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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)

DISTRUBUTION OF 2021 INTERIM SPECIAL DIVIDEND

References are made to the announcements dated 25 August 2021 and 29 September 2021 (the “**Announcements**”), the 2021 interim report (the “**2021 Interim Report**”), and the circular of the First Extraordinary General Meeting for 2021 dated 13 September 2021 (the “**Circular**”) of CIMC Vehicles (Group) Co., Ltd. (the “**Company**”) in respect of, amongst others, (1) the proposed distribution of the interim special dividend of the Company for 2021 (the “**2021 Interim Special Dividend**”); (2) the arrangement for the closure of register of members of the Company for the 2021 Interim Special Dividend; and (3) the plan regarding 2021 Interim Special Dividend distribution was duly passed by the First Extraordinary General Meeting for 2021. Unless otherwise defined, capitalized terms used in this announcement have the same meanings as defined in the Announcements, the 2021 Interim Report and the Circular.

The Board wishes to notify the Shareholders that the details of distribution of the 2021 Interim Special Dividend are as follows:

The Company will respectively distribute the 2021 Interim Special Dividend in cash of RMB0.3 per Share (tax inclusive) to A Share Shareholders and H Share Shareholders whose names appear on the A Shares and H Shares register of members of the Company on the respective record dates. For H Share Shareholders, the Company will distribute the 2021 Interim Special Dividend to the Shareholders whose names appear on the register of members of the H Shares on Sunday, 10 October 2021 (the “**H Share Record Date**”). The 2021 Interim Special Dividend will be denominated and declared in RMB. A Share Shareholders and Southbound Shareholders will be paid in RMB and H Share Shareholders will be paid in HK Dollar. The following formula shall apply for the purpose of calculating the payable amount of the 2021 Interim Special Dividend in equivalent HK Dollar per H Share:

$$\begin{array}{l} \text{2021 Interim Special Dividend} \\ \text{per H Share in HK Dollar} \end{array} = \frac{\text{2021 Interim Special Dividend per Share in RMB}}{\text{The median exchange rate for HK Dollar to RMB as announced by the People's Bank of China on 30 September 2021, being the first business day immediately following the date on which the First Extraordinary General Meeting for 2021 is convened}}$$

The median exchange rate for HK Dollar to RMB as announced by the People's Bank of China on 30 September 2021 is HK\$1.00 to RMB0.83306. Accordingly, the payable amount of 2021 Interim Special Dividend per H Share in HK Dollar will be approximately HK\$0.36 (tax inclusive).

WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX AND INDIVIDUAL INCOME TAX FOR OVERSEAS H SHARE ON DISTRIBUTION OF THE 2021 INTERIM SPECIAL DIVIDEND

Pursuant to the Enterprise Income Tax Law of the People's Republic of China《中華人民共和國企業所得稅法》, the Implementation Regulations for the Enterprise Income Tax Law of the People's Republic of China《中華人民共和國企業所得稅法實施條例》and the Notice of the State Administration of Taxation on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), when any domestic enterprise of the PRC which pays dividends to overseas non-resident enterprise shareholders of H shares for the year of 2008 and subsequent years, the enterprise income tax shall be withheld and paid at a uniform rate of 10%.

In respect of all non-resident Shareholders whose names appear on the register of members of the H Shares as at the H Share Record Date and who are not individuals (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organizations, which are all considered as non-resident enterprise shareholders), the Company will distribute the 2021 Interim Special Dividend after deducting an enterprise income tax of 10%.

Pursuant to the Notice of Certain Issues on the Policies of Individual Income Tax by the Ministry of Finance and the State Taxation Administration (Cai Shui Zi [1994] No. 020) (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)), overseas individuals are for the time being exempt from the individual income tax of the PRC for the dividends and bonuses from the PRC's foreign-invested enterprises. As the Company is a foreign-invested enterprise, the Company will not withhold and pay individual income tax in respect of the 2021 Interim Special Dividend payable to any natural person Shareholders whose names appear on the register of members of the H Shares as at the H Share Record Date.

If any resident enterprise (as defined in the Enterprise Income Tax Law of the People's Republic of China《中華人民共和國企業所得稅法》) listed on the register of members of the H Shares which is duly incorporated in the PRC or under the laws of a foreign country (or a region) but with a PRC-based de facto management body, does not desire to have the Company withhold and pay the said 10% enterprise income tax, it shall lodge with Computershare Hong Kong Investor Services Limited documents from its governing tax authority confirming that the Company is not required to withhold and pay enterprise income tax in respect of the 2021 Interim Special Dividend that it is entitled, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, at or before 4:30 p.m. on Tuesday, 5 October 2021.

If anyone would like to change the identity of the Shareholders in the register of members of the H Shares, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold and pay the enterprise income tax for its non-resident enterprise Shareholders strictly in accordance with the relevant laws and requirements of the relevant government departments and adhere strictly to the information set out in the register of members of the H Shares on the H Share Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any disputes over the mechanism of the withholding and payment of enterprise income tax.

In order to ascertain the entitlement of the 2021 Interim Special Dividend, the register of members of the H 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 by H Share Shareholders no later than 4:30 p.m. on Tuesday, 5 October 2021.

The Company has appointed ICBC (Asia) Trustee Company Limited as the receiving agent of the Company in Hong Kong (the "**Receiving Agent**") and will pay to the Receiving Agent the 2021 Special Interim Dividend for distribution to H Share Shareholders. The 2021 Interim Special Dividend will be paid in cash on Tuesday, 9 November 2021 and will be despatched to H Share Shareholders who are entitled to receive the 2021 Interim Special Dividend by cheques by ordinary post or by electronic transfer at their own risk.

DISTRIBUTION OF THE 2021 INTERIM SPECIAL DIVIDEND FOR SOUTHBOUND TRADING INVESTORS

For investors (including enterprises and individuals) (the "**Southbound Trading Investors**") investing in the H Shares listed on the Hong Kong Stock Exchange through the Shenzhen Stock Exchange and the Shanghai Stock Exchange (collectively, the "Southbound Trading"), China Securities Depository and Clearing Corporation Limited, which is expected to be the nominal holders of Southbound Trading Investors, will receive the 2021 Interim Special Dividend distributed by the Company and distribute the 2021 Interim Special Dividend to the Southbound Trading Investors through its depository and clearing system.

The 2021 Interim Special Dividend for Southbound Trading Investors will be paid in RMB. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No.127) (關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2016]127號)) and the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No.81) (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)), for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Southbound Trading, the company of such H shares shall withhold individual income tax at the rate of 20% on behalf of the individual investors. For dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Southbound Trading, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold the income tax of dividends for mainland enterprise investors and those enterprise investors shall report and pay the relevant tax personally.

The record date of Southbound Trading Investors will be the same as that of the H Share Record Date.

Relevant information regarding the distribution of 2021 Interim Special Dividend to A Share Shareholders and other relevant matters will be separately announced by the Company in due course.

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

Hong Kong, 30 September 2021

*As at the date of this announcement, the Board comprises nine members, being Mr. Mai Boliang**, Mr. Li Guiping*, Mr. Zeng Han**, 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*