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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)

DISTRIBUTION OF 2021 FINAL DIVIDEND

References are made to the announcements dated 24 March 2022 and 31 May 2022 (the “**Announcements**”), the 2021 annual report (the “**2021 Annual Report**”), and the circular of 2021 Annual General Meeting dated 28 April 2022 (the “**Circular**”) of CIMC Vehicles (Group) Co., Ltd. (the “**Company**”) in respect of, among others, (1) the proposed distribution of final dividend of the Company for 2021 (the “**2021 Final Dividend**”); (2) the Company’s arrangement for closure of register of members of H Shares for the 2021 Final Dividend; and (3) the duly passing of the resolution regarding the 2021 Final Dividend distribution plan at the 2021 Annual General Meeting. Unless otherwise defined, capitalized terms used in this announcement have the same meanings as defined in the Announcements, the 2021 Annual Report and the Circular.

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

The Company will respectively distribute the 2021 Final Dividend in cash of RMB0.20 per Share (tax inclusive) to A Shareholders and H Shareholders whose names appear on the register of members of the Company on the respective record dates. For H Shareholders, the Company will distribute the 2021 Final Dividend to the Shareholders whose names appear on the register of members of the H Shares on Tuesday, 7 June 2022 (the “**H Share Record Date**”). The 2021 Final Dividend will be denominated and declared in RMB. A Shareholders and Southbound Stock Connect Shareholders will be paid in RMB and H Shareholders will be paid in HK Dollar. The following formula shall apply for the purpose of calculating the payable amount of the 2021 Final Dividend in equivalent HK Dollar per H Share:

$$\begin{array}{l} \text{2021 Final Dividend per} \\ \text{H Share in equivalent HK Dollar} \end{array} = \frac{\begin{array}{l} \text{2021 Final Dividend per Share in RMB} \\ \text{The median exchange rate for HK Dollar to} \\ \text{RMB as announced by the People's Bank of China} \\ \text{on 1 June 2022, being the first business day} \\ \text{immediately following the date on which the} \\ \text{2021 Annual General Meeting is convened} \end{array}}$$

The median exchange rate for HK Dollar to RMB as announced by the People’s Bank of China on 1 June 2022 is HK\$1.00 to RMB0.84946. Accordingly, the payable amount of 2021 Final Dividend per H Share in HK Dollar will be approximately HK\$0.2354 (tax inclusive).

WITHHOLDING AND PAYMENT OF 2021 FINAL DIVIDEND INCOME TAX FOR H SHAREHOLDERS

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 Final 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 China'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 Final Dividend payable to any natural person H 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 Final Dividend that it is entitled, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on Monday, 6 June 2022.

If anyone would like to change the identity of the H 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 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 withholding and payment of enterprise income tax.

In order to ascertain the entitlement of the 2021 Final Dividend, the register of members of H Shares will be closed from Tuesday, 7 June 2022 to Thursday, 9 June 2022 (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, Wanchai, Hong Kong by H Shareholders no later than 4:30 p.m. on Monday, 6 June 2022.

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 Final Dividend for distribution to H Shareholders. The 2021 Final Dividend is expected to be paid in cash on Friday, 29 July 2022 and will be despatched to H Shareholders who are entitled to receive the 2021 Final Dividend by cheques by ordinary post or by electronic transfer at their own risk.

WITHHOLDING AND PAYMENT OF 2021 FINAL DIVIDEND INCOME TAX FOR SOUTHBOUND STOCK CONNECT SHAREHOLDERS

For Shareholders (including enterprises and individuals) investing in the H Shares through Southbound Stock Connect, China Securities Depository and Clearing Corporation Limited, which is expected to be the nominal holders of Southbound Stock Connect Shareholders, will receive the 2021 Final Dividend distributed by the Company and distribute the 2021 Final Dividend to the Southbound Stock Connect Shareholders through its depository and clearing system.

The 2021 Final Dividend for Southbound Stock Connect Shareholders 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 Stock Connect, 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 Stock Connect, 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 Stock Connect Shareholders will be the same as that of the H Share Record Date.

WITHHOLDING AND PAYMENT OF 2021 FINAL DIVIDEND INCOME TAX FOR SHENZHEN STOCK CONNECT SHAREHOLDERS

In accordance with the “Notice on Tax Policies for the Pilot Program of the Shenzhen-Hong Kong Stock Market Connectivity Mechanism” (CS [2016] No. 127) (《財政部國家稅務總局證監會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)), for the income from dividends and bonuses obtained by Hong Kong Stock Market investors (including enterprises and individuals) by investing in the A Shares listed on the Shenzhen Stock Exchange, when the Hong Kong Securities Clearing Company Limited does not have the conditions to provide detailed data such as the investor’s identity and shareholding time to China Securities Depository and Clearing Corporation Limited, the differentiated taxation policy according to the shareholding time will not be implemented for the time being, and the listed company will withhold income tax at the tax rate of 10% and file a withholding declaration to its competent tax authority. For Hong Kong investors who are tax residents of other countries and the tax agreement signed between their country and China stipulates that the income tax rate for dividends and bonuses is less than 10%, such enterprises or individuals may apply by themselves or by entrusting a withholding agent to the competent tax authority of the listed company for enjoying the treatment of tax agreement.

Relevant details regarding the distribution of 2021 Final Dividend to A Shareholders will be separately announced by the Company in due course.

Shareholders shall seek advice from their respective tax advisors regarding the tax implications in Mainland China, Hong Kong and other countries (regions) involved in owning and disposing of the Company’s Shares.

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

Hong Kong, 1 June 2022

*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. He Jin**, Mr. Huang Haicheng**, Mr. Feng Jinhua***, Mr. Fan Zhaoping*** and Mr. Cheng Hok Kai Frederick***.*

* *Executive Director*

** *Non-executive Directors*

*** *Independent non-executive Directors*