is engaged in the manufacture, sale and after-sales services of seven major categories of semi-trailers in global major markets. In the China market, the Group is a competitive and innovative manufacturer of truck bodies for specialty vehicles as well as a manufacturer of refrigerated truck bodies.

CIMC

CIMC is a joint stock company established in the PRC with limited liability, with its H shares listed on the main board of the Hong Kong Stock Exchange and A shares listed on the Shenzhen Stock Exchange. CIMC is a world-leading equipment and solution provider in the logistics and energy industries and is principally engaged in the manufacture of containers, road transportation vehicles, energy/chemical/liquid food equipment, offshore engineering equipment, airport facilities equipment as well as the provision of relevant services, including the design and manufacture of international standard dry containers, reefer containers, special-purpose containers, tank containers, wooden container floorboards, road tank trucks,

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natural gas processing equipment and static tanks, road transportation vehicles, heavy trucks, jack-up drilling platforms, semi-submersible drilling platforms, special vessels, passenger boarding bridges and bridge-mounted equipment, airport ground support equipment, fire safety and rescue vehicles, and the design, manufacture and services of automated logistics system and intelligent parking system. In addition, CIMC is also engaged in logistics services business, finance and asset management and other businesses. CIMC has established an industrial cluster focusing on key equipment and solutions of logistics and energy industry through business expansion and technology development.

CIMC Financial Institution

CIMC Financial Institution, a limited liability company established in the PRC on 9 February 2010, is a non-wholly owned subsidiary of CIMC, with 54.35% of equity interest directly held by CIMC. In addition, Shenzhen Southern CIMC Containers Manufacture Co., Ltd. (深圳南方中集集裝箱製造有限公司), Shenzhen CIMC-TianDa Airport Support Co., Ltd. (深圳中集天達空港設備有限公司), CIMC Enric (Jingmen) Energy Equipment Company Limited (中集安瑞科(荊門)能源裝備有限公司) and CIMC Wetrans Logistics Technology (Group) Co., Ltd. (中集世聯達物流科技(集團)股份有限公司) (each a subsidiary of CIMC) hold 21.09%, 10.54%, 7.01% and 7.01% of its equity interest, respectively. CIMC Financial Institution is mainly engaged in providing financial services for CIMC Group and the Group. CIMC Financial Institution is a non-bank financial institution, established with the approval and subject to supervision by relevant PRC regulatory authorities, including the People's Bank of China and the China Banking Regulatory Commission, in accordance with the Measures for the Administration of Finance Companies of Enterprise Groups.

Jiangsu Wanjing

Jiangsu Wanjing, a limited company established in the PRC, is mainly engaged in the manufacturing of bearings, research and development, design, production and sales of axle parts and components, with its main products being axle parts and components. As at the Latest Practicable Date, Hangzhou Huaxinxiang Technology Partnership (Limited Partnership)(杭州華欣祥科技合夥企業(有限合夥)) and the Company respectively holds 57.3% and 42.7% equity interests in Jiangsu Wanjing. Zhejiang Yuecai Industrial Design Co., Ltd. (浙江越彩工業設計有限責任公司) holds 88.4% equity interest in Hangzhou Huaxinxiang Technology Partnership (Limited Partnership) and is in turn wholly owned by Mr. Xu Jianyang (徐建洋). As at the Latest Practicable Date, Mr. Li Guiping, executive Director, chief executive officer and president, acts as the chairman of Jiangsu Wanjing, but to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, he does not directly or indirectly hold any shares in Jiangsu Wanjing. To the best of the Directors' knowledge, having made all reasonable enquiries, Jiangsu Wanjing and its ultimate beneficial owners are independent third parties of the Company and its connected persons.

LETTER FROM THE BOARD

IMPLICATIONS OF THE LISTING RULES OF THE HONG KONG STOCK EXCHANGE

As at Latest Practicable Date, CIMC and its associates directly and indirectly hold 50.23% of the Shares of the Company and are Controlling Shareholders of the Company. CIMC Financial Institution is also a subsidiary of CIMC and is therefore an associate of CIMC. Therefore, CIMC and CIMC Financial Institution are connected persons of the Company. The transactions contemplated under the New Agreements constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange. As the highest applicable percentage ratio in respect of the proposed maximum daily balance/annual caps under the New Agreements respectively calculated pursuant to Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange are more than 0.1% but less than 5%, the transactions contemplated under the New Agreements are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange, but are exempt from the Independent Shareholders' approval requirements.

As Mr. Mai Boliang, Mr. Wang Yu and Ms. Zeng Beihua are the Directors, and hold directorships and/or senior management positions in CIMC and/or certain of its subsidiaries, they are deemed to have a material interest in the transactions contemplated under the New Agreements. They abstained from voting on the resolutions on the New Agreements, the transactions contemplated thereunder and the proposed annual caps. Save for the above persons, other Directors are not interested in the transactions contemplated under the New Agreements.

As at the Latest Practicable Date, Mr. Li Guiping, executive Director, chief executive officer and president, also acts as the chairman of Jiangsu Wanjing, but to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, he does not directly or indirectly hold any shares in Jiangsu Wanjing. Jiangsu Wanjing is not a connected person of the Company, pursuant to Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange. Therefore, the transactions under the Jiangsu Wanjing Procurement Framework Agreement are exempt from the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange.

Based on the above, the Board, including the Independent Non-executive Directors, believes that (i) the New Agreements and the continuing connected transactions contemplated thereunder are entered into on normal commercial terms in the ordinary and usual course of business of the Company; and (ii) the continuing connected transactions and the proposed annual caps under the New Agreements are fair and reasonable and in the best interest of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

IMPLICATIONS OF LISTING RULES OF THE SHENZHEN STOCK EXCHANGE

As at the Latest Practicable Date, CIMC and persons acting in concert with it directly and indirectly hold 50.23% of the Shares of the Company and are Controlling Shareholders of the Company. Pursuant to the Listing Rules of the Shenzhen Stock Exchange, CIMC and persons acting in concert with it are related parties of the Company. Therefore, the transactions under the New Agreements constitute related transactions of the Company. As the highest applicable percentage ratio in respect of the proposed maximum daily balance/annual caps under the New Agreements in aggregate calculated pursuant to the Listing Rules of the Shenzhen Stock Exchange are more than 5%, the transactions under the New Agreements shall be submitted at the First Extraordinary General Meeting for 2021 for consideration, pursuant to the Listing Rules of the Shenzhen Stock Exchange.

As Mr. Li Guiping is a Director as well as the chairman of Jiangsu Wanjing, he is deemed to have a material interest in the transactions contemplated under the New Agreements, in accordance with the Listing Rules of the Shenzhen Stock Exchange. He abstained from voting on the resolutions on the Jiangsu Wanjing Procurement Framework Agreement, the transactions contemplated thereunder and the proposed annual caps. Save for the above person, other Directors are not interested in the transactions contemplated under the Jiangsu Wanjing Procurement Framework Agreement.

As at the Latest Practicable Date, Mr. Li Guiping, executive Director, chief executive officer and president, acts as the chairman of Jiangsu Wanjing. Pursuant to the Listing Rules of the Shenzhen Stock Exchange, Jiangsu Wanjing is a related party of the Company. Therefore, the transactions under the Jiangsu Wanjing Procurement Framework Agreement constitute related transactions of the Company, which shall be submitted at the First Extraordinary General Meeting for 2021 for consideration and approval after consideration and approval by the Board.

LETTER FROM THE BOARD

VII. Proposed Amendments to the Articles of Association

Reference is made to the announcement of the Company dated 25 August 2021 in relation to the proposed amendments to the Articles of Association. In view of the proposed alignment in adoption of China Accounting Standards for Business Enterprises for the financial reports 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>
3	Article 217 The financial reports of the Company <u>shall, in addition to</u> 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>	Article 217 The financial reports of the Company <u>are</u> prepared in accordance with the China Accounting Standards for <u>Business Enterprises</u> and regulations.

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No.	Existing Articles of the Articles of Association	Amended Articles of the Articles of Association
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, and also in accordance with either international accounting standards or those of the place outside China where the shares of the Company are listed.</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 Business Enterprises and regulations.</p>
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, 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.</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 First Extraordinary General Meeting for 2021 by way of a special resolution. The Board requested the First Extraordinary General Meeting for 2021 to authorize Mr. Li Guiping, the chief executive officer and president of the Company, and his delegated personnel to handle the corresponding change procedures.

LETTER FROM THE BOARD

NOTICE OF THE EGM

The EGM will be held at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC at 2:50 p.m. on Wednesday, 29 September 2021. Notice of the EGM is set out on pages EGM-1 to EGM-5 of this circular.

VOTING BY POLL AT THE EGM

Pursuant to Rule 13.39(4) of the Listing Rules of the Hong Kong Stock Exchange, all resolutions as set out in the notice of the EGM must be taken by poll.

Save as disclosed above, to the best knowledge of the Directors, as at the Latest Practicable Date, no other Shareholders is required to abstain from voting in respect of ordinary resolutions and the special resolution at the EGM.

PROXY FORMS

Shareholders who intend to attend the EGM by proxy are required to complete and return the proxy form(s), in accordance with the instructions printed thereon as soon as possible and in any event not later than 24 hours before the time appointed for the holding of EGM or any adjournment thereof. Completion and return of the proxy form(s) will not preclude you from attending and voting in person at such meeting(s) or any adjournment thereof should you so wish.

For holders of H Shares, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 24 hours before the time appointed for holding the EGM in order for such documents to be valid. For holders of A Shares, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to the registered office of the Company in the PRC at No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC or the office of Investor Relations Department of the Company at Unit 1804, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC, not less than 24 hours before the time appointed for holding the EGM in order for such documents to be valid.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the EGM, the register of members of Shares of the Company will be closed from Thursday, 9 September 2021 to Wednesday, 29 September 2021 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the register of members on Thursday, 9 September 2021 are entitled to attend and vote at the EGM.

In order to be eligible to attend and vote at the EGM, all transfer documents together with the relevant share certificates shall be lodged to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares), no later than 4:30 p.m. on Wednesday, 8 September 2021.

You are urged to complete the proxy form whether or not you intend to attend the EGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM should you wish to do so.

RECOMMENDATION

The Directors (including the Independent Non-executive Directors) consider that the resolutions set out in the notice of the EGM for Shareholders' consideration and approval are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

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

EXECUTIVE DIRECTOR

Mr. Li Guiping (李貴平), aged 56, born in January 1965, with Chinese nationality and without the right of permanent residence abroad, is currently an executive Director, chief executive officer and president of the Company.

Prior to joining the Group, Mr. Li Guiping held various positions in CIMC from 1987 to 2009, including a director of various operation and production departments from June 1987 to October 1989, an assistant manager of airport equipment department from October 1989 to August 1991, and a deputy manager and the deputy general manager of container operation department from February 1993 to April 2009.

Mr. Li Guiping joined the Group in April 2003 and has served in various management positions including directorship of our certain subsidiaries, associates and/or portfolio companies. He served as the deputy general manager of the Company from April 2003 to March 2010, the general manager from March 2010 to January 2018 and the chief executive officer, the president and a Director since January 2018. In addition to his positions within the Group, Mr. Li Guiping also currently serves as a director of Shenzhen Long Yuan Gang Cheng Investment and Development Co., Ltd., and acts as the chairman of the board of directors at Shenzhen SF-Trailernet Technology Co., Ltd. (深圳市星火車聯科技有限公司) and Jiangsu Wanjin Technology Co., Ltd..

Mr. Li Guiping obtained a bachelor's degree in engineering with a major in industrial management engineering from the college of management of Shanghai Jiao Tong University (上海交通大學) in the PRC in July 1986 and a master's degree in science from Southern Connecticut State University in the United States in May 1993. Mr. Li Guiping obtained the qualification of senior economist from the Department of Human Resources of Guangdong Province (廣東省人事廳) in January 2000. In November 2014, Mr. Li Guiping completed the Berkeley Institute on Higher Education Program for Executives from Chinese State Enterprises in the Center for Studies in Higher Education, University of California, Berkeley, the United States.

From 2012 to 2020, Mr. Li Guiping was elected as the vice president of China Association of Automobile Manufacturers and the chairman of the special vehicle branch association of the China Association of Automobile Manufacturers. In October 2016, he was appointed as an adjunct professor of Jiangsu University. From June 2017 to June 2020, he was appointed as a visiting professor of Shenzhen University. In July 2018, he was elected as a director of the Federation of Shenzhen Commerce (深圳市深商總會).

As at the Latest Practicable Date, Mr. Li Guiping is deemed to be interested in 96,877,500 A Shares and 23,160,000 A Shares respectively held by Xiang Shan Hua Jin, and Shenzhen Long Yuan, the Shareholders, pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571). Mr. Li Guiping is also deemed to hold 10,000,000 domestic shares and 1,200,000 domestic shares in China Jiangsu Vanguard Trailer Rental Co., Ltd. (江蘇掛車幫租賃有限公司) and Shenzhen SF-Trailernet Technology Co., Ltd. (深圳市星火車聯科技有限公司), respectively, both of which are the associated corporations of the Company.

NON-EXECUTIVE DIRECTORS

Mr. Mai Boliang (麥伯良), aged 62, born in January 1959, with Chinese nationality and without the right of permanent residence abroad, is the chairman and a non-executive Director of the Company. Mr. Mai Boliang is also a member of Nomination Committee.

Prior to joining the Group, Mr. Mai Boliang has held various positions and acted as a director in CIMC and its subsidiaries, associates and/or portfolio companies since 1982, including the president of CIMC since March 1994, chief executive officer and president of CIMC from August 2015 to 27 August 2020, an executive director of CIMC since March 1994, and the chairman of CIMC from 27 August 2020. Mr. Mai Boliang currently acts as the chairman, executive director and chief executive officer of CIMC and a director of the Shareholder, China International Marine Containers (Hong Kong) Limited.

In August 1996, Mr. Mai Boliang joined the Company as a Director and currently serves as the chairman of the Board and a non-executive Director of the Company.

Mr. Mai Boliang obtained a bachelor's degree in engineering from the department of mechanical engineering of South China University of Technology (華南理工大學) in the PRC in July 1982. He is currently the honorary president of China Container Industry Association (中國集裝箱行業協會) and the president of Shenzhen Association for Listed Companies.

As at the Latest Practicable Date, Mr. Mai Boliang holds 593,643 A shares and 7,260,000 ordinary shares in CIMC and CIMC Enric, respectively, both of which are the associated corporations of the Company pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571).

Mr. Zeng Han (曾邗), aged 46, born in May 1975, with Chinese nationality and without the right of permanent residence abroad.

Prior to joining the Group, Mr. Zeng Han joined CIMC in 1999, and served as manager of the accounting division of the financial management department, deputy general manager, deputy general manager and executive deputy general manager of the financial management department successively. From 2009 to 2010, he acted as manager of the financial department of CIMC Enric (a company listed on the Hong Kong Stock Exchange, stock code: 3899). Since 2015, he has successively served as director of subsidiaries of the Group including CIMC Container Holding Co., Ltd. (中集集團集裝箱控股有限公司), CIMC Enric, Yantai CIMC Raffles Offshore Ltd. (煙台中集來福士海洋工程有限公司), CIMC-TianDa Holdings Company Limited (中集天達控股有限公司) and CIMC Financial Leasing Co., Ltd. (中集融資租賃有限公司). Meanwhile, he acts as the chairman of the board of directors at Shenzhen CIMC Investment Co., Ltd. (深圳市中集投資有限公司), CIMC Modern Logistics Development Co., Ltd. (中集現代物流發展有限公司), and CIMC Capital Holdings Co. Ltd. (中集資本控股有限公司), the general manager of Shenzhen Southern CIMC Containers Manufacture Co., Ltd. (深

圳南方中集集裝箱製造有限公司), the general manager of the financial informatization project department of CIMC Group and director of China International Marine Containers (Hong Kong) Limited (中國國際海運集裝箱(香港)有限公司).

Mr. Zeng Han has served as chief financial officer of CIMC since 26 March 2020, and general manager of the financial management department of CIMC since March 2017. In January 2018, he was appointed as general manager of the financial management department which has been established by consolidating the former financial management department and the former capital management department.

Mr. Zeng Han graduated from Hangzhou Institute of Electronic Engineering (杭州電子工業學院) with a bachelor's degree in economics in July 1996, and later graduated from Jiangsu University of Science and Technology with a master's degree in management in June 1999. Mr. Zeng Han is a certified public accountant in China.

Mr. Wang Yu (王宇), aged 49, born in April 1972, with Chinese nationality and without the right of permanent residence abroad, is a non-executive Director of the Company. Mr. Wang Yu is also a member of the strategy and investment committee of the Company.

Mr. Wang Yu joined the Group in November 2014 and has served as a non-executive Director of the Company since then. Prior to joining the Group, Mr. Wang Yu worked for International Data Group (China) Investment Ltd. (國際數據(中國)投資有限公司) as the legal counsel from January 2001 to December 2002. Since 2003, Mr. Wang Yu served as the general manager of legal department of CIMC. He is currently a director of certain subsidiaries, associates and/or portfolio companies of CIMC, including a director of CIMC-TianDa Holdings (Shenzhen) Company Limited (中集天達控股(深圳)有限公司), a non-executive director of CIMC Enric (a company listed on the Hong Kong Stock Exchange (stock code: 03899)), the chairman and the general manager of Shenzhen Qianhai CIMC Qigu Investment Co., Ltd. (深圳前海中集麒谷投資有限公司), a director of Nantong Sinopacific Offshore & Engineering Co., Ltd. (南通中集太平洋海洋工程有限公司) and a director of Shenzhen Sky Capital Co., Ltd. (深圳天億投資有限公司).

Mr. Wang Yu obtained a bachelor's degree in transportation management from Dalian Maritime University (大連海事大學, formerly known as Dalian Maritime College (大連海運學院)) in the PRC in July 1993 and a master's degree in law from Dalian Maritime University (大連海事大學) in the PRC in June 1996. Mr. Wang Yu obtained lawyer's qualification certificate from the Ministry of Justice of the PRC in July 1996. Mr. Wang Yu is currently an arbitrator in China International Economic and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會).

As at the Latest Practicable Date, Mr. Wang Yu is deemed to be interested in 96,877,500 A Shares held by Xiang Shan Hua Jin, pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571). Mr. Wang Yu also holds 400,000 ordinary shares in CIMC Enric, an associated corporation of the Company.

Mr. Huang Haicheng (黃海澄), aged 36, born in January 1985, with Chinese nationality and without the right of permanent residence abroad, is a non-executive Director of the Company. Mr. Huang Haicheng is also the chairman of the strategy and investment committee of the Company.

Mr. Huang Haicheng obtained a bachelor's degree in Economics from Shanghai University of Finance and Economics (上海財經大學) in July 2007, and the Master degree of Business Administration from China Europe International Business School (中歐國際工商學院) in November 2018. Mr. Huang Haicheng served as the auditor of Klynveld Peat Marwick Goerdeler (畢馬威會計師事務所) from 2007 to 2008 and the vice president of the Sunvision Capital Investment Limited from 2008 to 2012. He joined the direct investment department of Ping An Asset Management Co., Ltd. (平安資產管理有限責任公司) in April 2012, and currently serves as the deputy director of investment in Ping An Capital Co., Ltd. (平安資本有限責任公司).

Mr. Chen Bo (陳波), aged 57, born in March 1964, with Chinese nationality and without the right of permanent residence abroad, is a non-executive Director of the Company.

Prior to joining the Group, Mr. Chen Bo served as an assistant general manager of Shenzhen Chiwan Freight Co., Ltd. (深圳赤灣貨運有限公司) from June 1992 to April 1994, the general manager of Shenzhen Chiwan Oriental Logistics Co., Ltd. (深圳市赤灣東方物流有限公司) from September 2009 to August 2015 and an assistant general manager of China Nanshan Development (Group) Incorporation (中國南山開發(集團)股份有限公司) from April 2014 to April 2017.

Mr. Chen Bo has been serving as a non-executive Director of the Company since 7 December 2018. In addition, Mr. Chen Bo has been serving as the chairman of Shenzhen Chiwan Oriental Logistics Co., Ltd. since May 2015 and the deputy general manager of China Nanshan Development (Group) Incorporation since April 2017. Mr. Chen Bo currently also serves as a director of Shenzhen New Nanshan Holding (Group) Co., Ltd. (深圳市新南山控股(集團)股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002314)).

Mr. Chen Bo obtained a bachelor's degree in road transport management from Xi'an Highway Institute (西安公路學院) (currently known as Chang'an University (長安大學)) in the PRC in July 1984. Mr. Chen Bo also has various professional affiliations, including the president of Shenzhen Container Trailer Association (深圳市集裝箱拖車運輸協會) from 2000 to 2006, the vice president of Guangdong Road Transport Association (廣東省道路運輸協會) since 2008, and the chief supervisor of Guangdong Inter-Provincial Transportation Service Association (廣東省城際運輸服務協會) since 2016.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Feng Jinhua (豐金華), aged 65, born in March 1956, with Chinese nationality and without the right of permanent residence abroad, is an Independent Non-executive Director of the Company. Mr. Feng Jinhua is also the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee.

Mr. Feng Jinhua has substantial working and management experience in the ocean transportation, shipping and logistics industry and well recognized qualifications in the transportation industry. Prior to joining the Group, Mr. Feng Jinhua served consecutively as a deputy chief (副科長), a chief (科長), a deputy director (副處長) and a director (處長) of finance branch, the deputy chief accountant and the chief accountant of Qingdao Ocean Shipping Co., Ltd. (青島遠洋運輸公司) from August 1980 to October 2001, the general manager of finance department of China Ocean Shipping (Group) Company (中國遠洋運輸(集團)總公司) from January 2006 to January 2012, the chief financial officer of COSCO SHIPPING Holdings Co., Limited (中遠海運控股股份有限公司) (previously known as China COSCO Holdings Co., Ltd. (中國遠洋控股股份有限公司)) (a company listed on the Hong Kong Stock Exchange (stock code: 1919)) from January 2012 to November 2013, an executive director of COSCO Pacific Co., Ltd. (中遠太平洋有限公司) from October 2010 to October 2015, the deputy managing director of COSCO Pacific Co., Ltd. (中遠太平洋有限公司) from October 2013 to October 2015 and the chief financial officer of COSCO (Hong Kong) Group Co., Ltd. (中遠(香港)集團有限公司) from September 2015 to June 2016. Mr. Feng Jinhua was appointed as our non-executive Director on 10 December 2017 and resigned from such position on 10 October 2018, during which Mr. Feng Jinhua participated in the decision-making of the Company in his capacity as a member of the Board, but he was not involved in the daily management and operations of the Company and had no executive functions over the Company. He has been serving as an Independent Non-executive Director of the Company since 26 June 2019.

Mr. Feng Jinhua graduated from Qingdao Ocean Shipping Mariners College (青島遠洋船員學院) in the PRC in July 1986 with a major in finance and accounting and obtained an EMBA degree from the Business School of the University of International Business and Economics (對外經濟貿易大學) in the PRC in December 2006. In September 2005, Mr. Feng Jinhua obtained the qualification of senior accountant awarded by China Road and Bridge Corporation (中國路橋(集團)總公司). In April 2006, Mr. Feng Jinhua was awarded the title of the excellent accountant in transportation industry by China Communications Accounting Society (中國交通會計學會), and was awarded the title of the outstanding information application promoter by National Information Evaluation Center (國家信息化測評中心) in February 2007.

Mr. Fan Zhaoping (范肇平), aged 67, born in April 1954, with Chinese nationality and without the right of permanent residence abroad, is an Independent Non-executive Director of the Company. Mr. Fan Zhaoping is also the chairman of the Remuneration Committee, a member of the Audit Committee, Nomination Committee and Strategy and Investment Committee.

Mr. Fan Zhaoping has substantial working and management experience in the road transportation and logistics industry. Prior to joining the Company, Mr. Fan Zhaoping served as an assistant manager of finance department, a manager, a supervisor, a director and the chairman of Shenzhen Chiwan Petroleum Supply Base Co., Ltd. (深圳赤灣石油基地股份有限公司) consecutively from 1988 to 2016, a manager of finance department, a manager of financial investment department, an assistant general manager and the deputy general manager of China Nanshan Development (Group) Incorporation (中國南山開發(集團)股份有限公司) consecutively from 1991 to 2014, the vice chairman and the chairman of the executive committee of Shenzhen Chiwan Sembawang Engineering Co. Ltd. (深圳赤灣勝寶旺海洋工程有限公司) from 2012 to 2018, and the external supervisor of Sinotrans Limited (中國外運股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 0598) and a leading integrated logistics service provider in the PRC, since June 2018. Mr. Fan Zhaoping was appointed as our non-executive Director on 10 December 2017 and resigned from such position on 10 October 2018, during which Mr. Fan Zhaoping participated in the decision-making of the Company in his capacity as a member of the Board, but he was not involved in the daily management and operations of the Company and had no executive functions over the Company. He has been serving as an Independent Non-executive Director of the Company since 26 June 2019.

Mr. Cheng Hok Kai Frederick (鄭學啟), aged 57, born in January 1964, with British nationality, is an Independent Non-executive Director of the Company. Mr. Cheng Hok Kai Frederick is also the chairman of the Audit Committee.

Prior to joining the Company, Mr. Cheng Hok Kai Frederick served as the audit assistant and senior accountant of Price Waterhouse (currently known as PricewaterhouseCoopers) consecutively from November 1985 to August 1988, primarily responsible for audit assignments for various companies; the finance director of Asia Pacific and Japan of LSI Logic Hong Kong Limited from July 1997 to August 2004, primarily responsible for finance and accounting function for the operation in Asia Pacific and Japan; the finance director of Pacific Rim of Mentor Graphics Asia Pte Ltd. from August 2004 to April 2006, primarily responsible for the finance and accounting function of the operation in the Pacific Rim; the finance director for Asia Pacific region of the Autodesk Asia Pte Ltd. from April 2006 to June 2008, primarily responsible for finance and accounting function of the operation in Asia Pacific; and the chief financial officer, company secretary, managing director of corporate finance and investment and authorized representative of PuraPharm Corporation Limited (培力控股有限公司, a company listed on the Hong Kong Stock Exchange (stock code: 1498)) consecutively from April 2010 to January 2018. Mr. Cheng Hok Kai Frederick is an executive director in Sanai Health Industry Group Company Limited (三愛健康產業集團有限公司, a company listed on the Hong Kong Stock Exchange (stock code: 1889)) from May 2019 to October 2019. Mr. Cheng Hok Kai Frederick is currently an independent non-executive director, the chairman of the audit committee and a member of the nomination and remuneration committee in Luzhou Xinglu Water (Group) Co., Ltd. (瀘州市興瀘水務(集團)股份有限公司, a company listed on the Hong Kong Stock Exchange (stock code: 2281)), and an independent non-executive director, the chairman of the audit committee and a member of the remuneration committee in JiaXing

Gas Group Co., Ltd. (嘉興市燃氣集團股份有限公司, a company listed on the Hong Kong Stock Exchange (stock code: 9908)). He was appointed as the independent non-executive director and the chairman of the audit committee in China Shun Ke Long Holdings Limited (中國順客隆控股有限公司, a company listed on the Hong Kong Stock Exchange (stock code: 974)) on 27 July 2020. He was appointed as the chief financial officer of Advanced Assembly Materials International Limited (先進封裝材料國際有限公司) on 1 January 2021.

Mr. Cheng Hok Kai Frederick obtained his bachelor's degree in finance and accounting from the University of Salford in the UK in July 1985, and his master's degree in accounting from the University of New South Wales in Australia in May 1992. Mr. Cheng Hok Kai Frederick was admitted as a certified practicing accountant of CPA Australia (formerly known as the Australian Society of Certified Practicing Accountants) and an associate member of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) in February 1992 and April 1992, respectively. Mr. Cheng Hok Kai Frederick became a fellow member of the Hong Kong Institute of Certified Public Accountants and CPA Australia in March 2003 and January 2004, respectively. Mr. Cheng Hok Kai Frederick was admitted as an associate member by the Chartered Governance Institute UK (formerly known as the Institute of Chartered Secretaries and Administrators UK) in April 1995 and a member of the Governance Institute of Australia (formerly known as Chartered Secretaries Australia) in December 1996. Mr. Cheng Hok Kai Frederick became a fellow member of both the Institute of Chartered Secretaries and Administrators UK and the Governance Institute of Australia in June 2012 and November 2013, respectively.

As at the Latest Practicable Date, save as disclosed above, all the above proposed Directors (i) do not have, and are not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associate corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571)); (ii) did not hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iii) do not hold any other position with the Group; (iv) do not have any relationship with any Directors, supervisors, senior management, Shareholders holding more than 5% of shares, Controlling Shareholders (as defined in the Listing Rules of the Hong Kong Stock Exchange) of the Company; (v) have not been penalised by China Securities Regulatory Commission and other competent authorities nor been disciplined by any stock exchange; and (vi) are not a dishonest person subject to enforcement. All the above Directors meet the qualification specified by relevant laws, administrative regulations, departmental rules, normative documents, the Listing Rules of the Shenzhen Stock Exchange and other relevant regulations.

Save as disclosed above, with regard to the proposed appointment of the above Directors, there is no other information that needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules of the Hong Kong Stock Exchange, and there are no other matters that need to be brought to the attention of the Shareholders. Mr. Cheng Hok Kai Frederick, Mr. Feng Jinhua and Mr. Fan Zhaoping meet the independence criteria as set out in Rule 3.13 of the Listing Rules of the Hong Kong Stock Exchange.

Ms. Wang Jinghua (王靜華), aged 58, born in November 1963, with Chinese nationality and without permanent residency abroad.

Ms. Wang Jinghua joined CIMC in 1990. From 1990 to 2003, she successively served as director of the planning and audit department and general manager of the enterprise management department of CIMC Group. From 2003 to 2007, she acted as deputy general manager of Southern CIMC Container Co., Ltd. (南方中集集裝箱公司). From 2008 to 2015, she served as segment vice president of CIMC Offshore Engineering Co., Ltd.. From 2016 to 2017, she acted as executive vice president of CIMC Offshore Engineering Co., Ltd. Since 2016, she has successively served as supervisor of subsidiaries of CIMC, including CIMC Container Holding Co., Ltd., Shenzhen CIMC Haigong Investment Co., Ltd., CIMC Qianhai Financial Leasing (Shenzhen) Co., Ltd., CIMC Finance Co., Ltd., CIMC Marine Engineering Academe Co., Ltd., CIMC Capital Holdings Co. Ltd., CIMC Transportation Technology Co., Ltd., CIMC Financing and Leasing Co., Ltd., Shenzhen CIMC Sharing Logistics Service Co., Ltd., CIMC Security Technology Co., Ltd., CIMC Architectural Design Institute, Shenzhen CIMC Investment Co., Ltd., C&C Trucks Co., Ltd. and CIMC Offshore Engineering Co., Ltd.

Since 2018, Ms. Wang Jinghua has served as secretary to the discipline inspection commission and general manager of the audit and supervision department of CIMC. Ms. Wang Jinghua acts as deputy director of the audit committee of Guangdong Internal Control Association (廣東省內部控制協會), professional mentor of China Enterprise Anti-fraud Alliance, and part-time supervisor of master's degree candidates at Southwest University of Political Science & Law.

Ms. Wang Jinghua graduated from Taiyuan University of Technology in Shanxi (山西太原工業大學) in July 1985 and the postgraduate course in enterprise management in China University of Technology in July 1987. Thereafter, she obtained an international MBA degree from Peking University and an EMBA degree from China Europe International Business School.

Mr. Li Xiaofu (李曉甫), aged 37, born in October 1984, with Chinese nationality and without the right of permanent residence abroad, is a shareholder representative Supervisor of the Company.

Prior to joining the Group, Mr. Li Xiaofu served as an engineer of electrical control branch of high-tech department of GAC Research and Development Center (廣州汽車集團股份有限公司汽車工程研究院(廣汽研究院)). Mr. Li Xiaofu joined the Group in October 2013 and served as a senior research and development engineer at our research and development center up to March 2015. Mr. Li Xiaofu subsequently served as a senior research and development engineer and project leader of our Light Tower project from March 2015 to September 2017, primarily responsible for “Light Tower” plant planning, application research on auto-manufacturing technology in semi-trailer manufacturing, leading the team, coordinating several cross-departmental and cross-enterprise upgrading projects of

“Manufacturing Light-towerlization” in the Group. Mr. Li Xiaofu subsequently served as an office director of our technology office from September 2017 to July 2018, primarily responsible for assisting the technology director in managing the chief technology office and structuring three-core working system, relevant designing and manufacturing for various product platforms, incubating and managing digital projects. Mr. Li Xiaofu has made outstanding contributions to the Group over the years and has been serving as the chief technology officer of the Group since July 2018, primarily responsible for the overall technology of the Group. Mr. Li Xiaofu is currently serving as a director of Shenzhen SF-Trailernet Technology Co., Ltd. (深圳市星火車聯科技有限公司).

Mr. Li Xiaofu obtained a bachelor’s degree in engineering with a major in ground weapon motor engineering (地面武器機動工程) from Beijing Institute of Technology (北京理工大學) in the PRC in July 2006. He also obtained a doctor’s degree in engineering with a major in vehicle engineering (車輛工程) from South China University of Technology (華南理工大學) in the PRC in December 2012.

As at the Latest Practicable Date, Mr. Li Xiaofu indirectly holds approximately 336,900 A Shares of the Company through his 1.45% interests in Shenzhen Longyuan. Mr. Li Xiaofu is not deemed to have any interests in the Company and the Hong Kong Stock Exchange under Part XV of the Securities and Futures Ordinance (Cap. 571).

As at the Latest Practicable Date, save as disclosed above, the above candidates for non-employee representative Supervisors (i) do not have, and are not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associate corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571)); (ii) did not hold any directorships or supervisory position in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iii) do not hold any other position with the Group; (iv) do not have any relationship with any Directors, supervisors, senior management, Shareholders holding more than 5% of shares, Controlling Shareholders (as defined in the Listing Rules of the Hong Kong Stock Exchange) of the Company; (v) have not been penalised by China Securities Regulatory Commission and other competent authorities nor been disciplined by any stock exchange; and (vi) are not a dishonest person subject to enforcement. All the above Supervisors meet the qualification specified by relevant laws, administrative regulations, departmental rules, normative documents, the Listing Rules of the Shenzhen Stock Exchange and other relevant regulations.

Save as disclosed above, with regard to the proposed appointment of the above non-employee representative Supervisors, there is no other information that needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules of the Hong Kong Stock Exchange, and there are no other matters that need to be brought to the attention of the Shareholders.

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING FOR 2021

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CIMC VEHICLES

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)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING FOR 2021

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting for 2021 (“**EGM**”) of CIMC Vehicles (Group) Co., Ltd. (the “**Company**”) will be held at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the People’s Republic of China (the “**PRC**”) at 2:50 p.m. on Wednesday, 29 September 2021, to consider, and if thought fit, approve the following resolutions. Unless the context otherwise requires, capitalized terms used in this notice shall have the same meanings as those defined in the circular (the “**Circular**”) of the Company dated 13 September 2021.

ORDINARY RESOLUTIONS

1. To consider and approve the plan regarding interim special dividend distribution for 2021;
2. To consider and approve the changes in the use of Proceeds from H Shares;
3. To consider and approve the election of Non-independent Directors of the second session of the Board (as a cumulative voting resolution)
 - 3.1 To elect Mr. Li Guiping as the executive Director of the second session of the Board;
 - 3.2 To elect Mr. Mai Boliang as the non-executive Director of the second session of the Board;
 - 3.3 To elect Mr. Wang Yu as the non-executive Director of the second session of the Board;
 - 3.4 To elect Mr. Huang Haicheng as the non-executive Director of the second session of the Board;
 - 3.5 To elect Mr. Chen Bo as the non-executive Director of the second session of the Board;
 - 3.6 To elect Mr. Zeng Han as the non-executive Director of the second session of the Board;

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING FOR 2021

4. To consider and approve the election of the Independent Directors of the second session of the Board (as a cumulative voting resolution)
 - 4.1 To elect Mr. Cheng Hok Kai Frederick as the Independent Non-executive Director of the second session of the Board;
 - 4.2 To elect Mr. Feng Jinhua as the Independent Non-executive Director of the second session of the Board;
 - 4.3 To elect Mr. Fan Zhaoping as the Independent Non-executive Director of the second session of the Board;
5. To consider and approve the election of the non-employee representative Supervisors of the second session of the Supervisory Committee (as a cumulative voting resolution)
 - 5.1 To elect Ms. Wang Jinghua as the non-employee representative Supervisor of the second session of the Supervisory Committee;
 - 5.2 To elect Mr. Li Xiaofu as the non-employee representative Supervisor of the second session of the Supervisory Committee;
6. To consider and approve the remuneration of the members of the second session of the Board;
7. To consider and approve the remuneration of the members of the second session of the Supervisory Committee;
8. To consider and approve the estimated continuing connected transactions/ordinary related party transactions with CIMC and its connected parties/related parties for years of 2022-2024;
9. To consider and approve the estimated ordinary related party transactions with Jiangsu Wanjing for years of 2022-2024;
10. To consider and approve the proposed entering into of the financial guarantees and performance bond framework agreement and the continuing connected/related party transactions; and
11. To consider and approve the proposed entering into of the deposit service framework agreement and the estimated continuing connected/related party transactions.

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING FOR 2021

SPECIAL RESOLUTION

12. To consider and approve the amendments to the Articles of Association of the Company.

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

Shenzhen, the PRC
13 September 2021

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING FOR 2021

Notes:

1. For the purpose of holding the EGM, the register of members of Shares of the Company will be closed from Thursday, 9 September 2021 to Wednesday, 29 September 2021 (both days inclusive), during which period no transfer of Shares will be registered.

In order to be qualified to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares) at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, the PRC no later than 4:30 p.m. on Wednesday, 8 September 2021.

The Shareholders whose names appear on the register of members of the Company on Thursday, 9 September 2021 are entitled to attend and vote at the EGM.

In order to ascertain the entitlement of a proposed interim special dividend, the register of members of Shares will be closed from Wednesday, 6 October 2021 to Sunday, 10 October 2021 (both days inclusive), during which no transfer of Shares will be registered. To be eligible to receive the aforesaid cash dividend, the transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for H Share Shareholders no later than 4:30 p.m. on Tuesday, 5 October 2021 (subject to the approval by the Shareholders at the EGM).

2. Votes on the resolutions to be proposed at the EGM of shall be taken by way of poll.
3. Resolutions (3) to (5) shall adopt cumulative voting system, i.e. the number of votes entitled for each Share held by the Shareholders equals to the number of proposed Directors/Supervisors and a Shareholder may cast all his/her votes for a single candidate of the Directors/Supervisors or cast by splitting his/her votes to certain candidates of the Directors/Supervisors. In particular, the number of votes that each Shareholder shall be entitled to cast equals to the number of Shares held by him/her multiplied by the number of the Directors/Supervisors upon whom he/she can vote, when electing the Directors/Supervisors. Such votes may only be voted for the candidates for the Directors/Supervisors of the Company, and the candidates who have the most votes shall be appointed. However, the number of votes casted by each Shareholder for the election shall not exceed the highest number of cumulative votes. No ballot will be cast under "for", "against" or "abstain" in cumulative voting. If Shareholders do not agree with a candidate, they may vote nil on the candidate.
4. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a Shareholder of the Company.
5. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly, authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its Director or other attorney duly authorised to sign the same.
6. In order to be valid, the proxy form must be deposited, for holders of H Shares, to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, or for holders of A Shares, to the registered office of the Company in the PRC at No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC or the office of Investor Relations Department of the Company at Unit 1804, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC, not less than 24 hours before the time appointed for holding the EGM. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or other authority shall be deposited at the same time to the same place as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.
7. Shareholders shall produce their identity documents and supporting documents in respect of the Shares held when attending the EGM. If corporate Shareholders appoint authorised representative to attend the EGM, the authorised representative shall produce his/her identity documents and a notarially certified copy of the relevant authorisation instrument signed by the Board of Directors or other authorised parties of the corporate Shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the EGM.
8. The EGM is expected to take for less than half a day. Shareholders attending the EGM shall be responsible for their own travel and accommodation expenses.

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING FOR 2021

9. Contact details of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, are as follows:

Address: Shops 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wan Chai, Hong Kong
Telephone: (+852) 2862 8628
Fax No.: (+852) 2865 0990

10. Contact details of the registered office of the Company in the PRC and the office of Investor Relations Department of the Company are as follows:

Address: No. 2 Gangwan Avenue, Shekou,
Nanshan District, Shenzhen, Guangdong, the PRC
or
Unit 1804, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC
Telephone No.: (0755) 2669 1130
Email: ir_vehicles@cimc.com

*As at the date of this notice, 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*