
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 stockbroker, other 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)

**PROPOSED AMENDMENTS TO THE TERMS OF REFERENCE FOR THE
INDEPENDENT NON-EXECUTIVE DIRECTORS;
AND
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING FOR
2024**

A letter from the Board is set out on pages 3 to 35 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 Thursday, 18 January 2024, 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, shall 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 H Shareholders, 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, Wanchai, Hong Kong or the registered office of the Company in the PRC at No. 2 Gangwan Avenue, 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.

28 December 2023

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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 Shareholder(s)”	A Shareholder(s) of the Company
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of Directors”	the board of Directors of the Company
“ChiNext Market” or “ChiNext”	ChiNext Market of the Shenzhen Stock Exchange
“China” or “PRC”	the People’s Republic of China, excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“circular”	the circular of the Company dated 28 December 2023
“Company” or “CIMC Vehicles”	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
“Company Law”	the Company Law of the People’s Republic of China published and adopted by the 8th Standing Committee of the National People’s Congress on 29 December 1993 and became effective on 1 July 1994, as amended, supplemented from time to time
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the Director(s) of the Company

DEFINITIONS

“EGM” or “First Extraordinary General Meeting for 2024”	the first extraordinary general meeting for 2024 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 Thursday, 18 January 2024, or any adjournment thereof
“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
“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)”	the independent non-executive Director(s) of the Company
“Latest Practicable Date”	20 December 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“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
“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 Stock Exchange”	the Shenzhen Stock Exchange
“Terms of Reference for the Independent Non-executive Directors”	Terms of Reference for the Independent Non-executive Directors of CIMC Vehicles (Group) Co., Ltd., as amended from time to time
“%”	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)

Executive Director:

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

Registered Office:

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

Non-executive Directors:

Mr. Mai Boliang (*Chairman*)
Mr. Zeng Han
Mr. Wang Yu
Mr. He Jin
Ms. Lin Qing

Principal Place of Business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

Independent Non-executive Directors:

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

To the Shareholders

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO THE TERMS OF REFERENCE FOR THE
INDEPENDENT NON-EXECUTIVE DIRECTORS;**

AND

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING FOR 2024

INTRODUCTION

The purpose of this circular is to provide you with information on the proposal to amend the Terms of Reference for the Independent Non-executive Directors, and enable you to make informed decisions on whether to vote for or against the proposed ordinary resolution at the EGM.

LETTER FROM THE BOARD

I. Proposed Amendments to the Terms of Reference for the Independent Non-Executive Directors

An ordinary resolution will be proposed at the EGM to approve the amendments to the Terms of Reference for the Independent Non-executive Directors by the Company in accordance with the latest regulatory rules and in consideration of the actual situation of the Company. Details of the specific amendments are set out as below:

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
1	<p>Article 1 In order to improve the governance structure of CIMC Vehicles (Group) Co., Ltd. (hereinafter referred to as the “Company”), standardize the operation of the Company, and better safeguard the overall interests of the Company and protect the legitimate rights and interests of all shareholders especially minority shareholders from damage, the Terms of Reference have been prepared in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Rules for Independent Directors of Listed Companies, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (hereinafter referred to as the “Chinext Market Listing Rules”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange Listing Rules”) and the Articles of Association of CIMC Vehicles (Group) Co., Ltd. (hereinafter referred to as the “Articles of Association”).</p>	<p>Article 1 In order to improve the governance structure of CIMC Vehicles (Group) Co., Ltd. (hereinafter referred to as the “Company”), standardize the operation of the Company, and better safeguard the overall interests of the Company and protect the legitimate rights and interests of all shareholders especially minority shareholders from damage, the Terms of Reference have been prepared in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Administrative Measures for Independent Directors of Listed Companies, <u>Guidelines of Self-Regulatory Regulations for Listed Companies on the Shenzhen Stock Exchange No. 2-Standardized Operation of ChiNext Market Listed Companies</u>, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (hereinafter referred to as the “Chinext Market Listing Rules”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange Listing Rules”), the Articles of Association of CIMC Vehicles (Group) Co., Ltd. (hereinafter referred to as the “Articles of Association”), among other regulations.</p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
2	<p>Article 2 Independent non-executive Director means a director who does not hold any position other than an independent non-executive Director of the Company or have any relationship with the Company and its substantial shareholders <u>that may affect</u> their independent objective judgment.</p>	<p>Article 2 Independent non-executive Director means a director who does not hold any position other than an independent non-executive Director of the Company or <u>have any direct or indirect interest with</u> the Company, its substantial shareholders <u>or its actual controllers, or have any other relationships with them that may obstruct</u> him or her from making independent objective judgment.</p>
3	<p>Article 4 The Board of the Company may have a strategy and investment committee, an audit committee, a nomination committee and a remuneration committee. <u>The majority of members and the convener of the audit committee, the nomination committee and the remuneration committee shall be independent non-executive Directors. The audit committee shall at least have one independent non-executive Director who shall be an accounting professional and convener.</u></p>	<p>Article 4 The Board of the Company may have a strategy and investment committee, an audit committee, a nomination committee and a remuneration committee. <u>The audit committee shall not have any member who serves as senior management in the Company, must have a minimum of three members, at least one of whom has appropriate professional qualifications as defined in the Stock Exchange Listing Rules and Chinext Market Listing Rules. The majority must be independent non-executive Directors and one of the independent non-executive Directors who is an accounting professional shall serve as the convener. The majority of the nomination committee and remuneration committee must be independent non-executive Directors and the convener must be an independent non-executive Director.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
4	<p>Article 6 An independent non-executive Director of the Company shall:</p> <p>(I) be qualified as a Director of the Company in accordance with laws, regulations and other relevant provisions;</p> <p>(II) satisfy the independence requirements of the Rules for Independent Directors of Listed Companies and the Stock Exchange Listing Rules;</p> <p>(III) have the basic knowledge of the operation of listed companies and be familiar with relevant laws, <u>administrative regulations, provisions and rules;</u></p> <p>(IV) have more than five years of <u>legal or economic work experience or other work experience necessary for performing the duties as independent non-executive Directors;</u></p> <p><u>(V) independent non-executive Directors and persons who intend to serve as independent non-executive Directors shall participate in the trainings organized by the CSRC and its authorized institutions in accordance with the requirements of the CSRC;</u></p> <p><u>(VI) other conditions stipulated by laws, regulations and the Articles of Association;</u></p>	<p>Article 6 An independent non-executive Director of the Company shall:</p> <p>(I) be qualified as a Director of the Company in accordance with laws, <u>administrative regulations</u> and other relevant provisions;</p> <p>(II) satisfy the independence requirements of the <u>Administrative Measures</u> for Independent Directors of Listed Companies and the Stock Exchange Listing Rules;</p> <p>(III) have the basic knowledge of the operation of listed companies and be familiar with relevant laws, <u>regulations and rules;</u></p> <p>(IV) have more than five years of <u>legal, accounting or economic work experience necessary for performing the duties as independent non-executive Directors;</u></p> <p><u>(V) has good personal integrity and has no major dishonest acts or other bad records;</u></p> <p><u>(VI) other conditions stipulated by laws, administrative regulations, rules of the CSRC, business rules of stock exchanges in the place where the shares of the Company are listed, and the Articles of Association.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
5		<p><u>Article 7 An accounting professional who is nominated as a candidate for independent non-executive Director shall have rich professional knowledge and experience in accounting, and meet at least one of the following conditions:</u></p> <p><u>(I) possess a qualification of Certified Public Accountant;</u></p> <p><u>(II) possess a senior professional title, associate professor and above title or doctorate in accounting, auditing, or financial management;</u></p> <p><u>(III) possess senior titles in economic management and have more than five years of full-time experience in accounting, auditing, or financial management and other professional positions.</u></p>
6	<p>Article 7 The following persons shall not serve as independent non-executive Directors of the Company:</p> <p>(I) any person who works for the Company or its subsidiaries, his/her immediate family members and connections (immediate family member means any of spouses, parents, children, etc.; connection means any of brothers, sisters, parents of spouses, spouses of children, spouses of brothers or sisters, brothers or sisters of spouses, etc.);</p> <p>(II) any individual shareholder who directly or indirectly holds more than 1% of the issued shares of the Company or is one of the top ten shareholders of the Company, and his/her immediate family members;</p>	<p>Article 8 Independent non-executive Directors must maintain their independence. The following persons shall not serve as independent non-executive Directors of the Company:</p> <p>(I) any person who works for the Company or its subsidiaries, his/her spouses, parents and children and connections (connection means any of brothers, sisters, parents of spouses, spouses of children, spouses of brothers or sisters, brothers or sisters of spouses, parents of children's spouses, etc.);</p> <p>(II) any individual shareholder who directly or indirectly holds more than 1% of the issued shares of the Company or is one of the top ten shareholders of the Company, and his/her spouses, parents and children;</p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
	<p>(III) any person works for shareholders who directly or indirectly holds more than 5% of the issued shares of the Company or works for the top five shareholders of the Company, and his/her <u>immediate family members</u>;</p> <p><u>(IV) any person who was any of the persons specified in the above three items in the previous year;</u></p> <p><u>(V) any person who, two years before the appointment, provided, or currently provides, financial, legal and consulting services to the Company, its controlling shareholders or subsidiaries; and</u></p> <p><u>(VI) other persons specified by relevant laws and regulations, regulatory documents, business rules of the stock exchange, and the Articles of Association and identified by the securities regulatory authority in the place where the shares of the Company are listed.</u></p>	<p>(III) any person who works for shareholders who directly or indirectly holds more than 5% of the issued shares of the Company or works for the top five shareholders of the Company, and his/her <u>spouses, parents and children</u>;</p> <p><u>(IV) any person who works for subsidiaries of controlling shareholders and actual controller of the Company, and his/her spouses, parents and children;</u></p> <p><u>(V) any person who has material business transactions with the Company and its controlling shareholders, actual controllers or their respective subsidiaries, or who works for entities with such material business transactions and their controlling shareholders and actual controllers;</u></p> <p><u>(VI) any person who provides financial, legal, consulting, sponsorship and other services for the Company and its controlling shareholders, actual controller or their respective subsidiaries, including but not limited to all the project team personnel of the intermediary agencies providing services, reviewers at all levels, personnel who sign the reports, partners, Directors, senior management and principal responsible persons;</u></p> <p><u>(VII) any person who was any of the persons specified in the above items (I) to (VI) in the past 12 months;</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
		<p><u>(VIII) other persons without independence as specified by laws, administrative regulations, rules of the CSRC, business rules of stock exchanges in the place where the shares of the Company are listed, Stock Exchange Listing Rules, Chinext Market Listing Rules and the Articles of Association, and identified by the securities regulatory authorities in the place where the shares of the Company are listed. The subsidiaries of controlling shareholders and actual controllers of the Company referred to in items (IV) to (VI) of this article do not include those enterprises that do not constitute a related relationship with the Company under the Chinext Market Listing Rules.</u></p> <p><u>Independent non-executive Directors shall conduct self-examinations on their independence every year and submit the self-examination results to the Board. The Board shall evaluate the independence of serving independent non-executive Directors every year and give special opinions, which shall be disclosed simultaneously in the annual reports.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
7		<p><u>Article 9 Independent non-executive Directors shall not be involved in any circumstances that prevent them from being nominated as directors of listed companies as stipulated by laws, administrative regulations, CSRC, the stock exchanges in the place where the shares of the Company are listed, and the Articles of Association, and shall not have the following bad records:</u></p> <p><u>(I) having been subject to any administrative sanction by the CSRC or criminal penalties by judicial authorities in the last 36 months due to securities and futures-related violations and crimes;</u></p> <p><u>(II) having been filed for investigation by the CSRC or filed for investigation by the judicial authority due to suspected securities and futures-related violations and crimes, without a clear conclusion reached yet;</u></p> <p><u>(III) having been censured publicly or criticized more than three times through circulating notices by Shenzhen Stock Exchange in the last 36 months;</u></p> <p><u>(IV) having bad records such as serious breach of trust;</u></p> <p><u>(V) having been removed from the position of independent non-executive Directors by the Board at a general meeting within 12 months due to failure to attend in person for two consecutive Board meetings without appointing alternative independent non-executive Directors to attend the meetings on their behalf;</u></p> <p><u>(VI) other circumstances stipulated by laws, administrative regulations, CSRC, and stock exchanges in the place where the shares of the Company are listed.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
8	<p>Article 8 During his/her term of office, an <u>independent Director</u> shall participate in training in relation to <u>independent Directors</u> in accordance with the securities regulatory rules in the place where the shares of the Company are listed.</p>	<p>Article 10 During his/her term of office, an <u>independent non-executive Director</u> shall participate in training in relation to <u>independent non-executive Directors</u> in accordance with the securities regulatory rules in the place where the shares of the Company are listed.</p>
9	<p>Article 9 An independent non-executive Director shall be elected or replaced at the shareholders' general meeting. The term of office of an independent non-executive Director is the same as that of other directors of the Company. Upon expiry of the term of office, an independent non-executive Director may be eligible for re-election for a further period of not more than 6 years.</p> <p>The Board of Directors, the Supervisory Committee, and shareholders holding more than 1% of the issued shares of the Company individually or jointly may nominate independent non-executive Director candidates. Nominators of independent non-executive Directors shall obtain the consent of the nominees before the nomination. The nominator shall fully understand the occupation, educational background, title, detailed work experience, all part-time work <u>and other information</u> of the nominee, <u>and express opinions on his/her qualification and independence as an independent non-executive Director. The nominee shall make a public statement that there is no relationship between the nominee and the Company affecting his/her independent and objective judgment. Before the general meeting to elect independent non-executive Directors, the Board of Directors of the Company shall announce the above information in accordance with the regulations.</u></p>	<p>Article 11 An independent non-executive Director shall be elected or replaced at the shareholders' general meeting. The term of office of an independent non-executive Director is the same as that of other directors of the Company. Upon expiry of the term of office, an independent non-executive Director may be eligible for re-election for a further period of not more than 6 years.</p> <p>The Board of Directors, the Supervisory Committee, and shareholders holding more than 1% of the issued shares of the Company individually or jointly may nominate independent non-executive Director candidates. <u>Nominators specified in this paragraph shall not nominate their interested persons or other closely related persons who may affect the independent performance of duties as candidates for independent non-executive Directors.</u></p> <p><u>Investor protection institutions established in accordance with laws may publicly request Shareholders to appoint them to exercise the right to nominate independent non-executive Directors on their behalf.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
		<p>Nominators of independent non-executive Directors shall obtain the consent of the nominees before the nomination. The nominator shall fully understand the occupation, educational background, title, detailed work experience, all part-time work, <u>bad records such as serious breach of trust, and other information</u> of the nominee, <u>and express opinions on his/her compliance with independence requirements and other requirements to serve as an independent non-executive Director. The nominee shall make a public statement that he/she complies with independence requirements and other requirements for being independent non-executive Directors.</u></p>
10	<p>Article 10 If the agency of the securities regulatory authority of the State Council or the stock exchange in the place where the Company is located has an objection to a nominee, such nominee may become a Director candidate of the Company, but not an independent non-executive Director candidate.</p> <p>In holding the general meeting to elect independent non-executive Directors, the Board of Directors of the Company shall explain whether the agency of the securities regulatory authority of the State Council in the place where the Company is located, the Securities and Futures Commission of Hong Kong or the stock exchange has an objection as to the independent non-executive Director candidates.</p>	<p><u>Article 12 Candidates for independent non-executive Directors shall make declarations and undertakings as to whether they comply with the laws and regulations and the requirements in the related rules of stock exchanges in the place where the shares of the Company are listed in respect of the conditions and qualifications for appointment and independence.</u></p> <p><u>The nominators of independent non-executive Directors shall prudently verify whether the candidates for independent non-executive Directors meet the conditions and qualifications for appointment, whether there are any circumstances that may affect their independence, and shall make declarations and undertakings in respect of the results of such verification.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
11		<p><u>Article 13 Where a nomination committee is set up under the Board, the nomination committee shall examine the qualifications of the nominees and issue a clear opinion on such examination.</u></p> <p><u>Before the general meeting to elect independent non-executive Directors, the Company shall make related disclosure in accordance with Article 10 of the Administrative Measures for Independent Directors of Listed Companies and the preceding paragraphs herein, and submit the relevant materials of all candidates for independent non-executive Directors to Shenzhen Stock Exchange, and the submitted materials shall be true, accurate and complete.</u></p> <p><u>Shenzhen Stock Exchange shall examine the relevant materials of candidates for independent non-executive Directors in accordance with the relevant provisions, and prudently judge whether a candidate for independent non-executive Director has qualifications for appointment and is entitled to raise objections. If Shenzhen Stock Exchange raises an objection thereto, the Company shall not submit it to the general meeting for election.</u></p>
12	<p>Article 11 Independent non-executive Directors shall attend the Board meetings in person. If an independent non-executive Director is unable to attend the meeting in person, the independent non-executive Director shall appoint any other independent non-executive Director to attend the meeting on his/her behalf. The proxy of the principal shall indicate his/her intention to vote in favor of, against or abstain from voting on each matter which is required to be voted on.</p> <p>The Board of Directors shall request the general meeting to replace the independent non-executive Director who has failed to attend the meeting in person for three consecutive times.</p>	

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
13		<u>Article 14 To elect two or more independent non-executive Directors, a cumulative voting system shall be adopted at a general meeting of the Company. The voting by minority shareholders shall be counted separately and be disclosed.</u>
14	<p>Article 12 An independent non-executive Director may tender his/her resignation before the expiry of his/her term of office. An independent non-executive Director who intends to resign shall tender a written resignation to the Board of Directors indicating matters in relation to his/her resignation that, in his/her opinions, needs to be brought to the attention of shareholders of the Company and creditors. If the number of independent non-executive Directors in the Board of Directors of the Company is less than the quorum due to the resignation of independent non-executive Directors, the resignations shall not be effective until new independent non-executive Directors are appointed to fill up the vacancies.</p> <p>The independent non-executive Directors can be removed from their office by the Company through legal procedures prior to the expiry of the term of service. <u>In case of early removal, the Company shall disclose the same as a specific disclosure event.</u></p> <p>Article 13 If an independent non-executive Director fails to meet independence requirements or is otherwise unqualified to perform his/her duties, the Company shall fill up the vacancy in accordance with the Articles of Association.</p>	<p>Article 15 An independent non-executive Director may tender his/her resignation before the expiry of his/her term of office. An independent non-executive Director who intends to resign shall tender a written resignation to the Board of Directors indicating matters in relation to his/her resignation that, in his/her opinions, needs to be brought to the attention of shareholders of the Company and creditors. <u>The Company shall disclose the reasons for the resignation of the independent non-executive Director and any matters of concern.</u></p> <p>Where the resignation of an independent non-executive Director results in the <u>failure</u> of reaching the required ratio of independent non-executive Directors in the Board of Directors or <u>its special committees in complying with the Administrative Measures for Independent Directors of Listed Companies, Chinext Market Listing Rules, Stock Exchange Listing Rules or the Articles of Association, or there is a lack of accounting professionals among the independent non-executive Directors, the independent non-executive Director that plans to resign shall continue to perform his or her duties until the new independent non-executive Director takes office. The Company shall complete the by-election within 60 days after the independent non-executive Director submits his or her resignation.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
		<p>Article 16 The independent non-executive Directors can be removed from their office by the Company through legal procedures prior to the expiry of the term of service. <u>If the Company removes an independent non-executive Director from office before the expiration date, it shall promptly disclose the specific reasons and basis therefor. If an independent non-executive Director has any objection to the removal, the Company shall disclose it in a timely manner.</u></p> <p><u>Any independent non-executive Director who fails to comply with the provisions of subparagraph (1) or (2) of Article 7 of the Administrative Measures for Independent Directors of Listed Companies shall immediately cease the performance of his or her duties and resign. If he or she fails to submit a resignation, the Board of Directors shall immediately remove him or her from office in accordance with the relevant provisions as soon as it knows or should have known the fact.</u></p> <p><u>If an independent non-executive Director submits his or her resignation or is removed from office since he or she fails to comply with any of the circumstances specified in the preceding paragraph, resulting in the failure of reaching the required ratio of independent non-executive Directors in the Board of Directors or its special committees in complying with the Administrative Measures for Independent Directors of Listed Companies or the Articles of Association, or in a lack of accounting professionals among the independent non-executive Directors, the Company shall complete the by-election within 60 days after the occurrence of the aforesaid fact.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
15		<p><u>Article 17 Independent non-executive Directors shall perform the following duties:</u></p> <p><u>(I) participating in the decision-making of the Board and offering specific opinions on the matters deliberated;</u></p> <p><u>(II) supervising the matters on potential material conflicts of interest between the Company and its controlling shareholders, actual controllers, Directors, and senior management specified in Articles 23, 26, 27, and 28 of the Administrative Measures for Independent Directors of Listed Companies, urging the decision-making of the Board in the overall interests of the Company, and protecting the lawful rights and interests of minority shareholders;</u></p> <p><u>(III) providing professional and objective advice on the operation and development of the Company and promoting the improvement of the decision-making level of the Board;</u></p> <p><u>(IV) other duties stipulated by laws, administrative regulations, rules of the CSRC and the Articles of Association.</u></p>
16	<p><u>Article 14 In addition to the authorities under the Company Law and other relevant laws and regulations, an independent non-executive Director has the special authority to:</u></p> <p><u>(I) review related transactions which are required to be submitted to the general meeting for consideration, before they are submitted to the Board of Directors for consideration, and engage an intermediary to issue a special report before making judgment;</u></p>	<p><u>Article 18 Independent non-executive Directors may exercise the following special authority to:</u></p> <p><u>(I) independently engage intermediaries to audit, consult, or inspect specific matters of the Company;</u></p> <p><u>(II) request the Board of Directors to convene an extraordinary general meeting;</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
	<p><u>(II) advise the Board of Directors to engage or dismiss an accounting firm;</u></p> <p><u>(III) request the Board of Directors to convene an extraordinary general meeting;</u></p> <p><u>(IV) solicit opinions from minority shareholders, put forward profit distribution proposals and proposals on conversion of capital reserve into share capital, and submit them directly to the Board of Directors for consideration;</u></p> <p><u>(V) propose the convocation of a Board meeting;</u></p> <p><u>(VI) independently engage an external auditor and advisor;</u></p> <p><u>(VII) publicly solicit votes from shareholders before the general meeting is held, provided that compensation or disguised compensation is not allowed for the solicitation.</u></p> <p><u>The exercise of the above authorities in items (I) to (V) and (VII) by an independent non-executive Director is subject to the consent of more than half of all independent non-executive Directors; the exercise of the above authorities in item (VI) by an independent non-executive Director is subject to the consent of all independent non-executive Directors.</u></p>	<p><u>(III) propose the convening of a Board meeting;</u></p> <p><u>(IV) publicly solicit shareholders' rights from shareholders in accordance with the law;</u></p> <p><u>(V) give independent opinions on matters that may damage the rights and interests of the Company or minority shareholders;</u></p> <p><u>(VI) other authorities stipulated by laws, administrative regulations, rules of the CSRC, Stock Exchange Listing Rules, Chinext Market Listing Rules and the Articles of Association.</u></p> <p><u>The exercise of the above authorities in items (I) to (III) by an independent non-executive Director is subject to the consent of a majority of all independent non-executive Directors. The Company shall make a disclosure in a timely manner if an independent non-executive Director exercises the authorities specified in paragraph 1. If an independent non-executive Director is unable to exercise the aforesaid authorities, the Company shall disclose the specific circumstances and reasons therefor.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
	<p><u>Items (I) and (II) are subject to prior consent by more than half of all independent non-executive Directors for consideration by the Board of Directors. If the proposal in item (I) of this article is not accepted or the above authorities cannot be normally exercised, the Company shall disclose the relevant conditions. Where relevant laws, administrative regulations and the CSRC have provisions otherwise, such provisions shall prevail.</u></p>	
17		<p><u>Article 19 Before a Board meeting is convened, an independent non-executive Director may communicate with the Board secretary and inquire about, request the supplements of materials, or offer opinions and recommendations concerning the matters to be deliberated. The Board and relevant personnel shall conscientiously study the issues, requests, and opinions put forward by the independent non-executive Director and promptly provide feedback on the implementation of amendments to the proposals and other matters to the independent non-executive Director.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
18		<p><u>Article 20 An independent non-executive Director shall attend in person the meetings of special committees for which he/she works. If an independent non-executive Director is unable to attend such meetings in person for any reason, he or she shall review the meeting materials in advance, form specific opinions, and authorize in writing another independent non-executive Director serving the special committees to attend such meetings on his or her behalf. If, in the course of performing his or her duties, an independent non-executive Director identifies any material matter of the Company which falls within the scope of duties of a special committee, he or she may promptly request the special committee to conduct discussion and deliberation under the relevant procedures.</u></p>
19		<p><u>Article 21 Independent non-executive Directors shall attend the Board meetings in person. If an independent non-executive Director is unable to attend such meetings in person for any reason, he or she shall review the meeting materials in advance, form specific opinions, and authorize in writing another independent non-executive Director to attend such meetings on his or her behalf.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
		<p><u>Where an independent non-executive Director fails to attend two consecutive Board meetings in person and fails to entrust another independent non-executive Director to attend such meetings on his or her behalf, the Board shall, within 30 days from the date of occurrence of such a fact, propose the convening of a general meeting to remove the independent non-executive director from office.</u></p>
20		<p><u>Article 22 When an independent non-executive Director votes against or abstains from voting on a proposal of the Board, he or she shall explain the specific reasons and basis therefor, the legality and compliance of the matters involved in the proposal, potential risks, and the impact on the rights and interests of the Company and minority shareholders, among others. When the Company discloses the Board resolution, it shall disclose the dissenting opinions of independent non-executive directors at the same time and indicate such opinions in such resolution and the minutes of the meeting.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
21	<p><u>Article 15 An independent non-executive Director shall actively perform his/her due diligence obligations and make a report to the stock exchange where the shares of the Company are listed, in a timely manner in accordance with relevant requirements, and if necessary, engage an intermediary to carry out special inspections, if the independent non-executive Director finds that the Company:</u></p> <p><u>(I) fails to submit material events to the Board of Directors or the general meeting for consideration as required;</u></p> <p><u>(II) fails to perform the information disclosure obligation in a timely manner;</u></p> <p><u>(III) publicly disclose information which contains misrepresentations, misleading statements, or material omissions;</u></p> <p><u>(IV) is otherwise suspected of violating laws and regulations or damaging the legitimate rights and interests of minority shareholders.</u></p> <p><u>The expenses incurred by an independent non-executive Directors in engaging an intermediary and otherwise exercising his powers shall be borne by the Company.</u></p>	<p><u>Article 23 An independent non-executive Director shall pay continuous attention to the implementation of the Board resolutions on the matters specified in Articles 23, 26, 27, and 28 of the Administrative Measures for Independent Directors of Listed Companies, and if the independent non-executive Director finds any violation of law, administrative regulation, rules of the CSRC, business rules of the stock exchange where the shares of the Company are listed, or the Articles of Association, or violation of the resolution adopted at a general meeting or a Board meeting, the independent non-executive Director shall report the violation to the Board in a timely manner and may require the Company to make a written explanation thereon. The Company shall promptly disclose any involved matter that shall be disclosed. If the Company fails to make an explanation or a timely disclosure in accordance with the provisions of the preceding paragraph, the independent non-executive Director may report it to the CSRC and the stock exchange where the shares of the Company (if appropriate) are listed.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
22	<p>Article 16 An independent non-executive Director shall make a report to the <u>stock exchange where the shares of the Company are listed</u>, in a timely manner, in accordance with relevant requirements, if:</p> <p>(I) the independent non-executive Director is dismissed by the Company and the dismissal is, in opinion of the independent non-executive Director, groundless;</p> <p>(II) the independent non-executive Director resigns due to the Company hindering the independent non-executive Director from exercising his/her authorities by law;</p> <p>(III) the materials of Board meeting are incomplete or insufficient, and the written request of two or more independent non-executive Directors for postponing the Board meeting or the consideration of relevant matters is rejected;</p> <p>(IV) the Board of Directors fails to take effective measures after a report is made to the Board of Directors on the suspected violation of laws and regulations by the Company or its Directors, Supervisors and senior management;</p> <p>(V) other circumstances occur that seriously hinder the independent non-executive Director from performing his/her duties.</p>	<p>Article 24 An independent non-executive Director shall make a report to the <u>stock exchange where the shares of the Company are listed</u>, in a timely manner, in accordance with relevant requirements, if:</p> <p>(I) the independent non-executive Director is dismissed by the Company and the dismissal is, in opinion of the independent non-executive Director, groundless;</p> <p>(II) the independent non-executive Director resigns due to the Company hindering the independent non-executive Director from exercising his/her authorities by law;</p> <p>(III) the materials of Board meeting are incomplete or insufficient, and the written request of two or more independent non-executive Directors for postponing the Board meeting or the consideration of relevant matters is rejected;</p> <p>(IV) the Board of Directors fails to take effective measures after a report is made to the Board of Directors on the suspected violation of laws and regulations by the Company or its Directors, Supervisors and senior management;</p> <p>(V) other circumstances occur that seriously hinder the independent non-executive Director from performing his/her duties.</p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
23		<p><u>Article 25 The following matters shall be submitted to the Board for deliberation with the consent of a majority of all independent non-executive Directors of the Company:</u></p> <p><u>(I) related party transactions that shall be disclosed;</u></p> <p><u>(II) the plans of the Company and the modification of the relevant parties or waiver of their undertakings;</u></p> <p><u>(III) the decisions made and measures taken by the Board of the Company when the Company is being acquired;</u></p> <p><u>(IV) other matters stipulated by laws, administrative regulations, rules of the CSRC and the Articles of Association.</u></p>
24	<p>Article 17 An independent non-executive Director shall express independent opinions on the following material events of the Company:</p> <p>(I) nomination, appointment and removal of Directors;</p> <p>(II) appointment and dismissal of senior management;</p> <p>(III) remuneration of Directors and senior management;</p> <p>(IV) appointment and dismissal of the accounting firm;</p> <p>(V) changes in accounting policies and accounting estimates or correction of significant accounting errors resulting from reasons other than changes in accounting standards;</p>	<p><u>Article 26 The Company shall, on a periodical or unscheduled basis, convene special meetings of independent non-executive Directors attended solely by independent non-executive Directors. The matters specified in subparagraphs (1) through (3) of paragraph 1 of Article 18 and Article 23 of the Administrative Measures for Independent Directors of Listed Companies shall be deliberated at the special meetings of independent non-executive directors.</u></p> <p><u>The special meetings of independent non-executive Directors may study and discuss other matters of the Company if necessary.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
	<p>(VI) production of non-standard unqualified audit opinions by the accounting firm on the financial accounting report and the internal control;</p> <p>(VII) internal control evaluation report;</p> <p>(VIII) plan for change of undertakings by related parties;</p> <p>(IX) the impacts of issuing preference shares on the equities of shareholders of the Company in each class;</p> <p>(X) the formulation, adjustment, decision-making procedures, implementation and information disclosure of the cash dividend policy of the Company, and whether the profit distribution policy damages the legitimate rights and interests of minority investors;</p> <p>(XI) related transactions, provision of guarantees (excluding guarantees provided to consolidated subsidiaries), entrusted wealth management, provision of financial assistance, use of proceeds, voluntary change of accounting policies of the Company, investment in stocks and derivatives thereof, and other material events which are required to be disclosed;</p> <p>(XII) material asset restructuring schemes, acquisitions made by the management, equity incentive plans, employee share ownership plans and, share repurchase plans and schemes of repaying debts with non-cash assets by the related parties of the Company;</p>	<p><u>The special meetings of independent non-executive Directors shall be convened and presided over by an independent non-executive Director jointly elected by a majority of the independent non-executive Directors. If the convener fails to or is unable to perform his or her duties, two or more independent non-executive Directors may, on their initiative, convene a meeting and elect a representative to preside over the meeting.</u></p> <p><u>The Company shall facilitate and support the convening of special meetings of independent non-executive Directors.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
	<p>(XIII) the decision of the Company to cease trading its shares on the Shenzhen Stock Exchange, or apply for trading or transferring its shares on other stock exchanges;</p> <p>(XIV) matters which may, in the opinion of the independent non-executive Director, damage the legitimate rights and interests of minority shareholders;</p> <p>(XV) other circumstances specified by relevant laws and regulations, the listing rules of the stock exchange in the place where the shares of the Company are listed and the Articles of Association.</p> <p>The types of independent opinions expressed by an independent non-executive Director include concurring opinion, qualified opinion and reasons therefor, adverse opinion and reasons therefor, and disclaimer of opinion and reasons therefor, and the opinions expressed shall be clear.</p>	
25	<p>Article 18 <u>Independent opinions issued by an independent non-executive Director on a material matter</u> shall at least include:</p> <p>(I) basic information on the material events;</p> <p>(II) the basis for the opinions, including procedures performed, documents checked, contents of on-site inspection;</p>	<p>Article 27 Where an independent non-executive Director <u>issues independent opinions, they shall be explicit and clear, and</u> shall at least include:</p> <p>(I) basic information on the material events;</p> <p>(II) the basis for the opinions, including procedures performed, documents checked, contents of on-site inspection;</p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
	<p>(III) compliance of the material events;</p> <p>(IV) the impact on the rights and interests of the Company and minority shareholders, possible risks and whether the measures taken by the Company are effective;</p> <p>(V) conclusive opinions issued. <u>An independent non-executive Director shall explain the reasons for the qualified opinion, adverse opinion or disclaimer of opinion on the material events.</u></p> <p>Independent non-executive Directors shall sign to confirm their independent opinions issued, and report the above opinions to the Board of Directors in a timely manner, and such opinions shall be disclosed together with relevant announcements of the Company.</p>	<p>(III) compliance of the material events;</p> <p>(IV) the impact on the rights and interests of the Company and minority shareholders, possible risks and whether the measures taken by the Company are effective;</p> <p>(V) conclusive opinions issued, <u>including concurring opinion, qualified opinion and reasons therefor, adverse opinion and reasons therefor, and disclaimer of opinion and reasons therefor.</u></p> <p>Independent non-executive Directors shall sign to confirm their independent opinions issued, and report the above opinions to the Board of Directors in a timely manner, and such opinions shall be disclosed together with relevant announcements of the Company.</p>
26		<p><u>Article 28 Independent non-executive Directors shall work on site at the Company for no less than fifteen days each year.</u></p> <p><u>In addition to attending the general meetings, meetings of the Board and its special committees, and special meetings of independent non-executive Directors, independent non-executive Directors may perform their duties by various means such as obtaining information on the operation of the Company on a regular basis, hearing the reports of the management, communicating with the person in charge of the internal audit department, the accounting firm providing audit services for the Company, and other intermediaries, conducting field visits, and communicating with minority shareholders.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
27		<p><u>Article 29 The minutes of general meetings, meetings of the Board and its special committees, and special meetings of independent non-executive Directors shall be made according to relevant provisions, and in which the opinions of independent non-executive Directors shall be included.</u></p> <p><u>Independent non-executive Directors shall sign the meeting minutes for confirmation. Independent non-executive Directors shall prepare work records and record detailed information on the performance of their duties. The information obtained in the process of an independent non-executive Director's performance of his/her duties, relevant meeting minutes, and records of communication with the personnel of the Company and intermediaries, among others, shall constitute parts of the work records. An independent non-executive Director may require the Board secretary and other relevant personnel to confirm the important information in work records by signature, and the Company and relevant personnel shall cooperate.</u></p> <p><u>The work records of an independent non-executive Director and the information provided by the Company to the independent non-executive Director shall be retained for at least ten years.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
28	<p>Article 26 Independent non-executive Directors have the obligations of good faith and due care to the Company and all shareholders. <u>Independent non-executive Directors shall conscientiously perform their duties in accordance with relevant laws, regulations and the Articles of Association, understand the production and operating conditions of the Company, give full play to their role in investor relations management, safeguard the overall interests of the Company, and pay special attention to the protection of the legitimate rights and interests of minority shareholders from damage.</u> Independent non-executive Directors shall perform their duties <u>independently</u> without <u>being affected by substantial shareholders or actual controllers of the Company, or other organizations or individuals with interests in the Company.</u></p> <p>Independent non-executive directors shall actively perform their duties in corporate governance, internal control, information disclosure, financial supervision and other aspects, and record their performance of duties in writing.</p> <p>If an independent non-executive Director finds that his/her independence may be affected with regard to a matter to be considered, he/she shall make a statement to the Company and withdraw from the consideration. In case of any significant influence on the independence of an independent non-executive Director during his/her term of office, he/she shall notify the Company in a timely manner and put forward the solving measures, and if necessary, render his/her resignation.</p>	<p>Article 37 Independent non-executive Directors have the obligations of loyalty and due care to the Company and all shareholders, and <u>shall, in accordance with the laws, administrative regulations, rules of CSRC, business rules of stock exchanges where the shares of the Company are listed, and the Articles of Association, conscientiously perform his or her duties, play the role of participating in decision-making, conducting supervision, checks and balances, and providing professional advice in the board of directors,</u> safeguard the overall interests of the Company, and <u>protect the legitimate rights and interests of minority shareholders from damage.</u> Independent non-executive Directors shall perform their duties <u>independently and impartially</u> without <u>being affected by the Company and its substantial shareholders or actual controllers, or other entities or individuals.</u></p> <p>If an independent non-executive Director finds that his/her independence may be affected with regard to a matter to be considered, he/she shall make a statement to the Company and withdraw from the consideration. In case of any significant influence on the independence of an independent non-executive Director during his/her term of office, he/she shall notify the Company in a timely manner and put forward the solving measures, and if necessary, render his/her resignation.</p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
29	<p>Article 29 Independent non-executive Directors shall submit to the annual general meeting of the Company and <u>disclose the work report which</u> shall include:</p> <p>(I) <u>the method of</u> attending the Board meetings, <u>the number of</u> Board meetings attended, <u>the voting at</u> the Board meetings for the year, and <u>the number of general meetings at which they are in attendance</u>;</p> <p><u>(II) independent opinions</u>;</p> <p><u>(III) on-site inspection</u>;</p> <p><u>(IV) proposals to convene a Board meeting, engage or dismiss an accounting firm, independently engage an external auditor and advisor, etc.</u>;</p> <p><u>(V) other work carried out to protect the legitimate rights and interests of minority shareholders.</u></p>	<p>Article 40 Independent non-executive Directors shall submit to the annual general meeting of the Company the work report, <u>in which he/she shall make a statement about the performance of his/her duties. The work report</u> shall include:</p> <p>(I) <u>the number of</u> Board meetings attended, <u>the method of</u> attending the Board meetings, <u>the voting at</u> the Board meetings for the year, <u>and the number of general meetings attended</u>;</p> <p><u>(II) the information on the participation in the work of special committees of the Board and special meetings of independent non-executive Directors</u>;</p> <p><u>(III) the consideration on the matters specified in Articles 23, 26, 27, and 28 of the Administrative Measures for Independent Directors of Listed Companies, and the exercise of the special authorities set out in the item (I) of Article 18 of the Administrative Measures for Independent Directors of Listed Companies</u>;</p> <p><u>(IV) the information on major matters, methods and results as communicated with the internal audit department and the accounting firm providing audit services to the Company on the financial and business conditions of the Company</u>;</p> <p><u>(V) communications with minority shareholders</u>;</p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
		<p><u>(VI) the time and description of the on-site work at the Company;</u></p> <p><u>(VII) other information in respect of the performance of duties.</u></p> <p><u>The work report of the independent non-executive Directors shall be disclosed no later than the issuance of the notice of annual general meeting by the Company.</u></p>
30	<p>Article 30 In principle, an independent non-executive Director shall <u>not concurrently serve as such at more than five listed companies</u>, and shall ensure enough time and energy to effectively perform his/her duties.</p>	<p>Article 41 In principle, an independent non-executive Director shall <u>not serve at more than three domestic listed companies</u>, and <u>shall</u> ensure enough time and energy to effectively perform his/her duties.</p>
31	<p><u>Article 31</u> The Company shall ensure that independent non-executive Directors have the same right to know as other Directors. <u>With regard to any material events which is subject to decision-making by the Board of Directors, the Company shall notify independent non-executive Directors in advance within the period specified by laws and provide sufficient information to them. Independent non-executive Directors, who consider the information insufficient, may request supplementation. If the information is insufficient or the argument is not clear in the opinion of two or more independent non-executive Directors, they may jointly submit a written request to the Board of Directors for postponing the Board meeting or the consideration of the matter, which shall be approved by the Board of Directors.</u></p>	<p><u>Article 42</u> The Company shall ensure that independent non-executive Directors have the same right to know as other Directors. <u>To ensure that the independent non-executive Directors can effectively exercise their authorities, the Company shall regularly report its operation to the independent non-executive Directors, provide them with relevant materials, and organize or support them in on-site investigations and other work.</u></p> <p><u>Before the deliberation of any significant or complicated matter by the Board, the Company may organize the independent non-executive Directors to participate in the research and analysis on such matter, fully listen to the opinions of the independent non-executive Directors, and promptly advise them whether their opinions are accepted.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
32	<p><u>Article 32 The secretary to the Board of the Company shall actively provide support to independent non-executive Directors in performing their duties, such as briefing and provision of materials, regularly report the operation of the Company, and organize the independent non-executive Directors to carry out on-site inspections when necessary.</u></p>	<p><u>Article 43 The Company shall provide its independent non-executive Directors with necessary working conditions and personnel support for their performance of duties, and designate dedicated departments and personnel such as the offices of the Board, supervisory committee, and general meeting, and the Board secretary to assist them in performing duties.</u></p> <p><u>The Board secretary shall ensure the unimpeded information channel between independent non-executive Directors and other directors, senior management and other relevant personnel, and ensure that independent non-executive Directors have access to adequate resources and necessary professional opinions when performing their duties.</u></p>
33	<p>Article 33 <u>Relevant personnel of the Company</u> shall actively support, but shall not refuse to support, hinder or conceal any matter for or interfere with the independent exercise by independent non-executive Directors of their authorities.</p>	<p>Article 44 <u>The Company shall provide necessary guarantees for independent non-executive Directors to perform duties according to law. Relevant personnel of the Company such as Directors and senior management</u> shall actively support, but shall not refuse to support, hinder or conceal any matter for or interfere with the independent exercise by independent non-executive Directors of their authorities.</p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
		<p><u>Where an independent non-executive Director is obstructed in his/her lawful exercise of authorities, he/she may explain the situation to the Board, require other directors, senior management, and other relevant personnel to cooperate, and record the specific circumstances of the obstruction and the resolution thereof in his/her work records. If the obstruction remains, he/she may report it to the CSRC and Shenzhen Stock Exchange.</u></p> <p><u>Where there is any disclosable information involved in the performance of duties by an independent non-executive Director, the Company shall make disclosure in a timely manner, failing which the independent non-executive Director may directly apply for the disclosure or report it to the CSRC and Shenzhen Stock Exchange.</u></p>
34		<p><u>Article 45 The Company shall send the notices of the Board meetings to the independent non-executive Directors in a timely manner, provide relevant meeting materials to them within the notice period prescribed by laws, administrative regulations, rules of the CSRC or the Articles of Association, and provide effective communication channels for the independent non-executive Directors. For a meeting of a special committee of the Board, the Company shall, in principle, provide relevant materials and information no later than three days before the date fixed for holding such special committee meeting. The Company shall maintain the aforesaid meeting materials for at least ten years.</u></p>

LETTER FROM THE BOARD

No.	Original Article of the Terms of Reference for the Independent Non-executive Directors	Amended Article of the Terms of Reference for the Independent Non-executive Directors
		<p><u>If two or more independent non-executive Directors consider that the meeting materials are incomplete, insufficiently supported by evidence, or not provided in a timely manner, they may submit to the Board a written request to postpone the meeting or the deliberation on such matter, approval for which shall not be withheld by the Board.</u></p> <p><u>The meetings of the Board and its special committees shall be held on site in principle. Such meetings may be held by video, telephone or other means in accordance with the relevant procedures when necessary, provided that all director attending the meetings can fully communicate and express their opinions.</u></p>
35	Article 34 Reasonable —Costs necessary for the independent non-executive Directors to engage an <u>intermediary</u> and exercise their authorities shall be borne by the Company.	Article 46 Costs necessary for the independent non-executive Directors to engage a <u>professional</u> institution and exercise their authorities shall be borne by the Company.
36	Article 35 The proposal on the independent non-executive Directors’ allowance shall be prepared by the Board of Directors (after the appropriate committee proposal procedures are performed) and subject to consideration and approval by the general meeting, and the allowance shall be paid by the Company and disclosed in the annual report or in accordance with the regulatory listing rules of the place where the shares of the Company are listed. Except for the above allowance, independent non-executive Directors shall not obtain <u>other additional undisclosed benefits</u> from the Company and its substantial shareholders <u>or interested organizations and personnel.</u>	Article 47 The proposal on the independent non-executive Directors’ allowance shall be prepared by the Board of Directors (after the appropriate committee proposal procedures are performed) and subject to consideration and approval by the general meeting, and the allowance shall be paid by the Company and disclosed in the annual report or in accordance with the regulatory listing rules of the place where the shares of the Company are listed. Except for the above allowance, independent non-executive Directors shall not <u>obtain other benefits from</u> the Company, its substantial shareholders <u>or actual controllers or interested entities and personnel.</u>
37	Article 36 For the purpose of the Terms of Reference, “more than” and “within” are inclusive; “exceed” and “lower than” are exclusive.	Article 48 For the purpose of the Terms of Reference “more than” and “within” are inclusive; “exceed” is exclusive.

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 Thursday, 18 January 2024. Notice of the EGM is set out on pages 36 to 37 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, the resolution as set out in the notice of the EGM must be taken by poll.

To the best knowledge of the Directors, as at the Latest Practicable Date, no Shareholders is required to abstain from voting in respect of the ordinary resolution at the EGM.

PROXY FORM

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 the 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 H Shareholders, 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, Wanchai, Hong Kong, or the registered office of the Company in the PRC at No. 2 Gangwan Avenue, 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.

CLOSURE OF REGISTER OF MEMBERS OF H SHARES

In order to determine the entitlement to attend and vote at the EGM, the register of members of H Shares of the Company will be closed from Friday, 12 January 2024 to Thursday, 18 January 2024 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the register of members of H Shares at the close of business on Friday, 12 January 2024 are entitled to attend and vote at the EGM.

In order to determine the identity of Shareholders who are entitled to attend and vote at the EGM, all H Share transfers accompanied by the relevant share certificates 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, Wanchai, Hong Kong (for H Shareholders), not later than 4:30 p.m. on Thursday, 11 January 2024.

LETTER FROM THE BOARD

You are urged to complete and return 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 (or any subsequent meetings following the adjournments thereof) should you wish to do so.

RECOMMENDATION

The Directors (including the independent Non-executive Directors) consider that the resolution set out in the notice of EGM for Shareholders' consideration and approval is 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 resolution to be proposed at the EGM.

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

28 December 2023

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING FOR 2024

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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 2024

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting for 2024 (the “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 Thursday, 18 January 2024 for the purpose of considering and, if thought fit, passing the following resolution. Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as defined in the circular (the “Circular”) of the Company dated 28 December 2023.

ORDINARY RESOLUTION

1. To consider and approve the proposed amendments to the Terms of Reference for the Independent Non-executive Directors.

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

Shenzhen, the PRC
28 December 2023

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING FOR 2024

Notes:

1. For the purpose of holding the EGM, the register of members of H Shares of the Company will be closed from Friday, 12 January 2024 to Thursday, 18 January 2024 (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, for H Shareholders, 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 at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, 11 January 2024.

The Shareholders whose names appear on the register of members of the Company on Friday, 12 January 2024 are entitled to attend and vote at the EGM.

2. Votes on the resolution to be proposed at the EGM shall be taken by way of poll.
3. 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.
4. 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 the instrument shall be affixed with the seal of the legal person or signed by its legal representative or the proxy authorized by a resolution of its Board or other decision-making bodies.
5. In order to be valid, the proxy form must be deposited, for H Shareholders, to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or to the registered office of the Company in the PRC at No. 2 Gangwan Avenue, 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.
6. 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.
7. The EGM is expected to take for less than half a day. Shareholders or their proxies attending the EGM shall be responsible for their own travel and accommodation expenses.
8. Contact details of the H Share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, are as follows:

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Telephone: (852) 2862 5555
Fax No.: (852) 2865 0990

9. Contact details of the registered office of the Company in the PRC are as follows:

Address: No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC
Telephone No.: (86) 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*, Mr. Zeng Han**, Mr. Wang Yu**, Mr. He Jin**, Ms. Lin Qing**, Mr. Feng Jinhua***, Mr. Fan Zhaoping*** and Mr. Cheng Hok Kai Frederick***.*

* *Executive Director*

** *Non-executive Directors*

*** *Independent non-executive Directors*