

## Conditional Cash Offer

by UBS on behalf of the Company to buy-back all the H Shares (other than those held by CIMC Group and its concert parties) at

**HK\$7.5 per H Share<sup>(2)</sup>**

and proposed Voluntary Withdrawal of Listing of the H Shares from the Hong Kong Stock Exchange

## The H Share Buy-back Offer is now open for acceptance

Please follow the instructions set out in the Offer Document<sup>(1) (3)</sup>

Latest time for acceptance of the H Share Buy-back Offer on the First Closing Date is

**4:00 pm on Thursday, 2 May 2024**

If you wish to accept the H Share Buy-back Offer, please complete and return the Form of Acceptance.

## EGM, H Shareholders Class Meeting and A Shareholders Class Meeting

will be held at 2:50 p.m. on Thursday, 18 April 2024 at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing

Latest time for lodging transfer of the H Shares in order to be entitled to attend and vote at the EGM and the H Shareholders Class Meeting is 4:30 p.m. on Friday, 12 April 2024

Latest time for lodging forms of proxy in respects of the EGM and the H Shareholders Class Meeting is 2:50 p.m. on Wednesday, 17 April 2024

Whether or not you are able to attend the EGM and/or the H Shareholders Class Meeting in person, please complete and return the form(s) of proxy in accordance with the instructions printed thereon

**For further details, please refer to the Offer Document<sup>(1)</sup>.**

If you have any administrative or procedural queries in respect of the H Share Buy-back Offer and/or the Voluntary Withdrawal of Listing, feel free to call the hotline at **+852 3953 7250** or email **ir\_cv@cimc.com<sup>(5)</sup>**

Notes:

- (1) Capitalised terms used herein shall have the same meanings as defined in the Offer Document dated 27 March 2024. The Offer Document can be accessed at [www.hkexnews.hk](http://www.hkexnews.hk) or [www.cimcvehiclesgroup.com](http://www.cimcvehiclesgroup.com).
- (2) Subject to the H Share Buy-back Offer having become unconditional and the terms and conditions of the H Share Buy-back Offer as stated in the Offer Document, final payment of the consideration for the Offer Shares tendered will be net of the seller's Hong Kong ad valorem stamp duty.
- (3) Shareholders are strongly advised to consider carefully information contained in the Offer Document, including the "Letter from UBS", "Letter from the Board" and "Letter from Somerley" and consult their professional advisers if in doubt before deciding on how to vote on the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, and whether to accept the H Share Buy-back Offer.
- (4) This sheet is issued by the Company and is not for release in or into any jurisdiction where to do so would constitute a violation of the applicable laws or regulations of such jurisdiction. The Directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed herein have been arrived at after due and careful consideration and there are no other facts not contained herein the omission of which would make any statement herein misleading.
- (5) For the avoidance of doubt, the designated phone line or email account cannot and will not (i) provide any information not available in the public domain nor any advice on the merits or risks of the H Share Buy-back Offer and/or the Voluntary Withdrawal of Listing or (ii) give any financial or legal advice. If you are in doubt as to any aspect of the Offer Document or action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

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# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in doubt as to any aspect of the H Share Buy-back Offer, this Offer Document and/or the accompanying Form of Acceptance or forms of proxy or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional 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 Offer Document and the accompanying Form of Acceptance and forms of proxy to the purchaser(s) or the transferee(s) or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Offer Document should be read in conjunction with the accompanying Form of Acceptance or forms of proxy, the contents of which form part of the terms and conditions of the H Share Buy-back Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Offer Document and the accompanying Form of Acceptance or forms of proxy, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document and the accompanying Form of Acceptance or forms of proxy.

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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)

**OFFER DOCUMENT RELATING TO**  
**(1) CONDITIONAL CASH OFFER BY UBS ON BEHALF OF**  
**CIMC VEHICLES (GROUP) CO., LTD. TO BUY-BACK ALL THE**  
**ISSUED H SHARES (OTHER THAN THOSE HELD BY CIMC GROUP**  
**AND ITS CONCERT PARTIES) AT HK\$7.5 PER H SHARE;**  
**AND**  
**(2) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE**  
**H SHARES OF CIMC VEHICLES (GROUP) CO., LTD. FROM THE**  
**STOCK EXCHANGE OF HONG KONG LIMITED**

Financial Adviser to CIMC Vehicles (Group) Co., Ltd.



Independent Financial Adviser to the Independent H Shareholders



SOMERLEY CAPITAL LIMITED

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Offer Document.

A letter from UBS containing details of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing is set out on pages 16 to 30 of this Offer Document. A letter from the Board is set out on pages 31 to 48 of this Offer Document. A letter from Somerley containing its advice in relation to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing is set out on pages 49 to 86 of this Offer Document.

The notices convening the EGM and H Shareholders Class Meeting to be held at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC on Thursday, 18 April 2024 at 2:50 p.m. or any adjournment thereof, respectively, are set out on pages V-1 to V-2 and VI-1 to VI-2 of this Offer Document.

Whether or not you are able to attend the EGM and/or H Shareholders Class Meeting in person, you are requested to complete and return the form(s) of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time of the EGM and H Shareholders Class Meeting or any adjournment thereof to the office of the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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. Completion and return of the form(s) of proxy will not preclude you from attending and voting at the EGM and/or H Shareholders Class Meeting or any adjournment thereof should you so wish. In the event that the Shareholder attends and votes at the EGM or H Shareholders Class Meeting or any adjournment thereof (as the case may be) after having lodged a form of proxy for such meeting, the form of proxy will be deemed to have been revoked.

Independent H Shareholders should note that if they do not agree to the terms of the H Share Buy-back Offer, they can vote against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting. If more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders are voted against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the H Share Buy-back Offer would lapse and the H Shares would remain listed on the Hong Kong Stock Exchange.

The procedures for acceptance and settlement of the H Share Buy-back Offer and related information are set out in Appendix I to this Offer Document and in the accompanying Form of Acceptance. Acceptances of the H Share Buy-back Offer should be received by the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event by no later than 4:00 p.m. on 2 May 2024 or such later time(s) and/or date(s) as the Company may determine and announce in accordance with the Takeovers Code.

Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Offer Document and/or the accompanying forms to any jurisdiction outside Hong Kong, should read the details in this regard which are contained in the paragraph headed "7. Overseas H Shareholders" in Appendix I to this Offer Document before taking any action. It is the responsibility of each Overseas H Shareholder wishing to accept the H Share Buy-back Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Overseas H Shareholders are advised to seek professional advice on deciding whether or not to accept the H Share Buy-back Offer.

27 March 2024

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## EXPECTED TIMETABLE

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*The timetable set out below is indicative only and may be subject to changes. Any changes to the timetable will be announced by the Company. Unless otherwise expressly stated, all time and date references contained in this Offer Document refer to Hong Kong time and dates.*

<b>Event</b>	<b>Time and Date</b>
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Despatch date of this Offer Document and commencement of the acceptance period <sup>(Note 1)</sup> . . . . .	Wednesday, 27 March 2024
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Latest time for lodging transfer of the H Shares in order to be entitled to attend and vote at the EGM and H Shareholders Class Meeting . . . . .	4:30 p.m. on Friday, 12 April 2024
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Closure of H Share register of members of the Company for the determination of entitlements to attend and vote at the EGM and H Shareholders Class Meeting . . . . .	Monday, 15 April 2024 to Thursday, 18 April 2024 (both days inclusive)
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Latest time for lodging forms of proxy in respect of:

EGM <sup>(Note 2)</sup> . . . . .	2:50 p.m. on Wednesday, 17 April 2024
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H Shareholders Class Meeting <sup>(Note 2)</sup> . . . . .	2:50 p.m. on Wednesday, 17 April 2024
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Record date for the Shareholders for the EGM and the H Shareholders Class Meeting . . . . .	Monday, 15 April 2024
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EGM . . . . .	2:50 p.m. on Thursday, 18 April 2024
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A Shareholders Class Meeting . . . . .	2:50 p.m. on Thursday, 18 April 2024
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H Shareholders Class Meeting . . . . .	2:50 p.m. on Thursday, 18 April 2024
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## EXPECTED TIMETABLE

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Date of announcement of the results of the EGM, H Shareholders Class Meeting and the A Shareholders Class Meeting on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.cimcvehiclesgroup.com) . . . . .	After trading hours of the Hong Kong Stock Exchange on Thursday, 18 April 2024
Reopening of the H Share register of members . . . . .	Friday, 19 April 2024
First Closing Date . . . . .	Thursday, 2 May 2024
Latest time for acceptance of the H Share Buy-back Offer on the First Closing Date <sup>(Note 3)</sup> . . . . .	4:00 p.m. on Thursday, 2 May 2024
Announcement of the results of the H Share Buy-back Offer on the First Closing Date <sup>(Note 4)</sup> . . . . .	By 7:00 p.m. on Thursday, 2 May 2024
Latest date for posting of remittances for the amounts due under the H Share Buy-back Offer in respect of valid acceptances received at or before the latest time for acceptances of the H Share Buy-back Offer on the First Closing Date (assuming the H Share Buy-back Offer has become unconditional in all respects on the First Closing Date as outlined above) <sup>(Note 5)</sup> . . . . .	Monday, 13 May 2024
Last day of trading in the H Shares on the Hong Kong Stock Exchange (assuming the H Share Buy-back Offer has become unconditional in all respects on the First Closing Date as outlined above) . . . . .	Friday, 24 May 2024
Latest time for the H Share Buy-back Offer to become or be declared unconditional as to acceptances (if not already unconditional). . . . .	7:00 p.m. on Monday, 27 May 2024
Final Closing Date (assuming the H Share Buy-back Offer has become unconditional in all respects on the First Closing Date as outlined above) <sup>(Note 6)</sup> . . . . .	Thursday, 30 May 2024

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## EXPECTED TIMETABLE

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Latest time for the H Share Buy-back Offer remaining open for acceptance on the Final Closing Date and the closing of the H Share Buy-back Offer (assuming the H Share Buy-back Offer has become unconditional in all respects on the First Closing Date as outlined above)<sup>(Note 6)</sup> . . . . . 4:00 pm. on Thursday, 30 May 2024

Announcement of the results of the H Share Buy-back Offer on the Final Closing Date and the expected date of withdrawal of listing of the H Shares from the Hong Kong Stock Exchange (assuming the H Share Buy-back Offer has become unconditional in all respects on the First Closing Date as outlined above) . . . . . By 7:00 p.m. on Thursday, 30 May 2024

Withdrawal of listing of the H Shares from the Hong Kong Stock Exchange becoming effective (assuming the H Share Buy-back Offer has become unconditional in all respects on the First Closing Date as outlined above) . . . . . 4:00 p.m. on Monday, 3 June 2024

Latest date for posting of remittances for the amounts due under the H Share Buy-back Offer in respect of valid acceptances received at or before the latest time for acceptances of the H Share Buy-back Offer on the Final Closing Date (assuming the H Share Buy-back Offer has become unconditional in all respects on the First Closing Date as outlined above) . . . . . Tuesday, 11 June 2024

*Notes:*

1. The H Share Buy-back Offer is made on Wednesday, 27 March 2024, the date of posting of this Offer Document, and is capable of being accepted on and from this date until the First Closing Date or the Final Closing Date (assuming the H Share Buy-back Offer has become unconditional in all respects on the First Closing Date) (as the case may be).
2. For H Shareholders, the proxy forms shall be provided to the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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. Completion and return of a proxy form for the EGM and/or the H Shareholders Class Meeting will not preclude a Shareholder or an H Shareholder (as the case may be) from attending the EGM and/or the H Shareholders Class Meeting and, as the case may be, voting in person if he/she/it so wishes. In such event, the returned proxy form will be deemed to have been revoked.

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## EXPECTED TIMETABLE

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3. The procedures for acceptance and settlement of the H Share Buy-back Offer and related information are set out in Appendix I to this Offer Document and in the accompanying Form of Acceptance. Acceptances of the H Share Buy-back Offer should be received by the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event by no later than 4:00 p.m. on 2 May 2024 or such later time(s) and/or date(s) as the Company may determine and announce in accordance with the Takeovers Code.
4. The Company will issue an announcement on the Company's and the Hong Kong Stock Exchange's respective websites by 7:00 p.m. on the First Closing Date stating the results of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing and whether the H Share Buy-back Offer has been revised or extended, have lapsed or have become or been declared unconditional.
5. Remittances in respect of the cash consideration under the H Share Buy-back Offer will be posted to the accepting H Shareholders by ordinary post at their own risk as soon as possible but in any event no later than seven (7) Business Days after the later of the date of receipt by the H Share Registrar, of duly completed Form of Acceptance and the relevant documents or the date the H Share Buy-back Offer and Voluntary Withdrawal of Listing become or are declared unconditional.
6. In compliance with the Note to Rule 2.2 and Rule 15.3 of the Takeovers Code, the H Share Buy-back Offer will remain open for acceptance for 28 days which is a longer period than normally required by Rule 15.3 of the Takeovers Code after it has been declared unconditional in all respects. Hence, the latest time to receive acceptances under the H Share Buy-back Offer will be 4:00 p.m. on 30 May 2024 (assuming the H Share Buy-back Offer has become unconditional in all respects on the First Closing Date).

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## IMPORTANT NOTICE

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### NOTICE TO H SHAREHOLDERS OUTSIDE HONG KONG

The availability of the H Share Buy-back Offer to any Overseas H Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas H Shareholders and beneficial owners of the H Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek their own legal advice in respect of the H Share Buy-back Offer.

It is the responsibility of the Overseas H Shareholders and overseas beneficial owners of the H Shares who wish to accept the H Share Buy-back Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the H Share Buy-back Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

The Company, the Directors and parties acting in concert with any of them, UBS, Somerley, the H Share Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the H Share Buy-back Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please see the paragraph headed “*Overseas H Shareholders*” in the “*Letter from UBS*” in this Offer Document.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENT

This Offer Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Company assumes no obligation and does not intend to update these forward-looking statements or opinions contained in this Offer Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules, the Takeovers Code and/or the Share Buy-backs Code.

### WARNING

**H Shareholders and potential investors of the Company should note that the H Share Buy-back Offer is subject to the satisfaction of the Conditions in all respects. Accordingly, the H Share Buy-back Offer may or may not become unconditional. H Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**



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## IMPORTANT NOTICE

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Shareholders are reminded to read this Offer Document (including but not limited to the letter from the Independent Financial Adviser) carefully before deciding on how to vote on the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, and whether to accept the H Share Buy-back Offer.

Independent H Shareholders are reminded that if they do not accept the H Share Buy-back Offer, and if the H Share Buy-back Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code and the Share Buy-backs Code (depending on whether it remains as a public company in Hong Kong under the Takeovers Code and the Share Buy-backs Code) after the completion of the H Share Buy-back Offer, and the rights of Independent H Shareholders to certain information of the Company will be reduced.

Shareholders should also note that if they do not agree to the terms of the H Share Buy-back Offer, they can vote against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the A Shareholders Class Meeting and/or the EGM (as the case may be). If more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders are voted against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the H Share Buy-back Offer would lapse and the H Shares would remain listed on the Hong Kong Stock Exchange.

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## DEFINITIONS

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*In this Offer Document, the following expressions have the meanings set out below unless the context requires otherwise.*

“A Share(s)”	domestic listed ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed and traded on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 301039)
“A Shareholder(s)”	holder(s) of A Share(s)
“A Shareholders Class Meeting”	the 2024 first A Shareholders class meeting to be convened pursuant to the articles of association of the Company at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC on Thursday, 18 April 2024 at 2:50 p.m., and any adjournment thereof, for the purpose of approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. For the avoidance of doubt, pursuant to the articles of association of the Company, the quorum required for the A Shareholders Class Meeting must be holders of at least one-third (1/3) of the A Shares
“acting in concert”	has the meaning ascribed thereto in the Takeovers Code, and “concert parties” shall be construed accordingly
“associates”	has the same meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	means a day on which the Hong Kong Stock Exchange is open for the transaction of business
“CCASS”	Central Clearing and Settlement System
“CIMC Group”	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司), a joint stock company incorporated in the PRC on 14 January 1980 and listed on the Main Board of the Shenzhen Stock Exchange (stock code: 000039) and the Main Board of the Hong Kong Stock Exchange (stock code: 2039) and being the holder of 728,443,475 A Shares (representing approximately 50.11% of the total issued A Shares and approximately 36.10% of the total issued share capital of the Company as at the Latest Practicable Date) and (through CIMC HK, its wholly-owned subsidiary) of 417,190,600 H Shares (representing approximately 73.98% of the total issued H Shares and approximately 20.68% of the total issued share capital of the Company as at the Latest Practicable Date)

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## DEFINITIONS

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“CIMC Group and CIMC HK Irrevocable Undertaking”	the letter of irrevocable undertaking given by CIMC Group and CIMC HK in favour of the Company and entered into on 11 March 2024
“CIMC HK”	China International Marine Containers (Hong Kong) Limited (中國國際海運集裝箱(香港)有限公司), a limited liability company incorporated in Hong Kong on 30 July 1992 and being the holder of 417,190,600 H Shares (representing approximately 73.98% of the total issued H Shares and approximately 20.68% of the total issued share capital of the Company as at the Latest Practicable Date) and a wholly-owned subsidiary of CIMC Group
“Company”	CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)股份有限公司), a joint stock company with limited liability incorporated under the laws of the PRC on 29 August 1996, whose H Shares (stock code: 1839) and A Shares (stock code: 301039) are listed and traded on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, respectively
“Conditions”	the conditions of the H Share Buy-back Offer, as set out under the paragraph headed “ <i>Conditions of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing</i> ” in the “ <i>Letter from UBS</i> ” of this Offer Document
“Director(s)”	director(s) of the Company
“EGM”	the 2024 second extraordinary general meeting of the Company to be convened pursuant to the articles of association of the Company at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC on Thursday, 18 April 2024 at 2:50 p.m. for the purpose of, among other things, considering and approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing
“Encumbrance”	any encumbrances including a charge, debenture, mortgage, pledge, deed of trust, lien, option, equity rights, power of sale, hypothecation, claim, retention of title, right of pre-emption, right of first refusal, or other third party right or security interest of any kind or an agreement or obligation to create any of the above
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

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## DEFINITIONS

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“Final Closing Date”	the date which is 28 days after the First Closing Date, or such later date as may be extended by the Company in accordance with the Takeovers Code
“First Closing Date”	2 May 2024, the date stated in this Offer Document as the first closing date of the H Share Buy-back Offer, or such later date as may be extended by the Company in accordance with the Takeovers Code, on which the H Share Buy-back Offer and the Voluntary Withdrawal of Listing are to become or to be declared unconditional
“Form of Acceptance”	the form of acceptance and transfer of H Share(s) in respect of the H Share Buy-back Offer accompanying this Offer Document
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed and traded on the Main Board of the Hong Kong Stock Exchange
“H Share Buy-back Offer”	the conditional cash offer made by UBS, on behalf of the Company, to buy-back all the H Shares in issue (other than those held by CIMC Group and its concert parties) in accordance with the Takeovers Code and the Share Buy-backs Code
“H Share Registrar”	Computershare Hong Kong Investor Services Limited, the H Share registrar and transfer office of the Company
“H Shareholder(s)”	holder(s) of H Shares
“H Shareholders Class Meeting”	the 2024 first H Shareholders class meeting to be convened pursuant to the articles of association of the Company at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC on Thursday, 18 April 2024 at 2:50 p.m., and any adjournment thereof, for the purpose of approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. For the avoidance of doubt, pursuant to the articles of association of the Company, the quorum required for the H Shareholders Class Meeting must be holders of at least one-third (1/3) of the H Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent H Shareholders in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing
“Independent H Shareholder Irrevocable Undertaking(s)”	the deed of irrevocable undertaking given by each of the Independent IU Shareholders in favour of the Company and entered into on 11 March 2024
“Independent H Shareholders”	H Shareholders other than (i) the Directors and parties acting in concert with any of the Directors and the Company, including CIMC HK, Mr. Li Guiping and Ms. Mao Yi, and (ii) any H Shareholder who has a material interest in the H Share Buy-back Offer and the Voluntary Withdrawal of Listing that is different from the interests of all other H Shareholders (as stipulated under Rule 3.2 of the Share Buy-backs Code)
“Independent IU Shareholders”	collectively, the following Independent H Shareholders:  (i) Hong Kong Tiancheng Investment & Trading Co. Limited, a company incorporated in Hong Kong with limited liability and the holder of 39,948,500 H Shares (representing approximately 7.08% of all the H Shares in issue and approximately 1.98% of the total issued share capital of the Company as at the Latest Practicable Date), the ultimate beneficial owner of which is Mr. WANG Xicheng;  (ii) Xxentria Technology Materials Co., Ltd., a company incorporated in Taiwan with limited liability and the holder of 18,996,000 H Shares (representing approximately 3.37% of all the H Shares in issue and approximately 0.94% of the total issued share capital of the Company as at the Latest Practicable Date), the ultimate beneficial owner of which is Mr. ZHENG Xiande;

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## DEFINITIONS

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- (iii) Pacific Asset Management Co., Ltd., a company incorporated in the PRC with limited liability and the indirect holder of 10,755,000 H Shares (holding through (a) China Pacific Life Insurance Co., Ltd., (b) China Pacific Property Insurance Co., Ltd., (c) Pacific Health Insurance Co., Ltd. and (d) China Pacific Anxin Agricultural Insurance Co., Ltd.) (representing approximately 1.91% of all the H Shares in issue and approximately 0.53% of the total issued share capital of the Company as at the Latest Practicable Date), the ultimate beneficial owner of which is China Pacific Insurance (Group) Co., Ltd. (中國太平洋保險(集團)股份有限公司), a joint stock company with limited liability incorporated under the laws of the PRC whose H shares (stock code: 2601) and A shares (stock code: 601601) are listed and traded on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively;
  
- (iv) Shanghai Longlife Investment Co., Ltd., a company incorporated in the PRC with limited liability and the holder of 8,386,000 H Shares (among which 855,000 H Shares are held through Changxin-Overseas Selection No. 2 Asset Management Plan (QDII) (長信基金-海外精選2號單一資產管理計劃 (QDII))) (representing approximately 1.49% of all the H Shares in issue and approximately 0.42% of the total issued share capital of the Company as at the Latest Practicable Date), the ultimate beneficial owner of which is Mr. JIANG Yunfei; and
  
- (v) WT Asset Management Limited, a company incorporated in Hong Kong with limited liability and the indirect holder of 2,057,500 H Shares (holding through WT China Focus Fund, a fund managed by it) (representing approximately 0.36% of all the H Shares in issue and approximately 0.10% of the total issued share capital of the Company as at the Latest Practicable Date), the ultimate beneficial owner of which is Mr. WANG Tongshu

“Last Trading Day”

27 November 2023, being the last trading day prior to the commencement of the Offer Period

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## DEFINITIONS

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“Latest Practicable Date”	25 March 2024, being the latest practicable date prior to the printing of this Offer Document for the purpose of ascertaining certain information for inclusion in this Offer Document
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Offer Document”	this offer document issued by the Company to the Shareholders in connection with the H Share Buy-back Offer and Voluntary Withdrawal of Listing in compliance with the Takeovers Code, the Share Buy-backs Code and the Listing Rules
“Offer Period”	has the meaning ascribed to it under the Takeovers Code and has commenced from 28 November 2023, being the date of the first announcement made pursuant to Rule 3.7 of the Takeovers Code
“Offer Price”	HK\$7.5, being the price at which the H Share Buy-back Offer is made
“Offer Share(s)”	all the H Share(s) in issue, other than those held by CIMC Group and its concert parties
“Overseas H Shareholders”	H Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this Offer Document, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“Relevant Period”	the period commencing on 28 May 2023, being the date falling six months preceding 28 November 2023, the date of commencement of the Offer Period, up to and including the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“Rule 3.5 Announcement”	the announcement made by the Company on 11 March 2024 in relation to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing under Rule 3.5 of the Takeovers Code

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## DEFINITIONS

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“Rule 3.7 Announcement”	the initial announcement made by the Company on 28 November 2023 in relation to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing under Rule 3.7 of the Takeovers Code
“SAFE”	the local bureau of the State Administration of Foreign Exchange of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	H Shares and/or A Shares
“Share Buy-backs Code”	the Code on Share Buy-backs issued by the SFC
“Shareholder(s)”	holder(s) of Share(s)
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“UBS”	UBS AG (acting through its Hong Kong Branch), a registered institution under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO, the financial adviser to the Company in respect of the H Share Buy-back Offer. UBS AG is incorporated in Switzerland with limited liability
“UBS Group”	UBS Group AG, UBS AG and any subsidiary, branch, affiliate or associate of UBS Group AG or UBS AG
“Voluntary Withdrawal of Listing”	the proposed conditional voluntary withdrawal of listing of the H Shares from the Hong Kong Stock Exchange
“%”	per cent.



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## QUESTIONS AND ANSWERS

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*The following are some of the questions you, as an H Shareholder, may have and the answers to those questions. This Offer Document contains important information and you are encouraged to read this Offer Document in full, including the Appendices, carefully.*

### **1. WHAT IS THE PURPOSE OF THIS OFFER DOCUMENT?**

The purpose of this Offer Document is to provide you with, among others,

- (a) information regarding the H Share Buy-back Offer and the Voluntary Withdrawal of Listing;
- (b) letter of advice from the Independent Financial Adviser to the Independent H Shareholders in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing;
- (c) notice of EGM and the H Shareholders Class Meeting; and
- (d) the accompanying Form of Acceptance in respect of the H Share Buy-back Offer.

### **2. HOW DO I ACCEPT THE H SHARE BUY-BACK OFFER?**

To accept the H Share Buy-back Offer, you should complete, sign and submit the accompanying Form of Acceptance to the H Share Registrar on or before 4:00 p.m. on 2 May 2024 (or such later date as may be extended by the Company in accordance with the Takeovers Code), in accordance with the instructions printed thereon.

Beneficial owners of H Shares who hold their H Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I to this Offer Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Details of the procedures for acceptance and settlement of the H Share Buy-back Offer are set out in Appendix I to this Offer Document and in the accompanying Form of Acceptance.

In order for the beneficial owners of the H Shares, whose investments are registered in the names of nominees (including those whose interests in the H Shares are held through CCASS), to accept the H Share Buy-back Offer, it is essential that they provide instructions to their nominee agents of their intentions with regard to the H Share Buy-back Offer.

For the avoidance of doubt, for beneficial owners of H Shares who hold their H Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant, if you send the accompanying Form of Acceptance to the H Share Registrar by yourself directly, the acceptance of the H Share Buy-back Offer will be treated as invalid. Therefore, if the H Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title

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## QUESTIONS AND ANSWERS

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(and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your H Share(s) is/are in the name of a nominee company or a name other than your own, you must take actions as mentioned above.

**3. WHAT IS THE LATEST TIME TO ACCEPT THE H SHARE BUY-BACK OFFER?**

The latest time for acceptance for the H Share Buy-back Offer is 4:00 p.m. on 2 May 2024, unless the Company decides to extend the H Share Buy-back Offer in accordance with the Takeovers Code.

**4. WHAT WILL HAPPEN IF I DO NOT ACCEPT THE H SHARE BUY-BACK OFFER?**

Independent H Shareholders are reminded that if they do not accept the H Share Buy-back Offer, and if the H Share Buy-back Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code and the Share Buy-backs Code (depending on whether it remains as a public company in Hong Kong under the Takeovers Code and the Share Buy-backs Code) after the completion of the H Share Buy-back Offer, and the rights of Independent H Shareholders to certain information of the Company will be reduced.

**5. CAN I WITHDRAW MY ACCEPTANCE AFTER ACCEPTING THE H SHARE BUY-BACK OFFER?**

Acceptance of the H Share Buy-back Offer will be irrevocable and will not be capable of being withdrawn, except in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the H Share Buy-back Offer shall be entitled to withdraw its/his/her acceptance after twenty-one (21) days from 2 May 2024 (being the date stated as the First Closing Date in this Offer Document), if the H Share Buy-back Offer has not by then become unconditional as to acceptances.

**6. WHAT IS THE PURPOSE OF HOLDING THE EGM AND THE H SHAREHOLDERS CLASS MEETING?**

At the EGM, the H Share Buy-back Offer and the Voluntary Withdrawal of Listing will be voted on by the Shareholders. At the H Shareholders Class Meeting, the H Share Buy-back Offer and the Voluntary Withdrawal of Listing will be voted on by the H Shareholders.

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## QUESTIONS AND ANSWERS

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**7. WHAT ARE THE LOCATION, DATE AND TIME OF THE EGM AND THE H SHAREHOLDERS CLASS MEETING?**

The EGM will be held at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC on 18 April 2024 at 2:50 p.m. and the H Shareholders Class Meeting will be held at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC on 18 April 2024 at 2:50 p.m..

**8. WHAT VOTE IS REQUIRED FROM THE SHAREHOLDERS IN ORDER FOR THE H SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING TO BE APPROVED?**

The following approvals are required:

- (a) the passing of the resolution to be proposed at the H Shareholders Class Meeting for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, **provided that**:
  - (i) the resolution is approved (by way of poll) by (x) at least two-thirds (2/3) of the votes attaching to all the H Shares held by the H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting, and (y) at least 75% of the votes attaching to all the H Shares held by the Independent H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting; and
  - (ii) the number of votes cast (by way of poll) by the Independent H Shareholders present and voting either in person or by proxy at the H Shareholders Class Meeting against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) the passing of the resolution to be proposed at the A Shareholders Class Meeting for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, **provided that** the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the A Shares held by the A Shareholders that are voted either in person or by proxy at the A Shareholders Class Meeting; and
- (c) the passing of the resolution to be proposed at the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, **provided that** the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the Shares held by the Shareholders that are voted either in person or by proxy at the EGM.

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## QUESTIONS AND ANSWERS

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**9. I AM A SHAREHOLDER. HOW DO I VOTE ON THE H SHARE BUY-BACK OFFER AND/OR THE VOLUNTARY WITHDRAWAL OF LISTING?**

If you are a Shareholder, you may vote in person or by proxy at the EGM. If you are also an H Shareholder, you may also vote in person or by proxy at the H Shareholders Class Meeting.

If an H Shareholder accepts the H Share Buy-back Offer before the closure of the registers for the purpose of determining the entitlements of the Shareholders to attend and vote at the EGM and the H Shareholders to attend and vote at the H Shareholders Class Meeting, such Shareholders will still be entitled to attend and vote at the relevant meeting(s).

Whether or not you are able to attend the EGM and/or H Shareholders Class Meeting in person, you are requested to complete and return the form(s) of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time of the EGM and H Shareholders Class Meeting or any adjournment thereof to the office of the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

Completion and return of the form(s) of proxy will not preclude you from attending and voting at the EGM and/or H Shareholders Class Meeting or any adjournment thereof should you so wish. In the event that you attend and vote at any of the EGM and/or the H Shareholders Class Meeting or any adjournment respectively thereof after having deposited the relevant proxy form, that proxy form will be deemed to have been revoked.

Voting at the EGM and the H Shareholders Class Meeting respectively will be taken by way of poll as required under the Listing Rules and the Takeovers Code.

**10. HOW DO I VOTE IF MY H SHARES HAVE BEEN LODGED WITH MY SECURITIES DEALER/CUSTODIAN BANK THROUGH CCASS, OR LODGED WITH MY INVESTOR PARTICIPANT'S ACCOUNT MAINTAINED WITH CCASS?**

If your H Share(s) has/have been lodged with your licensed securities dealer (or other registered dealer in securities or custodian bank) through CCASS and you intend to vote at the EGM and/or the H Shareholders Class Meeting (as applicable) or attend in person, you should instruct your licensed securities dealer (or other registered dealer in securities or custodian bank) to give instructions to HKSCC Nominees Limited on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer (or other registered dealer in securities or custodian bank) for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer (or other registered dealer in securities or custodian bank) as required by them.

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## QUESTIONS AND ANSWERS

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If your H Share(s) has/have been lodged with your investor participant's account maintained with CCASS, you should authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.

**For the avoidance of doubt, your vote will be invalid if you give voting instructions to the H Share Registrar by yourself directly. Therefore, if your H Share(s) has/have been lodged with your licensed securities dealer (or other registered dealer in securities or custodian bank) through CCASS, or lodged with your investor participant's account maintained with CCASS, you must take actions as mentioned above.**

### **11. WHAT IS THE POSITION OF THE INDEPENDENT FINANCIAL ADVISER WITH REGARD TO THE H SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING?**

Somerley, the Independent Financial Adviser, considers that (1) the H Share Buy-back Offer (including the Offer Price) is fair and reasonable so far as the Independent H Shareholders are concerned, (2) the terms of the Voluntary Withdrawal of Listing are fair and reasonable, and the Voluntary Withdrawal of Listing is in the interest of the Company and the Shareholders as a whole, and (3) the Voluntary Withdrawal of Listing is in the interest of the Independent H Shareholders.

Accordingly, Somerley recommends the Independent H Shareholders to (1) accept the H Share Buy-back Offer; and (2) vote in favour of the H Share Buy-back Offer and Voluntary Withdrawal of Listing resolutions at the EGM and H Shareholders Class Meeting.

Shareholders are advised to read carefully the letter from Somerley set out on pages 49 to 86 of this Offer Document before deciding on how to vote on the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, and whether to accept the H Share Buy-back Offer.

### **12. I AM AN OVERSEAS H SHAREHOLDER. WHAT SHOULD I DO?**

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Offer Document and/or the accompanying Form of Acceptance to any jurisdiction outside of Hong Kong should read the paragraph headed "*Notice to H Shareholders outside Hong Kong*" in "*Important Notice*" and the paragraph headed "*Overseas H Shareholders*" in "*Letter from UBS*" before taking any action. It is the responsibility of each Overseas H Shareholder wishing to accept the H Share Buy-back Offer to satisfy himself, herself or itself as to full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements. Overseas H Shareholders are advised to seek professional advice on deciding whether or not to accept the H Share Buy-back Offer.

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## QUESTIONS AND ANSWERS

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### 13. WHO SHOULD I CONTACT IF I HAVE ADDITIONAL QUESTIONS?

The Company has set up consultation hotline and email to provide information in relation to the H Share Buy-back Offer and/or the Voluntary Withdrawal of Listing in response to only administrative or procedural queries. If Shareholders and potential investors have any questions of an administrative and procedural nature concerning the H Share Buy-back Offer and/or the Voluntary Withdrawal of Listing, please reach out to Orient Capital Pty Limited (the proxy and offer agent engaged by the Company) via the following ways:

By phone: (852) 3953 7250

Working hours: Monday to Friday, 09:00-18:00 (Hong Kong time)

By email: [ir\\_cv@cimc.com](mailto:ir_cv@cimc.com)

For the avoidance of doubt, the designated phone line or email account cannot and will not (i) provide any information not available in the public domain nor any advice on the merits or risks of the H Share Buy-back Offer and/or the Voluntary Withdrawal of Listing or (ii) give any financial or legal advice. If you are in doubt as to any aspect of this Offer Document or action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

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## LETTER FROM UBS

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27 March 2024

*To the Shareholders*

Dear Sir or Madam,

- (1) CONDITIONAL CASH OFFER BY UBS ON BEHALF OF CIMC VEHICLES (GROUP) CO., LTD. TO BUY-BACK ALL THE ISSUED H SHARES (OTHER THAN THOSE HELD BY CIMC GROUP AND ITS CONCERT PARTIES) AT HK\$7.5 PER H SHARE; AND**
- (2) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES OF CIMC VEHICLES (GROUP) CO., LTD. FROM THE STOCK EXCHANGE OF HONG KONG LIMITED**

### **INTRODUCTION**

Reference is made to the Rule 3.5 Announcement in relation to, among other things, the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

On 11 March 2024, the Board announced that subject to compliance with the Takeovers Code, the Share Buy-backs Code and the Listing Rules, the H Share Buy-back Offer shall be made to buy-back all the H Shares in issue, other than those held by CIMC Group and its concert parties. As at the Latest Practicable Date, the number of H Shares in issue is 563,920,000, representing approximately 27.95% of the total issued share capital of the Company; and the number of H Shares held by CIMC Group and its concert parties is 417,190,600, representing approximately 20.68% of the total issued share capital of the Company. If the H Share Buy-back Offer becomes unconditional in all respects, all the H Shares repurchased will be cancelled and the registered capital of the Company will be reduced accordingly, and the Company will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules.

The H Shareholders may (1) accept the H Share Buy-back Offer by lodging the Form of Acceptance for the sale of their H Shares to the Company at the Offer Price of HK\$7.5 per H Share and (2) vote on the resolutions approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

The share capital of the Company comprises H Shares and A Shares. The Company will not make an offer for the A Shares as it is the Company's intention to maintain the listing of the A Shares on the Shenzhen Stock Exchange. As advised by the PRC legal advisers to the Company, the Company is not required to make a comparable offer for the A Shares pursuant to PRC laws and regulations.

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## LETTER FROM UBS

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Accordingly, the Company has applied to the Executive for a waiver from the requirements under Rule 14 of the Takeovers Code to extend a comparable offer for the A Shares. The Executive has granted such waiver as at the Latest Practicable Date.

This letter sets out the details of the terms of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. Further details of the terms and conditions of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing are set out in Appendix I to the Offer Document and the Form of Acceptance.

### **THE H SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING**

#### **Principal terms of the H Share Buy-back Offer**

A conditional cash offer is being made by UBS on behalf of the Company to buy back all the H Shares in issue, other than those held by CIMC Group and its concert parties, on the following basis:

**For each Offer Share** **HK\$7.5 in cash**

**The Company will not increase the Offer Price as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Company will not be allowed to increase the Offer Price and the Company does not reserve the right to increase the Offer Price.**

Subject to the H Share Buy-back Offer becoming unconditional in all respects, the Offer Shares to be acquired shall be fully paid and free from all Encumbrances, together with all rights attached or accrued thereto on or after the date on which the H Share Buy-back Offer is made, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the date on which the H Share Buy-back Offer is made (i.e. the date of despatch of this Offer Document).

The Company confirms that as at the Latest Practicable Date, (i) it has not declared any dividend which is not yet paid and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the Final Closing Date.

All the H Shares bought-back under the H Share Buy-back Offer will be cancelled and subject to the H Share Buy-back Offer becoming unconditional in all respects, the listing of the H Shares on the Hong Kong Stock Exchange will be withdrawn.



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## LETTER FROM UBS

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### THE OFFER PRICE

The Offer Price, being HK\$7.5 per H Share, represents:

- (a) a premium of approximately 3.45% over the closing price of HK\$7.25 per H Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 4.90% over the closing price of HK\$7.15 per H Share as quoted on the Hong Kong Stock Exchange on 8 March 2024, being the last trading day prior to the publication of the Rule 3.5 Announcement;
- (c) a premium of approximately 16.46% over the closing price of HK\$6.44 per H Share as quoted on the Hong Kong Stock Exchange on 27 November 2023, being the Last Trading Day;
- (d) a premium of approximately 17.92% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$6.36 per H Share;
- (e) a premium of approximately 20.97% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of HK\$6.20 per H Share;
- (f) a premium of approximately 25.42% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of HK\$5.98 per H Share;
- (g) a premium of approximately 19.05% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day of HK\$6.30 per H Share;
- (h) a premium of approximately 15.92% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of HK\$6.47 per H Share; and
- (i) a discount of approximately 6.95% to the audited consolidated net asset value of approximately RMB7.34 (equivalent to approximately HK\$8.06) per Share (calculated based on (i) the audited consolidated net asset value attributable to the Shareholders as stated in the annual result announcement of the Company for the year ended 31 December 2023 published on 21 March 2024; (ii) 2,017,600,000 Shares in issue as at the Latest Practicable Date; and (iii) the exchange rate of HK\$1: RMB0.91105, being the average of the offshore RMB exchange rates from 29 December 2023 to 2 January 2024 (being the Business Days immediately preceding and following 31 December 2023 respectively) as announced by the Hong Kong Monetary Authority).

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## LETTER FROM UBS

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The Offer Price has been determined on a commercial basis after taking into account the historical and prevailing prices of the Shares traded on the Hong Kong Stock Exchange. As such, the Board believes that the Offer Price is fair and reasonable and the H Share Buy-back Offer is in the interests of the Company and its Shareholders as a whole.

### **Highest and lowest H Share prices**

During the Relevant Period, the highest and lowest closing prices of the H Shares as quoted on the Hong Kong Stock Exchange was HK\$7.80 per H Share on 1 August 2023 and HK\$5.48 per H Share on 2 November 2023, respectively.

### **Value of the H Share Buy-back Offer**

As at the Latest Practicable Date, the Company has 563,920,000 H Shares in issue. The H Share Buy-back Offer will be extended to all the H Shareholders other than CIMC Group and its concert parties holding an aggregate of 417,190,600 H Shares.

Based on the Offer Price of HK\$7.5 per Offer Share, and assuming that the H Share Buy-back Offer is accepted in full, the value of the H Share Buy-back Offer will be HK\$1,100,470,500.

### **Financial resources available for the H Share Buy-back Offer**

The Company intends to finance the consideration for the full acceptance of the H Share Buy-back Offer of HK\$1,100,470,500 by internal cash resources.

UBS, being the financial adviser to the Company in respect of the H Share Buy-back Offer, is satisfied that sufficient financial resources are available to the Company to satisfy the consideration payable by the Company for the full acceptance of the H Share Buy-back Offer.

### **CONDITIONS OF THE H SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING**

The H Share Buy-back Offer and the Voluntary Withdrawal of Listing shall be subject to the following Conditions being fulfilled:

- (a) the passing of the resolution to be proposed at the H Shareholders Class Meeting for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that:
  - (i) the resolution is approved (by way of poll) by (x) at least two-thirds (2/3) of the votes attaching to all the H Shares held by the H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting, and

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## LETTER FROM UBS

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- (y) at least 75% of the votes attaching to all the H Shares held by the Independent H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting; and
- (ii) the number of votes cast (by way of poll) by the Independent H Shareholders present and voting either in person or by proxy at the H Shareholders Class Meeting against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) the passing of the resolution to be proposed at the A Shareholders Class Meeting for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the A Shares held by the A Shareholders that are voted either in person or by proxy at the A Shareholders Class Meeting;
- (c) the passing of the resolution to be proposed at the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the Shares held by the Shareholders that are voted either in person or by proxy at the EGM;
- (d) minimum valid acceptances of the H Share Buy-back Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time and date as the Company may, subject to the Takeovers Code, decide) amounting to at least 90% of the H Shares held by the Independent H Shareholders;
- (e) the granting by the Executive of (i) the waiver for the Company from strict compliance with the requirement to compulsorily acquire H Shares that are not tendered for acceptance under the H Share Buy-back Offer under Rule 2.2(c) of the Takeovers Code and (ii) the waiver for the Company's obligation to make a comparable offer to the A Shareholders under Rule 14 of the Takeovers Code;
- (f) the registration with SAFE in relation to the H Share Buy-back Offer remains in full force and effect;
- (g) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the H Share Buy-back Offer (including its implementation) (if applicable) having been obtained and remaining in full force and effect pursuant to the provision of any laws or regulations in the PRC and other relevant jurisdictions; and
- (h) the compliance by the Company with the Listing Rules, the Takeovers Code, the Share Buy-backs Code and the statutory laws of Hong Kong and the PRC that are applicable to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

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## LETTER FROM UBS

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None of the above Conditions is waivable and as at the Latest Practicable Date, to the exception of Condition (e) and Condition (f) above to the extent that such registration has been completed, none of the other Conditions has been fulfilled.

In respect of Condition (e) above, the Company has applied for, and the Executive has granted, the waivers from strict compliance with Rule 2.2(c) and Rule 14 of the Takeovers Code.

In respect of Condition (g) above, the Company is not aware of any necessary authorisations, consents and approvals of any governmental or regulatory body required in relation to the H Share Buy-back Offer as at the Latest Practicable Date, save as disclosed in Conditions (e) and (f) above.

In respect of Condition (h) above, as at the Latest Practicable Date, the Directors are not aware of any non-compliance by the Company with the Listing Rules, the Takeovers Code, the Share Buy-backs Code and any statutory laws of Hong Kong and the PRC that are applicable to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Company should not invoke any of the Conditions (other than Condition (d) above) so as to cause the H Share Buy-back Offer to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Company in the context of the H Share Buy-back Offer.

Pursuant to Rule 15.5 of the Takeovers Code, the latest time at which the Company can declare the H Share Buy-back Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the date of the Offer Document (i.e. 27 May 2024) (or such later date to which the Executive may consent).

### **CIMC Group and CIMC HK Irrevocable Undertaking**

As at the Latest Practicable Date, CIMC Group holds:

- (a) 728,443,475 A Shares (representing approximately 50.11% of all the A Shares in issue and approximately 36.10% of the total issued share capital of the Company); and
- (b) (through CIMC HK, its wholly-owned subsidiary) 417,190,600 H Shares (representing approximately 73.98% of all the H Shares in issue and approximately 20.68% of the total issued share capital of the Company).

Pursuant to the CIMC Group and CIMC HK Irrevocable Undertaking, CIMC Group and CIMC HK have irrevocably and unconditionally undertaken to the Company that, among other things:

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## LETTER FROM UBS

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- (a) the H Share Buy-back Offer does not have to be extended to CIMC HK, and no comparable A Share offer has to be extended to CIMC Group, and even if the H Share Buy-back Offer is extended to CIMC HK and/or such comparable A Share offer is extended to CIMC Group, they will not accept the H Share Buy-back Offer or such comparable A Share offer;
- (b) CIMC HK will attend the H Shareholders Class Meeting and the EGM, and CIMC Group will attend the A Shareholders Class Meeting and the EGM, and they will respectively vote in favour of the resolutions to be proposed at the A Shareholders Class Meeting and the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing; and
- (c) they will not deal in the Shares held by them or any other securities of the Company without the Company's prior written consent, including but not limited to purchasing, selling, transferring, imposing any encumbrance over, or granting to any third party any rights attaching to any Shares or any other securities of the Company held by them.

The CIMC Group and CIMC HK Irrevocable Undertaking will terminate on the date (i) when the H Share Buy-back Offer and the Voluntary Withdrawal of Listing are withdrawn or lapsed or (ii) when the H Share Buy-back Offer closes in accordance with its terms and conditions, whichever is earlier.

For the avoidance of doubt, CIMC HK will not vote on the resolution to be proposed at the H Shareholders Class Meeting for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

Given that CIMC Group and CIMC HK have entered into the CIMC Group and CIMC HK Irrevocable Undertaking, the H Share Buy-back Offer will not be extended to CIMC HK and no comparable A Share offer will be extended to CIMC Group. The Company has applied to the Executive for a waiver from the requirements under Rule 14 of the Takeovers Code, and the Executive has granted such waiver as at the Latest Practicable Date.

### **Independent H Shareholder Irrevocable Undertakings**

As at the Latest Practicable Date, the Independent IU Shareholders hold an aggregate of 80,143,000 H Shares (representing approximately 55.16% of all the H Shares held by the Independent H Shareholders, approximately 14.21% of all the H Shares in issue and approximately 3.97% of the total issued share capital of the Company). Pursuant to the Independent H Shareholder Irrevocable Undertakings, each of the Independent IU Shareholders has irrevocably and unconditionally undertaken to the Company that, among other things:

- (a) it will accept the H Share Buy-back Offer in respect of all the H Shares and any other securities of the Company held by it;

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## LETTER FROM UBS

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- (b) it will vote in favour of the resolutions to be proposed at the H Shareholders Class Meeting, the A Shareholders Class Meeting (if applicable) and the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing; and
- (c) it will not deal in the H Shares held by it or any other securities of the Company without the Company's prior written consent, including but not limited to purchasing, selling, transferring, imposing any encumbrance over, or granting to any third party any rights attaching to any H Shares or any other securities of the Company held by it.

The Independent H Shareholder Irrevocable Undertakings will terminate on the date (i) when the H Share Buy-back Offer and the Voluntary Withdrawal of Listing are withdrawn or lapsed or (ii) when the H Share Buy-back Offer closes in accordance with its terms and conditions, whichever is earlier.

### **REASONS AND BENEFITS OF THE H SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING**

The Board believes that the H Share Buy-back Offer and the Voluntary Withdrawal of Listing are in the interest of the Company and the Shareholders as a whole on the following bases:

- (a) the low trading volume and limited liquidity of the H Shares, which creates difficulty for the Company to effectively conduct fund raising exercise on the Hong Kong Stock Exchange;
- (b) the H Share Buy-back Offer, if materialised, will result in a possible one-off investment gain for the accepting H Shareholders; and
- (c) the Voluntary Withdrawal of Listing, if materialised, will allow the Company to save costs and expenses associated with regulatory compliance of its listing of H Shares.

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## LETTER FROM UBS

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### **EFFECT OF ACCEPTING THE H SHARE BUY-BACK OFFER**

In order to accept the H Share Buy-back Offer, H Shareholders should complete and return the accompanying Form of Acceptance in accordance with the instructions set out in this Offer Document and the instructions printed on the Form of Acceptance. The instructions set out in this Offer Document should be read together with the instructions printed on the Form of Acceptance (in which the instructions form part of the terms of the H Share Buy-back Offer). Except for any recognised clearing houses (including HKSCC Nominees Limited) or as otherwise determined by the Company, only one Form of Acceptance may be submitted by each H Shareholder to the H Share Registrar. No acknowledgement of receipt of any Form of Acceptance or title documents will be given.

The H Share Buy-back Offer will initially be open for acceptances for 37 days from and including the date of this Offer Document. Once all Conditions have been satisfied, the H Share Buy-back Offer will be declared unconditional in all respects and the H Share Buy-back Offer shall remain open for acceptance for at least 28 days in compliance with the Note to Rule 2.2 and Rule 15.3 of the Takeovers Code before the H Share Buy-back Offer is closed in order to allow sufficient time for those H Shareholders who have not initially accepted the H Share Buy-back Offer to accept the H Share Buy-back Offer or to process the transfer of their H Shares.

The procedures for acceptance and settlement of the H Share Buy-back Offer and related information are set out in Appendix I to this Offer Document and in the accompanying Form of Acceptance. Acceptances of the H Share Buy-back Offer should be received by the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event by no later than 4:00 p.m. on the First Closing Date.

Subject to the H Share Buy-back Offer becoming unconditional, by accepting the H Share Buy-back Offer, the relevant H Shareholder will be deemed to warrant that all Offer Shares to be sold by such person under the H Share Buy-back Offer are fully paid and free from all Encumbrances and together with all rights and benefits attaching thereto on or after the date on which the H Share Buy-back Offer is made, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the date on which the H Share Buy-back Offer is made (i.e. the date of despatch of this Offer Document).

Acceptance of the H Share Buy-back Offer will be irrevocable and will not be capable of being withdrawn, except in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the H Share Buy-back Offer shall be entitled to withdraw its/his/her acceptance after twenty-one (21) days from 2 May 2024 (being the date stated as the First Closing Date in this Offer Document), if the H Share Buy-back Offer has not by then become unconditional as to acceptances.

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## LETTER FROM UBS

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If the Company is unable to comply with the requirements set out in paragraph headed “3. *Announcement*” in Appendix I of this Offer Document, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the holders of the Offer Shares who have tendered acceptance of the H Share Buy-back Offer, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.

In such case, when the holders of the Offer Shares withdraw their acceptance(s), the Company shall, as soon as possible but in any event no later than seven (7) Business Days thereafter, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant holder(s) of the Offer Shares at his/her/its own risk.

### **No right of compulsory acquisition**

**The Company has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Buy-back Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the H Share Buy-back Offer, and if the H Share Buy-back Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code and the Share Buy-backs Code (depending on whether it remains as a public company in Hong Kong under the Takeovers Code and the Share Buy-backs Code) after the completion of the H Share Buy-back Offer, and the rights of Independent H Shareholders to certain information of the Company will be reduced. In view of the implications on the H Shareholders who have not accepted the H Share Buy-back Offer upon the Final Closing Date, the Company will notify the relevant H Shareholders in writing by way of issuing an announcement in one (1) week prior to the Final Closing Date to remind the H Shareholders of the Final Closing Date and the implications if they choose not to accept the H Share Buy-back Offer.**

There is no comparable provision to sections 705, 711 to 716 and 718 to 721 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) under the laws of the PRC and the Independent H Shareholders have no rights under the laws of the PRC to compulsorily require the Company to buy-back the H Shares that are not tendered for acceptance pursuant to the H Share Buy-back Offer.

Shareholders should also note that if they do not agree to the terms of the H Share Buy-back Offer, they can vote against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the A Shareholders Class Meeting and/or the EGM (as the case may be). If more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders are voted against the H Share



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## LETTER FROM UBS

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**Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the H Share Buy-back Offer would lapse and the H Shares would remain listed on the Hong Kong Stock Exchange.**

### **EGM, THE A SHAREHOLDERS CLASS MEETING AND THE H SHAREHOLDERS CLASS MEETING**

The notices convening the EGM and the H Shareholders Class Meeting are set out in pages V-1 to V-2 and VI-1 to VI-2 of this Offer Document. Resolutions in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing will be proposed at the EGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting.

A form of proxy for each of the EGM and the H Shareholders Class Meeting are enclosed with this Offer Document. Whether or not you are able to attend the EGM and/or the H Shareholders Class Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the H Share Registrar as soon as possible and in any event, not less than 24 hours before the time of the holding of the EGM and the H Shareholders Class Meeting (i.e. at or before 2:50 p.m. on Wednesday, 17 April 2024 and 2:50 p.m. on Wednesday, 17 April 2024 respectively) or any adjournment thereof, in the case of the H Shareholders, to the office of the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM and the H Shareholders Class Meeting or any adjournment if you so wish. In the event that the Shareholder attends and votes at the EGM or H Shareholders Class Meeting or any adjournment thereof (as the case may be) after having lodged a form of proxy for such meeting, the form of proxy will be deemed to have been revoked.

### **NOMINEE REGISTRATION OF SHARES**

#### **Procedure for acceptance**

Beneficial owners of H Shares who hold their H Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I to this Offer Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Please refer to Appendix I to this Offer Document for additional information on how to accept the H Share Buy-back Offer.

In order for the beneficial owners of the H Shares, whose investments are registered in the names of nominees (including those whose interests in the H Shares are held through CCASS), to accept the H Share Buy-back Offer, it is essential that they provide instructions to their nominee agents of their intentions with regard to the H Share Buy-back Offer.

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## LETTER FROM UBS

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For the avoidance of doubt, for beneficial owners of H Shares who hold their H Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant, if you send the accompanying Form of Acceptance to the H Share Registrar by yourself directly, the acceptance of the H Share Buy-back Offer will be treated as invalid. Therefore, if the H Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your H Share(s) is/are in the name of a nominee company or a name other than your own, you must take actions as mentioned above.

### **Procedures for voting**

If your H Share(s) has/have been lodged with your licensed securities dealer (or other registered dealer in securities or custodian bank) through CCASS and you intend to vote at the EGM and/or the H Shareholders Class Meeting (as applicable) or attend in person, you should instruct your licensed securities dealer (or other registered dealer in securities or custodian bank) to give instructions to HKSCC Nominees Limited on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer (or other registered dealer in securities or custodian bank) for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer (or other registered dealer in securities or custodian bank) as required by them.

If your H Share(s) has/have been lodged with your investor participant's account maintained with CCASS, you should authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.

For the avoidance of doubt, your vote will be invalid if you give voting instructions to the H Share Registrar by yourself directly. Therefore, if your H Share(s) has/have been lodged with your licensed securities dealer (or other registered dealer in securities or custodian bank) through CCASS, or lodged with your investor participant's account maintained with CCASS, you must take actions as mentioned above.

### **SETTLEMENT**

Pursuant to Rule 20.1 of the Takeovers Code, payment in cash in respect of acceptances of the H Share Buy-back Offer will be made no later than seven (7) Business Days after the later of the date on which (i) the H Share Buy-back Offer becomes, or are declared unconditional in all respects, and (ii) the duly completed acceptances of the H Share Buy-back Offer and the relevant documents of title of the Offer Shares in respect of such acceptances are received by or for the Company to render each such acceptance complete and valid. Relevant documents of title must be received by the H Share Registrar to render each acceptance of the H Share Buy-back Offer complete and valid. Remittances in respect of the H Shares tendered for acceptance and taken up by the Company under the H Share Buy-back Offer (after, if applicable, deducting the seller's ad valorem stamp duty arising therefrom) will be posted to the H Shareholders by ordinary post at their own risk.

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## LETTER FROM UBS

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If the H Share Buy-back Offer does not become unconditional, the title documents will be returned and/or sent to each accepting H Shareholder (by ordinary post at that H Shareholder's own risk) no later than seven (7) Business Days after the lapse of the H Share Buy-back Offer. In such an event, the Company will make an announcement in accordance with the Takeovers Code. Where any accepting H Shareholder has sent one or more transfer receipt(s) and in the meantime one or more share certificate(s) has/have been collected on that H Shareholder's behalf in respect thereof, that H Shareholder will be sent (by ordinary post at his/her/its own risk) such share certificate(s) in lieu of the transfer receipt(s).

No fractions of a cent (HK\$) will be payable, and the amount of the consideration payable to a H Shareholder who accepts the H Share Buy-back Offer will be rounded up to the nearest cent (HK\$).

### **HONG KONG STAMP DUTY**

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the H Share Buy-back Offer will be payable by the relevant H Shareholders at a rate of 0.1% of the higher of (i) the market value of the relevant H Shares accepting the H Share Buy-back Offer; or (ii) the consideration payable by the Company in respect of the relevant acceptances of the H Share Buy-back Offer, and will be deducted from the amount payable by the Company to the relevant H Shareholders on acceptance of the H Share Buy-back Offer.

The Company will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant H Shareholders accepting the H Share Buy-back Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the H Share Buy-back Offer and the transfer of the Offer Shares.

### **RESPONSIBILITY FOR DOCUMENTS**

All communications, notices, Forms of Acceptance, proxy forms, the title documents and remittances to be delivered or sent by, to or from any H Shareholder will be delivered or sent by, to and from them, or their designated agents, at their risk and none of the Company, UBS, the H Share Registrar and Somerley or any of their respective directors or any other persons involved in the H Share Buy-back Offer accepts any liability for any loss or any other liabilities whatsoever which may rise as a result.

### **OVERSEAS H SHAREHOLDERS**

The Company intends to make the H Share Buy-back Offer available to all the H Shareholders (other than CIMC Group and its concert parties), including the Overseas H Shareholders. However, the H Share Buy-back Offer is in respect of securities of a company incorporated in the PRC and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions. The availability of the H Share Buy-back Offer to any Overseas H Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas H Shareholders' participation

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## LETTER FROM UBS

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in the H Share Buy-back Offer may be subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the H Share Buy-back Offer. Overseas H Shareholders and beneficial owners of the H Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek their own legal advice in respect of the H Share Buy-back Offer.

It is the responsibility of the Overseas H Shareholders and overseas beneficial owners of the H Shares who wish to accept the H Share Buy-back Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the H Share Buy-back Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions). Any acceptance of the H Share Buy-back Offer by any Overseas H Shareholders and overseas beneficial owners of the H Shares will be deemed to constitute a representation and warranty from such Overseas H Shareholders or overseas beneficial owners of the H Shares, as applicable, to the Company and UBS that all applicable local laws and requirements have been observed and complied with. For the avoidance of doubt, neither Hong Kong Securities Clearing Company Limited nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. Overseas H Shareholders and overseas beneficial owners of the H Shares should consult their professional advisers if in doubt.

The Company, the Directors and parties acting in concert with any of them, UBS, Somerley, the H Share Registrar, any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the H Share Buy-back Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Acceptance by any Overseas H Shareholders and overseas beneficial owners of the H Shares will be deemed to constitute a representation and warranty from such Overseas H Shareholders or overseas beneficial owners of the H Shares, as applicable, to the Company and UBS that the local laws and requirements have been complied with. Overseas H Shareholders and overseas beneficial owners of the H Shares should consult their professional advisers if in doubt.

As at the Latest Practicable Date, there were no Overseas H Shareholders on the H Share register of members of the Company.

### **TAXATION ADVICE**

H Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the H Share Buy-back Offer. None of the Company, the Directors, parties acting in concert with any of them, UBS, Somerley, the H Share Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the H Share Buy-back Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the H Share Buy-back Offer.

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## LETTER FROM UBS

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### GENERAL

In considering what action to take, you must rely on your own consideration of the terms of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. You should, if in any doubt, consult your professional advisers for professional advice.

You are strongly advised to consider carefully the information in the letter from the Board, the recommendation and the advice from Somerley contained in this Offer Document, and the information set out in the appendices to this Offer Document which form part of this Offer Document.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Offer Document and the accompanying Form of Acceptance, which form part of this Offer Document.

Yours faithfully,

For and on behalf of

**UBS AG**

**(acting through its Hong Kong Branch)**

**Samson Lo**

**Jun Luo**

*Managing Director    Managing Director*

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

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  
Wan Chai  
Hong Kong

*Independent Non-executive Directors:*

Mr. Feng Jinhua

Mr. Fan Zhaoping

Mr. Cheng Hok Kai Frederick

27 March 2024

*To the Shareholders*

Dear Sir or Madam,

**(1) CONDITIONAL CASH OFFER BY UBS ON BEHALF OF CIMC VEHICLES  
(GROUP) CO., LTD. TO BUY-BACK ALL THE ISSUED H SHARES (OTHER  
THAN THOSE HELD BY CIMC GROUP AND ITS CONCERT PARTIES) AT**

**HK\$7.5 PER H SHARE; AND**

**(2) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES  
OF CIMC VEHICLES (GROUP) CO., LTD. FROM THE STOCK EXCHANGE OF  
HONG KONG LIMITED**

## INTRODUCTION

Reference is made to the Rule 3.5 Announcement in relation to, among other things, the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

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## LETTER FROM THE BOARD

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A board meeting of the Company was held on 11 March 2024, whereby the Board resolved, among other matters, that subject to compliance with the Takeovers Code, the Share Buy-backs Code and the Listing Rules, the H Share Buy-back Offer shall be made to buy-back all the H Shares in issue, other than those held by CIMC Group and its concert parties. If the H Share Buy-back Offer becomes unconditional in all respects, all the H Shares repurchased will be cancelled and the registered capital of the Company will be reduced accordingly, and the Company will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules.

If the H Share Buy-back Offer materialises and becomes unconditional, such H Shares which will be bought back by the Company will be cancelled, and the listing of the H Shares of the Company on the Hong Kong Stock Exchange will be withdrawn pursuant to the Takeovers Code, the Share Buy-backs Code and the Listing Rules. The H Share Buy-back Offer, together with the Voluntary Withdrawal of Listing, are subject to the fulfilment of the Conditions as set out in this Offer Document, including the passing of requisite resolutions approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the EGM, H Shareholders Class Meeting and the A Shareholders Class Meeting and minimum valid acceptances of the H Share Buy-back Offer being received amounting to at least 90% of the H Shares held by the Independent H Shareholders. The Directors believe the H Share Buy-back Offer will be in the best interest of the Company and its Shareholders as a whole.

The share capital of the Company comprises H Shares and A Shares. The Company will not make an offer for the A Shares as it is the Company's intention to maintain the listing of the A Shares on the Shenzhen Stock Exchange. As advised by the PRC legal advisers to the Company, the Company is not required to make a comparable offer for the A Shares pursuant to PRC laws and regulations.

Accordingly, the Company has applied to the Executive for a waiver from the requirements under Rule 14 of the Takeovers Code to extend a comparable offer for the A Shares. The Executive has granted such waiver as at the Latest Practicable Date.

The purpose of this Offer Document is to provide you with, among other things, (i) the details of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing (including the expected timetable and terms of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing); (ii) a letter from UBS; (iii) a letter from the Board; (iv) a letter of advice from Somerley in relation to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing; and (v) information relating to the Group, together with the Form of Acceptance and proxy forms for the EGM and H Shareholders Class Meeting.

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## LETTER FROM THE BOARD

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### THE H SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING

#### Background

Pursuant to the Rule 3.5 Announcement, the Company announced to buy-back all the issued H Shares (other than those held by CIMC Group and its concert parties) at the Offer Price of HK\$7.5 per H Share. The H Share Buy-back Offer, is subject to, among others, receipt of a minimum valid acceptances as to 90% of the H Shares held by the Independent H Shareholders and compliance with the applicable provisions under the Listing Rules, the Takeovers Code, the Share Buy-backs Code and the articles of association of the Company, including but not limited to, the passing of requisite resolutions approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the EGM, H Shareholders Class Meeting and the A Shareholders Class Meeting. If the H Share Buy-back Offer materialises and becomes unconditional, such H Shares will be bought back by the Company and cancelled and the registered capital of the Company will be reduced accordingly. The listing of the H Shares on the Hong Kong Stock Exchange will also be voluntarily withdrawn pursuant to the Takeovers Code and the Listing Rules.

#### Shareholding structure of the Company

As at the Latest Practicable Date, save for the 563,920,000 H Shares (representing approximately 27.95% of the total issued share capital of the Company) and 1,453,680,000 A Shares (representing approximately 72.05% of the total issued share capital of the Company) in issue, the Company has no other outstanding securities, options, warrants or derivatives which are convertible into or which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

The Offer Shares subject to the H Share Buy-back Offer will comprise all the H Shares in issue other than those held by CIMC Group and its concert parties.



## LETTER FROM THE BOARD

The shareholding table below sets forth the shareholding structure of the Company (i) as at the Latest Practicable Date based on public information available to the Company as at the Latest Practicable Date; and (ii) immediately upon completion of the H Share Buy-back Offer, based on public information available to the Company as at the Latest Practicable Date and assuming that the H Share Buy-back Offer is accepted in full and there will be no other change to the shareholding of the Company from the Latest Practicable Date up to the closing of the H Share Buy-back Offer:

	As at the Latest Practicable Date			Upon closing of the H Share Buy-back Offer		
	Class of Shares	No. of Shares (%)	Approximate % of the relevant class of share capital of the Company (%)	Approximate % in the total share capital of the Company (%)	No. of Shares	Approximate % in the total share capital of the Company (%)
<b>H Shareholders</b>						
<b>Concert parties of the Company</b>						
CIMC HK <sup>(Note 1)</sup>	H Shares	417,190,600	73.98	20.68	417,190,600	22.30
Li Guiping <sup>(Note 2)</sup>	H Shares	2,500	0.0004	0.0001	-	-
Mao Yi <sup>(Note 3)</sup>	H Shares	1,438,000	0.26	0.07	-	-
<b>Sub-total</b>	H Shares	<b>418,631,100</b>	<b>74.24</b>	<b>20.75</b>	<b>417,190,600</b>	<b>22.30</b>
<b>Independent H Shareholders</b>						
Hong Kong Tiancheng Investment & Trading Co. Limited	H Shares	39,948,500	7.08	1.98	-	-
Xxentria Technology Materials Co., Ltd.	H Shares	18,996,000	3.37	0.94	-	-
Pacific Asset Management Co., Ltd. <sup>(Note 4)</sup>	H Shares	10,755,000	1.91	0.53	-	-
Shanghai Longlife Investment Co., Ltd. <sup>(Note 5)</sup>	H Shares	8,386,000	1.49	0.42	-	-
WT Asset Management Limited <sup>(Note 6)</sup>	H Shares	2,057,500	0.36	0.10	-	-
Other Independent H Shareholders	H Shares	65,145,900	11.55	3.23	-	-
<b>Sub-total</b>	H Shares	<b>145,288,900</b>	<b>25.76</b>	<b>7.20</b>	<b>-</b>	<b>-</b>
<b>Sub-total of H Shareholders</b>	H Shares	<b>563,920,000</b>	<b>100.00</b>	<b>27.95</b>	<b>417,190,600</b>	<b>22.30</b>
<b>A Shareholders</b>						
CIMC Group <sup>(Note 1)</sup>	A Shares	728,443,475	50.11	36.10	728,443,475	38.94
Xiangshan Huajin <sup>(Notes 2 &amp; 7)</sup>	A Shares	68,336,400	4.70	3.39	68,336,400	3.65
Hainan Longyuan Gangcheng <sup>(Notes 2)</sup>	A Shares	20,710,000	1.42	1.03	20,710,000	1.11
He Jin <sup>(Note 8)</sup>	A Shares	1,000	0.00007	0.00005	1,000	0.00005
Phase I Employee Stock Ownership Scheme (2023 – 2027) <sup>(Notes 2 &amp; 9)</sup>	A Shares	677,000	0.05	0.03	677,000	0.04
Other A Shareholders	A Shares	635,512,125	43.72	31.50	635,512,125	33.97
<b>Sub-total</b>	A Shares	<b>1,453,680,000</b>	<b>100.00</b>	<b>72.05</b>	<b>1,453,680,000</b>	<b>77.70</b>
<b>Total</b>		<b>2,017,600,000</b>	<b>-</b>	<b>100.00</b>	<b>1,870,870,600</b>	<b>100.00</b>

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## LETTER FROM THE BOARD

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*Notes:*

1. As at the Latest Practicable Date, CIMC HK is a wholly-owned subsidiary of CIMC Group.
2. Mr. Li Guiping is the executive Director, Chief Executive Officer and president of the Company. Mr. Li Guiping is also deemed to be interested in 21,272 A Shares held through the Phase I Employee Stock Ownership Scheme (2023-2027). Mr. Li Guiping is the general partner of Shenzhen Long Hui Gang Cheng Enterprise Management Center (Limited Partnership) (深圳市龍匯港城企業管理中心(有限合夥)), a general partner of Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) (象山華金實業投資合夥企業(有限合夥)) (“**Xiangshan Huajin**”) and is interested in 47.37% of the shares, therefore he is deemed to be interested in 68,336,400 A Shares held by Xiangshan Huajin. Mr. Li Guiping is interested in 80% of the equity interest of Shenzhen Long Yuan Gang Cheng Investment and Development Co., Ltd. (深圳市龍源港城投資發展有限責任公司), a general partner of Hainan Long Yuan Gang Cheng Enterprise Management Center (Limited Partnership) (海南龍源港城企業管理中心(有限合夥)) (“**Hainan Longyuan Gangcheng**”), and therefore he is also deemed to be interested in 20,710,000 A Shares held by Hainan Longyuan Gangcheng. As at the Latest Practicable Date, after making reasonable inquiry, it is the intention of Mr. Li Guiping to accept the H Share Buy-back Offer in respect of all the 2,500 H Shares held by him.
3. Ms. Mao Yi is the vice president, secretary to the Board and joint company secretary of the Company. Ms. Mao Yi is acting in concert with the Company due to her involvement in the discussions relating to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. As at the Latest Practicable Date, after making reasonable inquiry, it is the intention of Ms. Mao Yi to accept the H Share Buy-back Offer in respect of all the 1,438,000 H Shares held by her.
4. As at the Latest Practicable Date, Pacific Asset Management Co., Ltd. indirectly holds 10,755,000 H Shares through (a) China Pacific Life Insurance Co., Ltd., (b) China Pacific Property Insurance Co., Ltd., (c) Pacific Health Insurance Co., Ltd. and (d) China Pacific Anxin Agricultural Insurance Co., Ltd.
5. As at the Latest Practicable Date, Shanghai Longlife Investment Co., Ltd. directly holds 7,531,000 H Shares and indirectly holds 855,000 H Shares through Changxin-Overseas Selection No. 2 Asset Management Plan (QDII) (長信基金-海外精選2號單一資產管理計劃(QDII)).
6. As at the Latest Practicable Date, WT Asset Management Limited indirectly holds 2,057,500 H Shares through WT China Focus Fund, a fund managed by it.
7. Mr. Wang Yu is a non-executive Director. Mr. Wang Yu is interested in 26.32% of the shares of Shenzhen Long Hui Gang Cheng Enterprise Management Center (Limited Partnership) (深圳市龍匯港城企業管理中心(有限合夥)), a general partner of Xiangshan Huajin, and therefore is also deemed to be interested in 68,336,400 A Shares held by Xiangshan Huajin.
8. Mr. He Jin is a non-executive Director, and is deemed to be interested in the 1,000 A Shares held by his spouse.
9. Such A Shares are held by the Phase I Employee Stock Ownership Scheme (2023-2027) on behalf of a total of 25 participating employees. Pursuant to the rules of the Employee Stock Ownership Scheme (2023-2027), both the Employee Stock Ownership Scheme (2023-2027) and the participating employees have waived the right to vote on the A Shares they hold. Accordingly, the 677,000 A Shares held by the Phase I Employee Stock Ownership Scheme (2023-2027) will not be voted on at the EGM or the A Shareholders Class Meeting.
10. UBS is the financial adviser to the Company in respect of the H Share Buy-back Offer. Accordingly, UBS and members of the UBS Group are presumed to be acting in concert with the Company in respect of shareholdings of the UBS Group in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code, excluding the Shares held on behalf of non-discretionary investment clients (for the avoidance of doubt, members of the UBS Group which are exempt principal trader(s) or exempt fund manager(s), in each case recognised by the Executive as such for the purposes of the Takeovers Code and connected for the sole reason that they are under the same control as UBS, are not considered to be acting in concert with the Company). As at the Latest Practicable Date, except for Shares held on behalf of non-discretionary investment clients of the UBS Group and Shares held by member(s) of the UBS Group acting in the capacity of exempt principal trader(s) and/or exempt fund manager(s), members of the UBS Group did

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## LETTER FROM THE BOARD

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not own or control any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Notwithstanding the above, Shares held by any such connected exempt principal traders will not be voted at the H Shareholders Class Meeting unless the Executive allows such Shares to be so voted.

The Executive may allow such voting if:

- (a) such member of the UBS Group holds the relevant Shares as a simple custodian for and on behalf of non-discretionary clients;
- (b) there are contractual arrangements in place between such member of the UBS Group and such non-discretionary client that strictly prohibit such member of the UBS Group from exercising any voting discretion over such Shares;
- (c) all voting instructions shall originate from such non-discretionary client only (and if no instructions are given, then no votes shall be cast for such Shares held by such member of the UBS Group); and
- (d) such non-discretionary client is not a concert party of the Company.

11. The percentage figures are subject to rounding adjustments and may not add up to 100%.

### **Reasons for and benefits of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing**

The Board believes that the H Share Buy-back Offer and the Voluntary Withdrawal of Listing are in the interest of the Company and the Shareholders as a whole on the following bases:

- (a) the low trading volume and limited liquidity of the H Shares, which creates difficulty for the Company to effectively conduct fund raising exercise on the Hong Kong Stock Exchange;
- (b) the H Share Buy-back Offer, if materialised, will result in a possible one-off investment gain for the accepting H Shareholders; and
- (c) the Voluntary Withdrawal of Listing, if materialised, will allow the Company to save costs and expenses associated with regulatory compliance of its listing of H Shares.

### **Conditions of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing**

The H Share Buy-back Offer and the Voluntary Withdrawal of Listing shall be subject to the following Conditions being fulfilled:

- (a) the passing of the resolution to be proposed at the H Shareholders Class Meeting for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that:
  - (i) the resolution is approved (by way of poll) by (x) at least two-thirds (2/3) of the votes attaching to all the H Shares held by the H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting, and

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## LETTER FROM THE BOARD

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- (y) at least 75% of the votes attaching to all the H Shares held by the Independent H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting; and
- (ii) the number of votes cast (by way of poll) by the Independent H Shareholders present and voting either in person or by proxy at the H Shareholders Class Meeting against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) the passing of the resolution to be proposed at the A Shareholders Class Meeting for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the A Shares held by the A Shareholders that are voted either in person or by proxy at the A Shareholders Class Meeting;
- (c) the passing of the resolution to be proposed at the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the Shares held by the Shareholders that are voted either in person or by proxy at the EGM;
- (d) minimum valid acceptances of the H Share Buy-back Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time and date as the Company may, subject to the Takeovers Code, decide) amounting to at least 90% of the H Shares held by the Independent H Shareholders;
- (e) the granting by the Executive of (i) the waiver for the Company from strict compliance with the requirement to compulsorily acquire H Shares that are not tendered for acceptance under the H Share Buy-back Offer under Rule 2.2(c) of the Takeovers Code and (ii) the waiver for the Company's obligation to make a comparable offer to the A Shareholders under Rule 14 of the Takeovers Code;
- (f) the registration with SAFE in relation to the H Share Buy-back Offer remains in full force and effect;
- (g) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the H Share Buy-back Offer (including its implementation) (if applicable) having been obtained and remaining in full force and effect pursuant to the provision of any laws or regulations in the PRC and other relevant jurisdictions; and
- (h) the compliance by the Company with the Listing Rules, the Takeovers Code, the Share Buy-backs Code and the statutory laws of Hong Kong and the PRC that are applicable to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

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## LETTER FROM THE BOARD

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None of the above Conditions is waivable and as at the Latest Practicable Date, to the exception of Condition (e) and Condition (f) above to the extent that such registration has been completed, none of the other Conditions has been fulfilled.

In respect of Condition (e) above, the Company has applied for, and the Executive has granted, the waivers from strict compliance with Rule 2.2(c) and Rule 14 of the Takeovers Code.

In respect of Condition (g) above, the Company is not aware of any necessary authorisations, consents and approvals of any governmental or regulatory body required in relation to the H Share Buy-back Offer as at the Latest Practicable Date, save as disclosed in Conditions (e) and (f) above.

In respect of Condition (h) above, as at the Latest Practicable Date, the Directors are not aware of any non-compliance by the Company with the Listing Rules, the Takeovers Code, the Share Buy-backs Code and any statutory laws of Hong Kong and the PRC that are applicable to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Company should not invoke any of the Conditions (other than Condition (d) above) so as to cause the H Share Buy-back Offer to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Company in the context of the H Share Buy-back Offer.

Pursuant to Rule 15.5 of the Takeovers Code, the latest time at which the Company can declare the H Share Buy-back Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the date of the Offer Document (i.e. 27 May 2024) (or such later date to which the Executive may consent).

Acceptance of the H Share Buy-back Offer will be irrevocable and will not be capable of being withdrawn, except in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the H Share Buy-back Offer shall be entitled to withdraw its/his/her acceptance after twenty-one (21) days from 2 May 2024 (being the date stated as the First Closing Date in this Offer Document), if the H Share Buy-back Offer has not by then become unconditional as to acceptances.

If the Company is unable to comply with the requirements set out in paragraph headed “3. *Announcement*” in Appendix I of this Offer Document, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the holders of the Offer Shares who have tendered acceptance of the H Share Buy-back Offer, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.

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## LETTER FROM THE BOARD

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In such case, when the holders of the Offer Shares withdraw their acceptance(s), the Company shall, as soon as possible but in any event no later than seven (7) Business Days thereafter, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant holder(s) of the Offer Shares at his/her/its own risk.

### **Principal terms of the H Share Buy-back Offer**

UBS, on behalf of the Company and in compliance with the Takeovers Code and the Share Buy-backs Code, makes the H Share Buy-back Offer on the terms set out in this Offer Document on the following basis:

**For each Offer Share**

**HK\$7.5 in cash**

Subject to the H Share Buy-back Offer becoming unconditional in all respects, the Offer Shares to be acquired shall be fully paid and free from all Encumbrances, together with all rights attached or accrued thereto on or after the date on which the H Share Buy-back Offer is made, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the date on which the H Share Buy-back Offer is made (i.e. the date of despatch of this Offer Document).

All the H Shares bought-back under the H Share Buy-back Offer will be cancelled and subject to the H Share Buy-back Offer becoming unconditional in all respects, the listing of the H Shares on the Hong Kong Stock Exchange will be withdrawn. For the avoidance of doubt, the H Shares held by CIMC Group and its concert parties are not subject to the H Share Buy-back Offer and therefore will not be cancelled upon the H Share Buy-back Offer becoming unconditional in all respects. The H Shares held by CIMC Group and its concert parties will become unlisted H Shares, and will not be reclassified as A Shares or domestic shares of the Company or be listed in other stock exchanges.

### **Further details on the H Share Buy-back Offer**

Further details regarding the H Share Buy-back Offer, including the terms and procedures for acceptance of the H Share Buy-back Offer are set out in “*Further Terms and Procedures for Acceptance of the H Share Buy-back Offer*” as set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

As it is proposed that all the H Shares (other than those held by CIMC Group and its concert parties) will be bought-back under the H Share Buy-back Offer, no pro rating or odd lot procedures will be applicable to the H Share Buy-back Offer.

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## LETTER FROM THE BOARD

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### Comparison with the Offer Price

The Offer Price of HK\$7.5 per H Share represents:

- (a) a premium of approximately 3.45% over the closing price of HK\$7.25 per H Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 4.90% over the closing price of HK\$7.15 per H Share as quoted on the Hong Kong Stock Exchange on 8 March 2024, being the last trading day prior to the publication of the Rule 3.5 Announcement;
- (c) a premium of approximately 16.46% over the closing price of HK\$6.44 per H Share as quoted on the Hong Kong Stock Exchange on 27 November 2023, being the Last Trading Day;
- (d) a premium of approximately 17.92% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$6.36 per H Share;
- (e) a premium of approximately 20.97% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of HK\$6.20 per H Share;
- (f) a premium of approximately 25.42% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of HK\$5.98 per H Share;
- (g) a premium of approximately 19.05% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day of HK\$6.30 per H Share;
- (h) a premium of approximately 15.92% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of HK\$6.47 per H Share; and
- (i) a discount of approximately 6.95% to the audited consolidated net asset value of approximately RMB7.34 (equivalent to approximately HK\$8.06) per Share (calculated based on (i) the audited consolidated net asset value attributable to the Shareholders as stated in the annual result announcement of the Company for the year ended 31 December 2023 published on 21 March 2024; (ii) 2,017,600,000 Shares in issue as at the Latest Practicable Date; and (iii) the exchange rate of HK\$1: RMB0.91105, being the average of the offshore RMB exchange rates from 29 December 2023 to 2 January 2024 (being the Business Days immediately preceding and following 31 December 2023 respectively) as announced by the Hong Kong Monetary Authority).

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## LETTER FROM THE BOARD

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Historic share price information on the H Shares is set out in the paragraph headed “3. *Market Prices*” in Appendix IV to this Offer Document.

### **Dividends and Distribution**

Under the terms of the H Share Buy-back Offer, subject to the H Share Buy-back Offer becoming unconditional in all respects, the Offer Shares to be acquired shall be fully paid and free from all Encumbrances and, together with all rights and benefits attaching thereto on or after the date on which the H Share Buy-back Offer is made, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the date on which the H Share Buy-back Offer is made (i.e. the date of despatch of this Offer Document).

The Company confirms that as at the Latest Practicable Date, (i) it has not declared any dividend which is not yet paid and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the Final Closing Date.

### **Value of the H Share Buy-back Offer**

As at the Latest Practicable Date, the Company has 563,920,000 H Shares in issue. The H Share Buy-back Offer will be extended to all the H Shareholders other than CIMC Group and its concert parties holding an aggregate of 417,190,600 H Shares.

Based on the Offer Price of HK\$7.5 per Offer Share, and assuming that the H Share Buy-back Offer is accepted in full, the value of the H Share Buy-back Offer will be HK\$1,100,470,500.

### **Financial resources available for the H Share Buy-back Offer**

The Company intends to finance the consideration for the full acceptance of the H Share Buy-back Offer of HK\$1,100,470,500 by internal cash resources.

UBS, being the financial adviser to the Company in respect of the H Share Buy-back Offer, is satisfied that sufficient financial resources are available to the Company to satisfy the consideration payable by the Company for the full acceptance of the H Share Buy-back Offer.

### **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Company has appointed Somerley as the Independent Financial Adviser to advise the Independent H Shareholders in connection with the H Share Buy-back Offer and the Voluntary Withdrawal of Listing and, in particular, as to whether the H Share Buy-back Offer is fair and reasonable, acceptance of the H Share Buy-back Offer and voting at the EGM and H Shareholders Class Meeting in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, pursuant to Rule 2.1 of the Takeovers Code. A copy of their letter is set out on pages 49 to 86 of this Offer Document.



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## LETTER FROM THE BOARD

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Pursuant to Rule 3.3 of the Share Buy-backs Code, as no Directors are considered as independent in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, no independent board committee has been formed for the purpose of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

### INFORMATION ON THE GROUP

The Company is the world's leader in the sophisticated manufacturing of semi-trailers and specialty vehicles, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China.

Set out below is a summary of the audited consolidated financial results of the Group for the financial years ended 31 December 2022 and 2023:

	<b>For the financial year ended/ as at 31 December</b>	
	<b>2023</b>	<b>2022</b>
		<i>RMB</i>
		<i>(audited)</i>
Revenue	25,086,577,013.05	23,620,612,415.36
Profit before income tax	3,260,764,615.46	1,474,779,017.88
Net profit attributable to the		
Shareholders of the Company	2,455,670,702.61	1,117,958,345.49
Net assets attributable to the		
Shareholders of the Company	14,808,858,146.86	12,699,782,738.40

Your attention is drawn to the sections headed “*Financial Information of the Group*”, “*Unaudited Pro Forma Financial Information of the Group*” and “*General Information of the Company*” as set out in Appendix II, III and IV, respectively, to this Offer Document.

### FINANCIAL IMPACT OF THE H SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING

#### Earnings per Share attributable to the Shareholders of the Company

Assuming that the H Share Buy-back Offer is accepted in full and there will be no other change to the shareholding of the Company from the Latest Practicable Date up to the closing of the H Share Buy-back Offer, the total number of issued Shares will be reduced from 2,017,600,000 as at the Latest Practicable Date to 1,870,870,600 upon the closing of the H Share Buy-back Offer and cancellation of the H Shares.

Based on the unaudited pro forma financial information of the Group set out in Appendix III to this Offer Document and assuming the completion of the H Share Buy-back Offer on 31 December 2023 and that there is no change to the shareholding of the Company other than the

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## LETTER FROM THE BOARD

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reduction in the total number of issued Shares, the earnings per Share attributable to the equity holders of the Company for the year ended 31 December 2023 would have increased by approximately 7.38% from approximately RMB1.22 per Share to approximately RMB1.31 per Share.

### **Net asset value per Share**

Based on the unaudited pro forma financial information of the Group set out in Appendix III to this Offer Document and assuming the completion of the H Share Buy-back Offer on 31 December 2023, the net assets per Share attributable to the equity holders of the Company as at 31 December 2023 would have increased by approximately 0.27% from approximately RMB7.34 per Share to approximately RMB7.36 per Share.

The cash outlay from the estimated costs to be incurred under the H Share Buy-back Offer represented only approximately 6.77% of the consolidated net asset value of the Company as at 31 December 2023. The Directors believe that the H Share Buy-back Offer and the Voluntary Withdrawal of Listing will not have a material adverse impact on the Group's cash position and consolidated net asset value.

### **Liabilities and Working Capital**

The estimated costs of approximately RMB1,046,535,000 to be incurred under the H Share Buy-back Offer and the Voluntary Withdrawal of Listing will be settled by cash and therefore the H Share Buy-back Offer and the Voluntary Withdrawal of Listing will not have any effect on the liabilities of the Group. On the other hand, the estimated costs would have decreased the working capital at 31 December 2023 by approximately RMB1,046,535,000.

The Company will satisfy the H Share Buy-back Offer and the Voluntary Withdrawal of Listing using cash from its own internal resources and has no intention of buying back its H Shares with borrowings. As such, this will result in a corresponding decrease in the working capital of the Group. Given the net asset value attributable to equity holders of the Company amounted to approximately RMB14,808,858,000 as at 31 December 2023, the net asset value would be decreased by approximately 7.07% to approximately RMB13,762,323,000. Taking into account the abovementioned estimated cost, the Directors believe that the H Share Buy-back Offer and the Voluntary Withdrawal of Listing will not have a material adverse impact on the Group or the liabilities and working capital of the Group.

For more details, please refer to “*Appendix III – Unaudited Pro Forma Financial Information of the Group*” of this Offer Document.

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## LETTER FROM THE BOARD

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### INTENTION OF THE COMPANY

The Company intends to buy-back all the H Shares in issue other than those held by CIMC Group and its concert parties, and withdraw the listing of its H Shares from the Hong Kong Stock Exchange pursuant to the H Share Buy-back Offer. The Company intends to maintain the listing status of the A Shares on the Shenzhen Stock Exchange. Completion of the H Share Buy-back Offer will not result in a change of control of the Company within the meaning of the Takeovers Code.

It is the intention of the Company that, after the delisting of the H Shares, (i) the Group will continue to carry on its current business; (ii) the Company will not introduce any major changes to the business of the Group (including any redeployment of fixed assets of the Group) in the foreseeable future; and (iii) the Company will not make any significant changes to the continued employment of the employees of the Group as a result of the implementation of the H Share Buy-back Offer or the Voluntary Withdrawal of Listing.

### WITHDRAWAL OF LISTING OF THE H SHARES

The H Share Buy-back Offer involves cancellation of H Shares repurchased by the Company and corresponding reduction of the registered capital of the Company, and constitutes a capital reorganisation under the Takeovers Code. Upon the H Share Buy-back Offer becoming unconditional, the Company will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules.

H Shareholders will be notified by way of an announcement of the last day of dealings in the H Shares and the date on which the withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange will become effective.

### No right of compulsory acquisition

**The Company has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Buy-back Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the H Share Buy-back Offer, and if the H Share Buy-back Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code and the Share Buy-backs Code (depending on whether it remains as a public company in Hong Kong under the Takeovers Code and the Share Buy-backs Code) after the completion of the H Share Buy-back Offer, and the rights of Independent H Shareholders to certain information of the Company will be reduced. In view of the implications on the H Shareholders who have not accepted the H Share Buy-back Offer**

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## LETTER FROM THE BOARD

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upon the Final Closing Date, the Company will notify the relevant H Shareholders in writing by way of issuing an announcement in one (1) week prior to the Final Closing Date to remind the H Shareholders of the Final Closing Date and the implications if they choose not to accept the H Share Buy-back Offer.

There is no comparable provision to sections 705, 711 to 716 and 718 to 721 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) under the laws of the PRC and the Independent H Shareholders have no rights under the laws of the PRC to compulsorily require the Company to buy-back the H Shares that are not tendered for acceptance pursuant to the H Share Buy-back Offer.

Shareholders should also note that if they do not agree to the terms of the H Share Buy-back Offer, they can vote against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the A Shareholders Class Meeting and/or the EGM (as the case may be). If more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders are voted against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the H Share Buy-back Offer would lapse and the H Shares would remain listed on the Hong Kong Stock Exchange.

### EGM, THE A SHAREHOLDERS CLASS MEETING AND THE H SHAREHOLDERS CLASS MEETING

The notices convening the EGM and the H Shareholders Class Meeting are set out in pages V-1 to V-2 and VI-1 to VI-2 of this Offer Document. Resolutions in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing will be proposed at the EGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting.

A form of proxy for each of the EGM and the H Shareholders Class Meeting are enclosed with this Offer Document. Whether or not you are able to attend the EGM and/or the H Shareholders Class Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the H Share Registrar as soon as possible and in any event, not less than 24 hours before the time of the holding of the EGM and the H Shareholders Class Meeting (i.e. at or before 2:50 p.m. on Wednesday, 17 April 2024 and 2:50 p.m. on Wednesday, 17 April 2024 respectively) or any adjournment thereof, in the case of the H Shareholders, to the office of the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM and the H Shareholders Class Meeting or any adjournment if you so wish.

As at the Latest Practicable Date, the Company has 563,920,000 H Shares in issue, and no H Shares are held by the Directors and parties acting in concert with any of the Directors and the Company other than CIMC HK, Mr. Li Guiping and Ms. Mao Yi as disclosed in the

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## LETTER FROM THE BOARD

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section headed “*Shareholding structure of the Company*” above. Accordingly, all the H Shareholders, other than CIMC HK, Mr. Li Guiping and Ms. Mao Yi, are considered as Independent H Shareholders in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. Except for CIMC HK, Mr. Li Guiping and Ms. Mao Yi who shall abstain from voting in respect of the resolution to be proposed at the H Shareholders Class Meeting for approving the H Share Buy-back Offer and Voluntary Withdrawal of Listing, all other H Shareholders are eligible to vote at the H Shareholders Class Meeting. For the avoidance of doubt, each of CIMC HK, Mr. Li Guiping and Ms. Mao Yi is still eligible to vote in respect of the resolution other than the resolution approving the H Share Buy-back Offer and Voluntary Withdrawal of Listing at the H Shareholders Class Meeting.

As at the Latest Practicable Date, the Company has 563,920,000 H Shares and 1,453,680,000 A Shares in issue. Pursuant to the articles of association of the Company, the rules of the Employee Stock Ownership Scheme (2023-2027) and the laws and regulations in the PRC, holders of all the A Shares other than those held by the Phase I Employee Stock Ownership Scheme (2023-2027) on behalf of a total of 25 participating employees, Xiangshan Huajin and Hainan Longyuan Gangcheng are eligible to vote at the A Shareholders Class Meeting, and holders of all the Shares other than those held by Mr. Li Guiping, Ms. Mao Yi, the Phase I Employee Stock Ownership Scheme (2023-2027) on behalf of a total of 25 participating employees, Xiangshan Huajin and Hainan Longyuan Gangcheng are eligible to vote at the EGM.

Pursuant to the articles of association of the Company, the chairman of the EGM and the H Shareholders Class Meeting will be the chairman of the Board, Mr. Mai Boliang, or one of the Directors of the Company. Pursuant to the Takeovers Code and Rule 3.3 of the Share Buy-backs Code, as all of the Directors are parties acting in concert with the Company and no Directors are considered as independent in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, none of the Directors shall exercise any voting rights at the EGM or the H Shareholders Class Meeting. Therefore, the chairman of the EGM and the H Shareholders Class Meeting shall not vote at the EGM or the H Shareholders Class Meeting at his/her discretion as proxy or otherwise.

In order to determine the H Shareholders who are eligible to attend and vote at the EGM and the H Shareholders Class Meeting, the H Share register of members of the Company shall be closed from 15 April 2024 to 18 April 2024 (both days inclusive), during which period no transfer of shares will be registered.

Shareholders who intend to appoint a proxy to attend the EGM and H Shareholders Class Meeting shall complete and return the form of proxy in accordance with the instructions printed thereon. For the H Shareholders, the form of proxy should be returned to the office of the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, 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 in person or by post not less than 24 hours before the time fixed for holding the EGM and the H Shareholders Class Meeting or any adjourned meeting thereof.

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## LETTER FROM THE BOARD

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### PROCEDURES IN DEMANDING A POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM, the H Shareholders Class Meeting and the A Shareholders Class Meeting will therefore demand a poll for every resolution put to the vote of the EGM, the H Shareholders Class Meeting and the A Shareholders Class Meeting.

In compliance with the requirements of Rule 2.9 of the Takeovers Code, the Listing Rules and the articles of association of the Company, the Company will appoint the H Share Registrar to act as scrutineer for the vote-taking at the EGM and the H Shareholders Class Meeting.

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorised representative) shall have one vote for each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same manner.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Offer Document. You are also recommended to carefully read “*Further Terms and Procedures for Acceptance of the H Share Buy-back Offer*” as set out in Appendix I to this Offer Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the H Share Buy-back Offer. In considering what action to take in connection with the H Share Buy-back Offer, you should also consider your own tax positions, if any, any in case of any doubt, consult your professional advisers.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors are of the view that the terms of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing are fair and reasonable and is in the best interest of the Company and its Shareholders as a whole.

Your attention is drawn to the “*Letter from Somerley*” as set out on pages 49 to 86 of this Offer Document, which contain, among other things, their advice in relation to the H Share Buy-back Offer and Voluntary Withdrawal of Listing and the principal factors considered by them in arriving at their recommendation.

### FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Offer Document.

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

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## LETTER FROM SOMERLEY

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*The following is the full text of a letter of advice from Somerley Capital Limited prepared for the purpose of inclusion in this Offer Document, setting out its advice to the Independent H Shareholders in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.*



**SOMERLEY CAPITAL LIMITED**  
20th Floor  
China Building  
29 Queen's Road Central  
Hong Kong

27 March 2024

*To: The Independent H Shareholders*

Dear Sirs,

**(1) CONDITIONAL CASH OFFER BY UBS ON BEHALF OF  
CIMC VEHICLES (GROUP) CO., LTD. TO BUY-BACK ALL THE  
ISSUED H SHARES (OTHER THAN THOSE HELD BY CIMC GROUP  
AND ITS CONCERT PARTIES) AT HK\$7.5 PER H SHARE; AND  
(2) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF  
THE H SHARES OF CIMC VEHICLES (GROUP) CO., LTD. FROM  
THE STOCK EXCHANGE OF HONG KONG LIMITED**

### INTRODUCTION

We refer to our appointment to advise the Independent H Shareholders in connection with the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, details of which are set out in the letter from the Board contained in the Offer Document to the Shareholders dated 27 March 2024, of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Offer Document.

As stated in the letter from the Board, a board meeting of the Company was held on 11 March 2024, whereby the Board resolved, among other matters, that subject to compliance with the Takeovers Code, the Share Buy-backs Code and the Listing Rules, the H Share Buy-back Offer shall be made to buy-back all the H Shares in issue, other than those held by CIMC Group and its concert parties. The H Share Buy-back Offer involves cancellation of H Shares repurchased by the Company and corresponding reduction of the registered capital of the Company, and constitutes a capital reorganisation under the Takeovers Code. If the H Share Buy-back Offer becomes unconditional in all respects, all the H Shares repurchased will be cancelled and the registered capital of the Company will be reduced accordingly, and the Company will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules. The share capital of the Company comprises H Shares and A Shares. The Company will not make an offer



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## LETTER FROM SOMERLEY

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for the A Shares as it is the Company's intention to maintain the listing of the A Shares on the Shenzhen Stock Exchange. As advised by the PRC legal advisers to the Company, the Company is not required to make a comparable offer for the A Shares pursuant to PRC laws and regulations.

CIMC Group (a holder of 728,443,475 A Shares, representing approximately 50.11% of all the A Shares in issue and approximately 36.10% of the total issued share capital of the Company as at the Latest Practicable Date) and CIMC HK (a wholly-owned subsidiary of CIMC Group and a holder of 417,190,600 H Shares, representing approximately 73.98% of all the H Shares in issue and approximately 20.68% of the total issued share capital of the Company as at the Latest Practicable Date) have entered into the CIMC Group and CIMC HK Irrevocable Undertaking in favour of the Company, pursuant to which they have irrevocably and unconditionally undertaken to the Company, among other things, that (i) the H Share Buy-back Offer does not have to be extended to CIMC HK, and no comparable A Share offer has to be extended to CIMC Group, and even if the H Share Buy-back Offer is extended to CIMC HK and/or such comparable A Share offer is extended to CIMC Group, they will not accept the H Share Buy-back Offer or such comparable A Share offer; and (ii) CIMC HK will attend the H Shareholders Class Meeting and the EGM, and CIMC Group will attend the A Shareholders Class Meeting and the EGM, and they will respectively vote in favour of the resolutions to be proposed at the A Shareholders Class Meeting and the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. Each of the Independent IU Shareholders (holding an aggregate of 80,143,000 H Shares, representing approximately 55.16% of all the H Shares held by the Independent H Shareholders, approximately 14.21% of all the H Shares in issue and approximately 3.97% of the total issued share capital of the Company as at the Latest Practicable Date) has entered into the Independent H Shareholder Irrevocable Undertaking, pursuant to which each of the Independent IU Shareholders has irrevocably and unconditionally undertaken to the Company, among other things, that it will accept the H Share Buy-back Offer in respect of all the H Shares and any other securities of the Company held by it and will vote in favour of the resolutions to be proposed at the H Shareholders Class Meeting, the A Shareholders Class Meeting (if applicable) and the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

Pursuant to Rule 3.3 of the Share Buy-backs Code, as no Directors are considered as independent in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, no independent board committee has been formed for the purpose of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. We, Somerley Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent H Shareholders in connection with the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. We are not associated with the Company, CIMC Group, CIMC HK or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly we are considered eligible to give independent advice on the terms of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, CIMC Group, CIMC HK or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them. In addition, save for the aforesaid engagement, no other services were provided by Somerley to the Company during the past two years.

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## LETTER FROM SOMERLEY

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In formulating our opinion and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company (collectively, “**Management**”), which we have assumed are true, accurate and complete in all material aspects as at the Latest Practicable Date and will remain so up to the time of the H Shareholders Class Meeting and the EGM. Should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have reviewed the annual report of the Company for the year ended 31 December 2022 (the “**FY2022 Annual Report**”) and the annual results announcement of the Company for the year ended 31 December 2023 (the “**FY2023 Annual Results**”), and the information contained in the Offer Document. We have sought and received confirmation from the Directors that all material relevant information has been supplied to us and that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to doubt the truth, accuracy or completeness of the information provided to us, or to believe that any material information has been omitted or withheld. We have relied on such information and consider that the information which we have received is sufficient for us to reach an informed view. We have, however, not conducted any independent investigation into the business and affairs of the Group, CIMC Group, CIMC HK and their respective subsidiaries or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied.

We have not considered the taxation implications or regulatory implications on the Independent H Shareholders of acceptances of the H Share Buy-back Offer since these are particular to their individual circumstances. In particular, the Independent H Shareholders who are Overseas H Shareholders or subject to overseas taxation or regulatory requirements on securities dealings should consider their own tax position and observe applicable legal or regulatory requirements and, if in any doubt, should consult their own professional advisers.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion and recommendation on the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, we have taken into account the following principal factors and reasons:

#### **1. Information on the Group**

The Company is a joint stock company incorporated in the PRC with limited liability and its H Shares are listed on the Main Board of the Hong Kong Stock Exchange and its A Shares are listed on ChiNext Market of the Shenzhen Stock Exchange. The Company is the world’s leader in the sophisticated manufacturing of semi-trailers and specialty vehicles, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China.

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## LETTER FROM SOMERLEY

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As at the Latest Practicable Date, the Company has 563,920,000 H Shares (representing approximately 27.95% of the total issued share capital of the Company) and 1,453,680,000 A Shares (representing approximately 72.05% of the total issued share capital of the Company) in issue.

### *1.1. Financial performance*

Set out below are the summarised consolidated income statements of the Group for the three years ended 31 December 2021, 2022 and 2023 (“FY2021”, “FY2022” and “FY2023”, respectively), as extracted from FY2022 Annual Report and the FY2023 Annual Results:

**TABLE 1: SUMMARISED CONSOLIDATED INCOME STATEMENTS OF THE GROUP AND ADJUSTED NET PROFIT**

<i>(RMB million)</i>	<b>FY2023</b> <i>(audited)</i>	<b>FY2022</b> <i>(audited)</i>	<b>FY2021</b> <i>(audited)</i>
<b>Revenue</b>	25,086.6	23,620.6	27,647.8
Gross profit margin	18.96%	13.28%	11.02%
<b>Net profit attributable to Shareholders</b>	2,455.7	1,118.0	900.7
<b>Adjusted net profit attributable to Shareholders<sup>(1)</sup></b>	1,605.9	951.4	752.0
<b>Cash dividend per Share (RMB)</b>	Nil	0.3	0.5 <sup>(2)</sup>

*Notes:*

1. Calculated based on the net profit attributable to Shareholders less non-recurring gains or losses (after tax) from disposals of non-current assets and long-term equity investments and costs (after tax) incidental thereto (if any).
2. It contained a special interim dividend of RMB0.3 per Share.

#### *a. Revenue and gross profit margin*

The Group’s revenue decreased by 14.57% from RMB27,647.8 million for FY2021 to RMB23,620.6 million for FY2022, mainly due to (i) suppression of the domestic semi-trailer market demand as a result of the economic downturn in the PRC, and weak logistics demand and efficiency; and (ii) a weak specialty vehicle market in the PRC resulting from the exhaustion of demand for specialty vehicles in the PRC as a result of the implementation of China VI emission standards. The Group’s overall gross profit margin improved by 2.26% to 13.28% in FY2022. It has seen an uptick of 6.21% in the Group’s revenue in FY2023 to reach RMB25,086.6 million. The Group’s gross profit margin increased by 5.68% to 18.96% in FY2023, benefitting from the optimisation of

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## LETTER FROM SOMERLEY

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product structure and offerings, the increase in sales of products with high margins, the implementation of innovative sales models and economies of scale derived from the Group's mature global manufacturing network.

Set out below are the segment revenue information of the Group by major regions for FY2021, FY2022 and FY2023, as extracted from FY2022 Annual Report and FY2023 Annual Results:

**TABLE 2: SEGMENT REVENUE OF THE GROUP BY MAJOR REGIONS**

	FY2023			FY2022			FY2021		
	Revenue	% of total revenue	Gross profit margin	Revenue	% of total revenue	Gross profit margin	Revenue	% of total revenue	Gross profit margin
<i>(RMB million)</i>									
PRC market	8,629.38	34.40%	11.44%	8,335.18	35.29%	9.99%	18,637.76	67.41%	11.32%
North American market	10,854.83	43.27%	25.76%	11,038.90	46.73%	16.22%	5,041.89	18.24%	10.65%
European market	3,063.45	12.21%	17.63%	2,421.04	10.25%	8.48%	2,455.21	8.88%	8.51%

### FY2022

The Group has seen a shift in its largest market. In FY2021, PRC market, contributing around 67% of the Group's total revenue, was the largest market for the Group. North American market came second, generating around 18% of the Group's total revenue. In FY2022, North American market became the Group's largest market by a 47% contribution. PRC market generated 55% less revenue in FY2022 as compared to FY2021 and dropped to the second largest market of the Group. We have discussed such shift with the Management, and were advised that this was mainly due to (i) increases in sales volume and selling prices of semi-trailers in North American market driven by strong market demand in FY2022; and (ii) a weak demand for specialty vehicles in the PRC market amid faltering PRC economy in FY2022. European market played a relatively smaller role as compared to PRC market and North American market but it has achieved steady positive growth.

The gross profit margins of the PRC market, North American market and European market in FY2022 were 9.99%, 16.22% and 8.48%, respectively. Compared to FY2021, PRC market's gross profit margin slid by 1.33%, mainly due to PRC weak demand for specialty vehicles which have higher profit margins. In contrast, compared to FY2021, North American market's profit margin increased by 5.57%, principally attributable to economies of scale achieved through increased sales in North American market. The gross profit margin of European market was relatively stable.

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## LETTER FROM SOMERLEY

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FY2023

Although recording a slight decrease of 2% in its revenue following the demand for semi-trailers in North America returning to normal in the second half of FY2023, North American market remained to be the Group's largest market in FY2023 by contributing 43% of the Group's total revenue. It has seen an uptick of 4% in the revenue generated from PRC market as the PRC economy gradually recovered and a substantial increase of 27% in that from European market in FY2023 mainly due to the sustained high inflation and thus relatively high product prices.

The gross profit margins of the three major markets have been further improved in FY2023 with that of PRC market from 9.99% in FY2022 to 11.44% in FY2023, North American market from 16.22% in FY2022 to 25.76% in FY2023 and European market from 8.48% in FY2022 to 17.63% in FY2023. Those improvements, as advised by the Management, were mainly attributable to the increased selling prices in North American market, cost reduction and efficiency improvement.

Set out below are the segment revenue information of the Group by major products for FY2021, FY2022 and FY2023, as extracted from FY2022 Annual Report and FY2023 Annual Results:

**TABLE 3: SEGMENT REVENUE OF THE GROUP BY MAJOR PRODUCTS**

	FY2023			FY2022			FY2021		
	Revenue	% of total revenue	Gross profit margin	Revenue	% of total revenue	Gross profit margin	Revenue	% of total revenue	Gross profit margin
<i>(RMB million)</i>									
Global									
semi-trailers	18,805.83	74.96%	21.36%	18,143.28	76.81%	13.80%	15,275.85	55.25%	11.23%
Truck bodies for specialty vehicles and chassis and tractor units	2,644.69	10.54%	4.16%	2,367.21	10.02%	3.71%	9,209.61	33.31%	6.71%

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## LETTER FROM SOMERLEY

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### FY2022

Global semi-trailers, which include ordinary semi-trailers and tank trailers, further increased their contribution to the Group's total revenue from 55% in FY2021 to 77% in FY2022 with an improved gross profit margin from 11.23% in FY2021 to 13.80% in FY2022. As advised by the Management, it was mainly due to the strong demand with increased selling prices for semi-trailers and economies of scale achieved through increased sales in North American market.

Truck bodies for specialty vehicles and chassis and tractor units, which contributed one third of the Group's total revenue in FY2021, only made 10% of the Group's revenue in FY2022, mainly due to (i) implementation of new emission standards in PRC market in FY2022; and (ii) faltering infrastructure construction market in the PRC in FY2022. Furthermore, their gross profit margin got squeezed in FY2022, down from 6.71% in FY2021 to 3.71% in FY2022. The decline in its gross profit margin in FY2022 was mainly due to rising average cost following decreased sales of specialty vehicles.

### FY2023

The contributions to the Group's revenue made by global semi-trailers and truck bodies for specialty vehicles and chassis and tractor units remained stable in FY2023. Their gross profit margins, on the other hand, both rose in FY2023. The gross profit margin of global semi-trailers improved from 13.80% in FY2022 to 21.36% in FY2023, mainly benefitting from (i) increased selling prices in North American market and European market; and (ii) the Group's effective cost control. The gross profit margin of truck bodies for specialty vehicles and chassis and tractor units climbed from 3.71% in FY2022 to 4.16% in FY2023, mainly attributable to increased distribution channels in overseas market which normally have higher profit margins.

#### *b. Net profit attributable to Shareholders*

The Group's net profit attributable to Shareholders has recorded a 24.11% year-on-year increase in FY2022 to reach RMB1,118.0 million as compared to FY2021. The increase was mainly due to (i) a substantial increase in the revenue from overseas markets; (ii) a rise in the proportion of revenue from high-quality products as a result of optimisation of the product structure; and (iii) compensation for relocation and resettlement of Qingdao CIMC Special Vehicle Co., Ltd., which was a one-off item as advised by the Management. After having excluded the non-recurring profit or loss (after tax) from disposals of non-current assets and long-term equity investments and costs (after tax) incidental thereto, the Group's adjusted net profit attributable to Shareholders was RMB951.4 million, representing a year-on-year increase of 26.51%.

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## LETTER FROM SOMERLEY

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Compared to FY2022, the Group's net profit attributable to Shareholders achieved a substantial year-on-year increase of 119.66% in FY2023 to arrive at RMB2,455.7 million, mainly due to (i) the Group's strong business performance in North America and sound business growth and improved profitability in other overseas markets; and (ii) one-off non-recurring gains (after deducting income tax) of RMB847.97 million from the disposal of Shenzhen CIMC Vehicle Co., Ltd. ("**Shenzhen Vehicle**"). After having deducted non-recurring gains or losses (after tax) from disposals of non-current assets and long-term equity investments and costs (after tax) incidental thereto which were mainly associated with the disposal of Shenzhen Vehicle, the Group's adjusted net profit attributable to Shareholders was RMB1,605.9 million, representing a year-on-year increase of 68.79%.

*c. Dividend*

As stated in FY2022 Annual Report, the dividends to be distributed by the Company each year shall be between 40% and 60% of the net profit attributable to the Shareholders for the previous fiscal year, subject to the relevant laws and regulations of the PRC and Hong Kong and the Company's articles of association. Furthermore, a proposal on profit distribution policy and shareholders return plan for the next three years, which requires that the total profit distributed in cash over the next three years after the listing of A Shares of the Company (i.e. 8 July 2021) shall not be less than 30% of the average annual distributable profit over the past three years, was approved at the annual general meeting held on 22 June 2022.

The Company declared a special dividend of RMB0.3 per Share in addition to a final dividend for FY2021. Dividends for FY2021 and FY2022 amounted to RMB0.5 per Share and RMB0.3 per Share respectively, accounting for 78.1% and 62.5% of the basic earnings per Share in the year preceding the respective year. As set out in the letter from the Board, as at the Latest Practicable Date, the Company confirms that (i) it has not declared any dividend which is not yet paid and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the Final Closing Date. As a result, no dividend has been declared for FY2023.

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## LETTER FROM SOMERLEY

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### 1.2. Financial position

Set out below are the summarised consolidated balance sheets of the Group as at 31 December 2021, 2022 and 2023 as extracted from FY2022 Annual Report and FY2023 Annual Results:

**TABLE 4: SUMMARISED CONSOLIDATED BALANCE SHEETS OF THE GROUP**

<i>(RMB million)</i>	<b>As at 31 December</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Total equity attributable to Shareholders (“NAV”)	14,808.9	12,699.8	11,738.9
NAV per Share (RMB) <sup>(Note)</sup>	7.34	6.29	5.82

*Note:* Calculated based on the NAV of the respective year divided by the number of Shares in issue at the end of the respective year.

The Group’s NAV in FY2022 and FY2023 were RMB12,699.8 million and RMB14,808.9 million respectively, representing year-on-year increases of 8.2% and 16.6% as compared to the previous financial year respectively. The increases were mainly due to the increases in profit attributable to Shareholders in FY2022 and FY2023 respectively. As a result, the NAV per Share increased from RMB5.82 per Share in FY2021 to RMB6.29 per Share in FY2022 to RMB7.34 per Share in FY2023.

#### *Comments*

The Group has been the semi-trailer market leader in both PRC market and overseas markets. Diversified markets and global production and distribution network have helped steer the Group through complexities and dynamics. Despite having suffered some setbacks in its recent profitability in PRC market, the Group overall has been able to deliver robust and quality business performance in the past three years amid ever-changing market conditions home and abroad. The net profit attributable to the Shareholders achieved positive growth and the NAV per Share steadily increased in FY2022. Furthermore, the net profit attributable to Shareholders doubled and NAV per Share achieved a 16.6% increase in FY2023.

Looking forward, as discussed in the sub-section headed “1.3 Industry overview” below, to sustain the current momentum and maintain competitiveness, the Management may need to closely monitor recovery progress of the domestic logistic industry and continuing turbulences in overseas markets and keep abreast of trending technologies.



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## LETTER FROM SOMERLEY

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### *1.3. Industry overview*

The Group is mainly engaged in the global production and sales of semi-trailers, truck bodies for specialty vehicles, and other vehicles or parts and components with production and sales of semi-trailers accounting for 75% of its total revenue for FY2023. North America and PRC are the two major markets for the Group, which have respectively contributed 43.3% and 34.4% of the total revenue of the Group in 2023 based on the FY2023 Annual Results. According to the 2023 Global OEM Ranking List (the “**List**”) published by Global Trailer (a business publication published by Prime Creative Media, Australia’s largest business-to-business publisher), the Company ranked first among semi-trailer manufacturers in the world in terms of production output, for the eleventh year in a row.

#### *Semi-trailer market in North America*

North America comprises 7 countries, out of which United States accounts for majority of the total population. According to “United States Trailers” published by Americas Commercial Transportation Research Company (a recognised leading publisher of commercial vehicle industry data, market analysis and forecasting services in North America) in January 2024 (“**ACT Report**”), the trailers industry experienced demand-exceeding-capacity situation at the beginning of 2023, but supply-side improvements were countered by softening demand and increasing order cancellations during 2023. Dealers were awash with inventory and fleets chose to stay on the sidelines. Based on the ACT Report, the aggregate net orders and shipments of dry vans, reefers vans and chassis, being the major products of the Group, as advised by the Management, for FY2023 were 193,860 units and 292,688 units, respectively, representing a decrease of 43.8% and a slight increase of 1.0%, respectively, as compared to the same for previous year. The slowdown in net orders suggests that the pent-up demand in early 2023 has been exhausted. Due to the decline in net orders while the shipment volume was comparable to that of the prior year, it is anticipated that there might be a decline in shipments volume in 2024, which might impact revenue recognition across the players within the industry. It is further mentioned in the ACT Report that industry stakeholders indicate that the overall business environment and expectations for 2024 demand are considered worse than they were in 2023. In terms of orders and expectations for 2024, trailer manufacturers have mentioned that negotiations are still ongoing, but the pace of order placements is slower compared to previous years.

#### *Semi-trailer market in China*

According to the 2023 logistics statistical analysis published by China Federation of Logistics & Purchasing (a government recognised logistics industry association in the PRC) in February 2024, the total value of social logistics goods in China reached RMB352.4 trillion for 2023, representing a year-on-year increase of 5.2%. It is stated that the PRC economy is experiencing a notable rebound from previous fluctuations in 2023. The logistics operating environment has improved, contributing to the overall resurgence

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## LETTER FROM SOMERLEY

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of the industry. Notably, there has been a consistent growth in logistics demand across multiple sectors, including agriculture, industry, consumption, and imports. This growth surpasses the previous year's performance, indicating a positive and encouraging trend within the logistics industry.

According to Statistics Communiqué of the PRC on the 2023 National Economic and Social Development published by National Bureau of Statistics of China, the highways freight volume in China for 2023 was 40.34 billion tons, representing a year-on-year increase of 8.7%. Semi-trailers are crucial for transporting goods by road. An industry analyst report published by Soochow Securities Co., Ltd. in 2023 indicates that the increase in domestic logistics demand is expected to correspondingly increase the demand for semi-trailers.

### *Comments*

The semi-trailer market in the United States experienced a decline in net orders in 2023 compared to the previous year, largely due to softening demand and increasing order cancellations. Dealers have stocked up on inventory but fleets are increasingly conservative over further investments in trailers. The shipments volume in 2024 is expected to correspondingly decline, which would impact revenue recognition across the industry players. The Group has also experienced a slowdown in sales in North America in the second half of 2023 as compared to the corresponding period in previous year. According to the ACT Report, the overall business environment and expectations for 2024 demand are somewhat less favourable and the trailer manufacturers reiterated that order placements have slowed down as compared to previous years.

No statistics on semi-trailers in the PRC market are available. Alternatively, we looked at value of logistics goods and highways freight volume in the PRC as semi-trailers are used for transporting goods by roads. The total value of social logistics goods in the PRC experienced a year-on-year increase, reflecting an improved operating environment and a rebounding economy. The highways freight volume in the PRC also saw positive growth, which is expected to drive the demand for logistics equipment, including semi-trailers.

The Group's sales in North America dropped slightly by 1.7% year-on-year in 2023 after robust growth in 2022, which has been largely in line with the United States' trailer market in 2023 as discussed above, whilst its sales in China registered a mild 3.5% increase in 2023. The gross profit margin of the North American market was 25.76%, significantly higher than that of the PRC market of 11.44%, in 2023. While this could indicate that the decline in sales to North American market could to some extent possibly be offset by the increase in sales to PRC market, but it would be challenging for the Group to maintain its overall gross profit margin or profitability in view of the sluggish North American market going forward.

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## LETTER FROM SOMERLEY

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### 2. Principal terms of the H Share Buy-back Offer

The Offer Shares subject to the H Share Buy-back Offer will comprise all the H Shares in issue other than those held by CIMC Group and its concert parties.

For each Offer Share HK\$7.5 in cash

**The Company will not increase the Offer Price as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Company will not be allowed to increase the Offer Price and the Company does not reserve the right to increase the Offer Price.**

Under the terms of the H Share Buy-back Offer, subject to the H Share Buy-back Offer becoming unconditional in all respects, the Offer Shares to be acquired shall be fully paid and free from all Encumbrances, together with all rights attached or accrued thereto on or after the date on which the H Share Buy-back Offer is made, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the date on which the H Share Buy-back Offer is made (i.e. the date of despatch of the Offer Document).

All the H Shares bought-back under the H Share Buy-back Offer will be cancelled and subject to the H Share Buy-back Offer becoming unconditional in all respects, the listing of the H Shares on the Hong Kong Stock Exchange will be withdrawn. For the avoidance of doubt, the H Shares held by CIMC Group and its concert parties are not subject to the H Share Buy-back Offer and therefore will not be cancelled upon the H Share Buy-back Offer becoming unconditional in all respects. The H Shares held by CIMC Group and its concert parties will become unlisted H Shares, and will not be reclassified as A Shares or domestic shares of the Company or be listed in other stock exchanges.

The Company confirms that as at the Latest Practicable Date, (i) it has not declared any dividend which is not yet paid and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the Final Closing Date.

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## LETTER FROM SOMERLEY

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### *Major Conditions of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing*

The H Share Buy-back Offer and the Voluntary Withdrawal of Listing shall be subject to, among others, the following Conditions being fulfilled:

- (a) the passing of the resolution to be proposed at the H Shareholders Class Meeting for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that:
  - (i) the resolution is approved (by way of poll) by (x) at least two-third (2/3) of the votes attaching to all the H Shares held by the H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting, and (y) at least 75% of the votes attaching to all the H Shares held by the Independent H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting; and
  - (ii) the number of votes cast (by way of poll) by the Independent H Shareholders present and voting either in person or by proxy at the H Shareholders Class Meeting against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) the passing of the resolution to be proposed at the A Shareholders Class Meeting for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the A Shares held by the A Shareholders that are voted either in person or by proxy at the A Shareholders Class Meeting;
- (c) the passing of the resolution to be proposed at the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the Shares held by the Shareholders that are voted either in person or by proxy at the EGM; and
- (d) minimum valid acceptances of the H Share Buy-back Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time and date as the Company may, subject to the Takeovers Code, decide) amounting to at least 90% of the H Shares held by the Independent H Shareholders.

Further details of the Conditions are contained in the letter from the Board of the Offer Document.

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## LETTER FROM SOMERLEY

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### *Intention of the Company*

The Company intends to buy-back all the H Shares in issue other than those held by CIMC Group and its concert parties, and withdraw the listing of its H Shares from the Hong Kong Stock Exchange pursuant to the H Share Buy-back Offer. The Company intends to maintain the listing status of the A Shares on the Shenzhen Stock Exchange. Completion of the H Share Buy-back Offer will not result in a change of control of the Company within the meaning of the Takeovers Code.

It is the intention of the Company that, after the delisting of the H Shares, (i) the Group will continue to carry on its current business; (ii) the Company will not introduce any major changes to the business of the Group (including any redeployment of fixed assets of the Group) in the foreseeable future; and (iii) the Company will not make any significant changes to the continued employment of the employees of the Group as a result of the implementation of the H Share Buy-back Offer or the Voluntary Withdrawal of Listing.

### **3. Reasons for and benefits of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing**

As disclosed in the letter from the Board, the Board believes that the H Share Buy-back Offer and the Voluntary Withdrawal of Listing are in the interests of the Company and the Shareholders as a whole, taking into account (a) the low trading volume and limited liquidity of the H Shares, which creates difficulty for the Company to effectively conduct fund raising exercise on the Hong Kong Stock Exchange; (b) the H Share Buy-back Offer, if materialised, will result in a possible one-off investment gain for the accepting H Shareholders; and (c) the Voluntary Withdrawal of Listing, if materialised, will allow the Company to save costs and expenses associated with regulatory compliance of its listing of H Shares, which we concur with based on our analysis set out in the section 4 below.

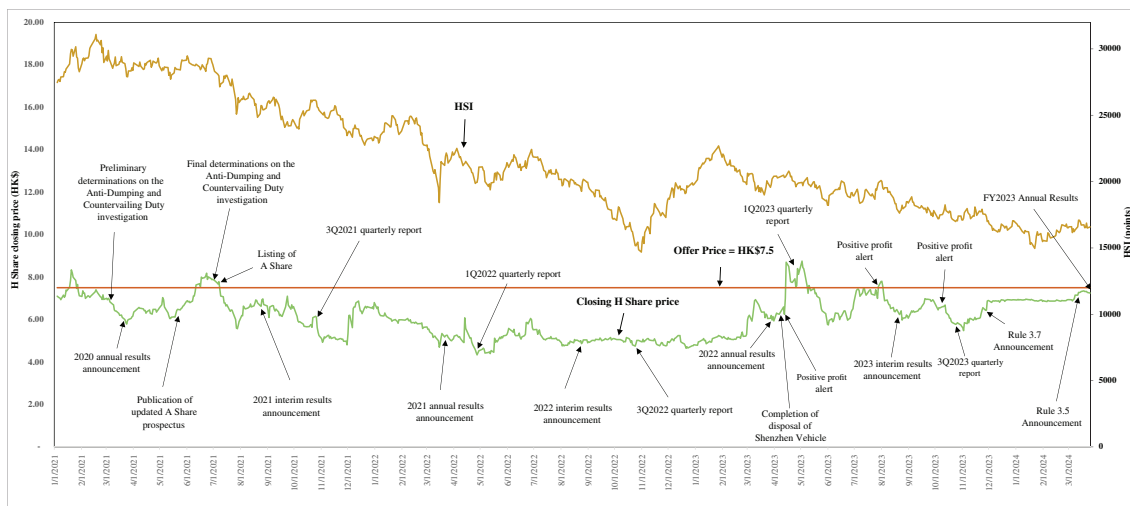
**4. Evaluation of the Offer Price**

**4.1. H Share analysis**

*(a) H Share price performance*

Set out below is the movement of the closing prices of the H Shares on the Hong Kong Stock Exchange during the period from 1 January 2021 up to and including the Latest Practicable Date (the “**Review Period**”), which covers recent major corporate actions including the listing of A Shares and the major market shift as discussed in sub-section headed “1.1 Financial performance” above, is considered to be sufficient to provide a general overview of recent market performance of H Shares. The H Share price performance during the Review Period is illustrated as follows:

**FIGURE 1: H SHARE PRICE PERFORMANCE COMPARED TO OFFER PRICE AND HANG SENG INDEX (“HSI”)**



Source: Bloomberg and websites of the Hong Kong Stock Exchange and the Company

The Offer Price represents a premium of approximately 17.55% over the Company’s initial public offering (“**IPO**”) price of HK\$6.38. The Offer Price of HK\$7.5 has been higher than the closing prices of the H shares in 746 trading days out of a total of 794 trading days during the Review Period. In this period, it seems that the closing prices of the H Shares have not quite moved in line with HSI since 2022 which may be due to the Group’s business development and financial performance.

As shown in the above figure, the H Shares closed between approximately HK\$6.83 and HK\$8.34 commencing from the beginning of the Review Period until early March 2021. On 7 March 2021, the Company published an announcement in relation to preliminary determinations on the Anti-Dumping and Countervailing Duty investigation initiated by United States on certain trailers imported from the PRC (the “**Investigation**”). In response, H Share price dropped from approximately HK\$6.72 on 8 March 2021 to HK\$5.79 on 24 March 2021.

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## LETTER FROM SOMERLEY

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On 18 May 2021, the Company announced the publication of updated A Share prospectus, after which the closing price of the H Share rebounded from HK\$6.12 on 18 May 2021 to HK\$8.18 on 23 June 2021. After the announcement of the final determination on the Investigation on 4 July 2021 and the listing of the A Share on 8 July 2021, the H Share closing price erased gains and closed below the Offer Price of HK\$7.5 for a period of 21 months until 14 April 2023, despite that CIMC Group, the controlling Shareholder of the Company, had purchased in aggregate 27,052,600 H Shares by way of centralised bidding and block trades in the open market from December 2021 to January 2023. The Company's announcements of its interim, quarterly, and annual results during this period also did not seem to generate any marked impact on the H Share price.

On 17 February 2023, the Company together with its subsidiary entered into an equity transfer agreement with CIMC Group pursuant to which the Group disposed of 100% equity interests in Shenzhen Vehicle to CIMC Group. Such disposal was completed on 7 April 2023. On 12 April 2023, the Company announced a positive profit alert which estimated that the net profit attributable to the Shareholders of the Company for the three months ended 31 March 2023 would record a year-on-year increase of 239%-314%, as a result of the Group's strong business performance in North America which benefited from (i) local government's favourable economic policies; and (ii) the rapid expansion of the multimodal transport (i.e. movement of goods using multiple modes of transportation, such as rail, road, water, and air, in a coordinated and an integrated manner) business. The closing price of the H Share then surged significantly and reached its highest level during the Review Period of HK\$8.75 on 2 May 2023. The H Shares closing price then gradually trended downwards and reached HK\$5.75 on 1 June 2023 and then mainly moved between HK\$6.00 and HK\$7.50 during the period from late May 2023 to mid October 2023.

The H Shares closing price fell after the release of the positive alert announcement for the nine months ended 30 September 2023 on 12 October 2023 from HK\$6.68 to HK\$5.48 on 2 November 2023. The H Share price gradually climbed commencing from early November 2023 and closed at HK\$6.44 on the Last Trading Day, being the day immediately preceding the publication of the Rule 3.7 Announcement. We have discussed this with the Management and they are unaware of the reason for such fluctuations.

After the release of the Rule 3.7 Announcement and up to the Latest Practicable Date, the closing price of the H Shares was between HK\$6.81 and HK\$7.35, with an average closing price of HK\$6.96. The H Share price closed at HK\$7.25 as at the Latest Practicable Date. The Offer Price of HK\$7.5 per Share represents a premium of approximately 3.45% over the closing price of the H Share on the Latest Practicable Date.

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## LETTER FROM SOMERLEY

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A comparison of the Offer Price of HK\$7.5 per H Share with the recent closing prices of the H Shares is set out as follows:

**TABLE 5: H SHARE PRICE COMPARISON**

	<b>Closing price or average closing price of the H Shares</b>	<b>Premium represented by the Offer Price</b>
Last Trading Day	HK\$6.44	16.46%
5 trading days <sup>(Note)</sup>	HK\$6.36	17.92%
10 trading days <sup>(Note)</sup>	HK\$6.20	20.97%
30 trading days <sup>(Note)</sup>	HK\$5.98	25.42%
60 trading days <sup>(Note)</sup>	HK\$6.30	19.05%
90 trading days <sup>(Note)</sup>	HK\$6.47	15.92%
Latest Practicable Date	HK\$7.25	3.45%

*Source: Bloomberg and the Hong Kong Stock Exchange website*

*Note: Up to and including the Last Trading Day.*

The Offer Price of HK\$7.5 per Share represents a premium of approximately 15.92% to 25.42% over the closing price of the H Share on the Last Trading Day and the average closing prices of the H Shares for the 5, 10, 30, 60 and 90 trading days (up to and including the Last Trading Day) before the release of Rule 3.7 Announcement. On the Latest Practicable Date, the Offer Price represents a premium of 3.45% over the closing price of the H Share. We consider that the H Share price following the release of the Rule 3.7 Announcement has been largely affected by the indicative offer price of HK\$7.0 set out in the Rule 3.7 Announcement and further affected by the terms of the H Share Buy-back Offer set out in the Rule 3.5 Announcement.



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**LETTER FROM SOMERLEY**

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(b) *Trading liquidity*

Set out below are the monthly total trading volumes of the H Shares and the percentages of such monthly total trading volume to the total issued H Shares and H Share public float of the Company during the Review Period:

**TABLE 6: TRADING LIQUIDITY OF THE H SHARES**

	Monthly total trading volume of the H Shares	Percentage of the monthly total trading volume of the H Shares to the total issued H Shares (Note 1)	Percentage of the monthly total trading volume of the H Shares to H Share public float (Note 2)
<b>2021</b>			
January	34,959,856	6.20%	12.53%
February	6,157,461	1.09%	2.21%
March	10,646,912	1.89%	3.82%
April	11,153,493	1.98%	4.00%
May	7,378,761	1.31%	2.65%
June	17,559,443	3.11%	6.30%
July	8,682,494	1.54%	3.11%
August	7,846,920	1.39%	2.81%
September	121,713,500	21.58%	68.23%
October	10,061,920	1.78%	5.64%
November	7,655,805	1.36%	4.31%
December	30,011,500	5.32%	17.35%
<b>2022</b>			
January	2,064,000	0.37%	1.20%
February	1,653,509	0.29%	0.96%
March	1,210,123	0.21%	0.70%
April	19,586,046	3.47%	11.35%
May	9,945,632	1.76%	5.88%
June	7,302,282	1.29%	4.37%
July	980,763	0.17%	0.59%
August	752,100	0.13%	0.45%
September	1,170,582	0.21%	0.70%
October	1,273,989	0.23%	0.76%
November	1,943,000	0.34%	1.16%
December	9,737,600	1.73%	6.06%

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## LETTER FROM SOMERLEY

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	Monthly total trading volume of the H Shares	Percentage of the monthly total trading volume of the H Shares to the total issued H Shares (Note 1)	Percentage of the monthly total trading volume of the H Shares to H Share public float (Note 2)
<b>2023</b>			
January	17,347,000	3.08%	11.82%
February	4,784,500	0.85%	3.26%
March	17,457,100	3.10%	11.90%
April	42,099,309	7.47%	28.69%
May	24,685,564	4.38%	16.82%
June	16,351,500	2.90%	11.14%
July	39,205,762	6.95%	26.72%
August	22,373,894	3.97%	15.25%
September	20,095,679	3.56%	13.70%
October	18,187,000	3.23%	12.40%
November <sup>(Note 3)</sup>	40,132,516	7.12%	27.35%
December	17,219,191	3.05%	11.74%
<b>2024</b>			
January	7,813,744	1.39%	5.33%
February	5,391,000	0.96%	3.67%
March (up to and including the Latest Practicable Date)	24,453,500	4.34%	16.67%

*Source: Bloomberg and the Hong Kong Stock Exchange website*

*Notes:*

- (1) The calculation is based on the monthly total trading volumes of the H Shares divided by the total number of H Shares in issue as at the end of each month or the Latest Practicable Date, as applicable.
- (2) The calculation is based on the monthly total trading volumes of the H Shares divided by the total number of H Shares held by the public as at the end of each month or the Latest Practicable Date based on the information provided by the Company, as applicable.
- (3) Trading in the H Shares was suspended on 28 November 2023.

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## LETTER FROM SOMERLEY

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From January 2021 to August 2021, the monthly turnover of the H Shares stayed below 6.20% of the total issued H Shares and 12.53% of the H Share public float. From September 2021 to January 2023, as disclosed in the Company's voluntary announcements, CIMC Group being the controlling Shareholder of the Company purchased H Shares from time to time by way of block trades or centralised bidding in the open market. In particular, the purchases of H Shares made by CIMC Group in September 2021 and January 2023 accounted for more than 80% of the respective monthly turnover. Without taking into account the purchases of H Shares made by CIMC Group, the monthly turnover of the H Shares would drop below 15% of the H Share public float from September 2021 to January 2023. After the purchases of the H Shares, the H Shares owned by CIMC Group increased from 50.54% to 73.98% of the total issued H Shares and the H Share public float fell to 26.02%.

It is noted that the monthly turnover of the H Shares ticked up from 11.14% to 28.69% of H Share public float since March 2023 but before the publication of Rule 3.7 Announcement. In particular, it reached 28.69% of the H Share public float in April 2023 when the Company announced profit alert for three months ended 31 March 2023 due to the Group's strong North America Business performance; and 26.72% of the H Share public float in July 2023 when the Company announced profit alert for six months ended 30 June 2023 due to the continued positive momentum of North America business and non-recurring gain arising from completion of the disposal of Shenzhen Vehicle in April 2023. Following the publication of the Rule 3.7 Announcement, the trading volume surged again in November 2023 to 27.35%, which, in our view, was principally related to Shareholders' expectations regarding the H Share Buy-back Offer, and this trend may not continue after such offer closes or lapses.

In the absence of continued H Share purchases by CIMC Group or the Group's favourable development or performance such as one-off profitable disposals or continued positive momentum in the Group's business in the future, the Shareholders (especially those with relatively sizeable shareholdings) may face downward pressure in H Share price if they have intentions to dispose of a significant number of H Shares within a short period. On this basis, the H Share Buy-back Offer provides a solid exit opportunity for the Independent H Shareholders (especially those with relatively sizeable shareholdings) who are unsure of the future prospects of the Group and would like to realise their investments in the H Shares at a fixed cash price without disturbing the market price.

(c) *Premium/(discount) of the H Share price over/to the NAV per Share*

In assessing the fairness and reasonableness of the Offer Price, we have reviewed, as set out in the table below, the H Share prices, the NAV per Share and premium/(discount) of H Share prices over/(to) NAV per Share (based on the quarterly, interim and annual results announcements and the monthly returns) on a monthly basis during the Review Period:

**TABLE 7: PREMIUM/(DISCOUNT) OF THE H SHARE PRICE OVER/TO THE NAV PER SHARE**

	2021			2022			2023			2024		
	H Share price HK\$	NAV per share <sup>(2),(3)</sup> HK\$	Premium/ (Discount) of H Share price over/(to) NAV per Share	H Share price HK\$	NAV per share <sup>(2),(3)</sup> HK\$	Premium/ (Discount) of H Share price over/(to) NAV per Share	H Share price HK\$	NAV per share <sup>(2),(3)</sup> HK\$	Premium/ (Discount) of H Share price over/(to) NAV per Share	H Share price HK\$	NAV per share <sup>(2),(3)</sup> HK\$	Premium/ (Discount) of H Share price over/(to) NAV per Share
January	6.94-8.34	5.93	17.0%-40.6%	5.83-6.60	6.97	(16.3)%-(5.2)%	4.79-5.25	6.61	(27.6)%-(20.6)%	6.86-6.96	7.78	(11.8)%-(10.5)%
February	6.95-7.40	5.93	17.2%-24.8%	5.58-6.05	6.97	(19.9)%-(13.1)%	5.06-5.41	6.61	(23.5)%-(18.2)%	6.85-6.94	7.78	(11.9)%-(10.8)%
March <sup>(1)</sup>	5.79-7.00	6.73	(11.4)%-18.0%	4.70-5.65	7.13	(32.5)%-(18.9)%	5.93-6.94	7.09	(16.3)%-4.9%	6.88-7.35	8.06	(11.6)%-(5.5)%
April	6.26-6.57	6.73	(6.9)%-(2.3)%	4.34-6.08	6.99	(37.9)%-(14.7)%	6.25-8.70	7.43	(11.9)%-22.6%			
May	6.05-7.03	6.73	(10.1)%-4.5%	4.40- 5.30	6.99	(37.1)%-(24.2)%	5.77-8.75	7.43	(22.3)%-17.8%			
June	6.80-8.18	6.73	1.1%-21.6%	5.08-6.05	6.99	(27.4)%-(13.5)%	5.75-6.80	7.43	(22.6)%-(8.5)%			
July	5.57-7.84	6.73	(17.2)%-16.5%	5.03-5.53	6.99	(28.1)%-(20.9)%	7.00-7.79	7.43	(5.8)%-4.8%			
August	6.18-6.97	6.31	(8.1)%-10.4%	4.76-5.06	6.83	(31.9)%-(26.2)%	5.98-7.80	7.63	(21.6)%-5.0%			
September	6.10-7.10	6.31	(3.4)%-12.4%	4.93-5.15	6.83	(27.8)%-(24.6)%	6.35-6.98	7.63	(16.8)%-(8.5)%			
October	5.25-6.15	6.97	(24.6)%-(2.6)%	4.75-5.15	6.61	(30.5)%-(24.1)%	5.67-6.68	7.78	(27.1)%-(12.4)%			
November	4.81-5.26	6.97	(30.9)%-(24.5)%	4.76-5.10	6.61	(28.0)%-(22.9)%	5.48-6.90	7.78	(29.5)%-(11.3)%			
December	5.34-6.87	6.97	(23.3)%-(1.4)%	4.65-5.25	6.61	(29.7)%-(20.6)%	6.81-6.94	7.78	(12.4)%-(10.8)%			

*Notes:*

- Up to and including the Latest Practicable Date for March 2024.
- It refers to the NAV per Share as at the end of the respective month, which is calculated based on the Group's latest disclosed NAV and the number of Shares in issue as at the end of the respective month and converted to HK\$ based on the average of offshore RMB exchange rates from the business days immediately preceding and following the period end concerning the NAV per Share as announced by the Hong Kong Monetary Authority.
- The Company reports its NAV per Share by way of interim and final results announcement since its listing, and quarterly results announcement in addition to interim/final results announcement since October 2021.

## LETTER FROM SOMERLEY

During the Review Period, we noted that the NAV per Share has generally been on an uptrend as illustrated in above table. It is further noted that the NAV per Share increased from HK\$7.43 in April-July 2023 to HK\$7.63 in August-September 2023, which was primarily due to non-recurring gain arising from the disposal of 100% equity of Shenzhen Vehicle in the first half of 2023.

During the Review Period, the H Shares have been traded at between premium of 40.6% over and discount of 37.9% to the NAV per Share, with the H Shares traded below the NAV per Share in 746 days out of a total of 794 trading days. After the Rule 3.7 Announcement, the H Shares traded at discounts of 5.5% to 12.4% from December 2023 to the Latest Practicable Date.

NAV per Share was HK\$7.09 as at 31 December 2022. After completion of the disposal of Shenzhen Vehicle in April 2023 and benefitting from the Group's continued strong business performance in North America, the NAV per Share improved to HK\$8.06 per Share as at 31 December 2023. As a result, the discount represented by the Offer Price to NAV per Share as at 31 December 2023 was 7.0% but was still narrower than those represented by the closing price of the H Share in 534 day out of 794 days during the Review Period.

*(d) Cross-check with A Share Valuation*

As the H Share closing prices, in our view, have been supported by the indicated offer price following the release of Rule 3.7 Announcement, we have also assessed implied H Share value in 120 days up to and including the Latest Practicable Date with reference to the premiums of A Share price over H Share price in the past 360 trading days up to and including the Last Trading Day.

**TABLE 8: AVERAGE PREMIUM OF A SHARE PRICE OVER H SHARE PRICE AND IMPLIED H SHARE PRICE**

Period (up to and including the Last Trading Day)	Average premium of A Share price over H Share price	Average closing prices of A Shares (up to and including the Latest Practicable Date, in HK\$) (Note)			Implied H Share price
		30 trading days	90 trading days	120 trading days	
	(A)	(B)			$\frac{(B)}{1+(A)}$
30 trading days	90%	10.38	10.34	10.73	HK\$5.45-5.65
60 trading days	95%	10.38	10.34	10.73	HK\$5.31-5.51
90 trading days	100%	10.38	10.34	10.73	HK\$5.17-5.37
180 trading days	97%	10.38	10.34	10.73	HK\$5.24-5.44
360 trading days	94%	10.38	10.34	10.73	HK\$5.33-5.53
<b>Range</b>	90%-100%	10.38	10.34	10.73	HK\$5.17-5.65

*Note:* Calculated based on the offshore RMB exchange rate on the Last Trading Day as announced by the Hong Kong Monetary Authority.

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It is noted that the average premiums of A Share price over H Share price for 30, 60, 90, 180 and 360 trading days up to and including the Last Trading Day ranged from 90% to 100%. Assuming such premiums continue to prevail and based on the average closing price of A Shares for 30, 90 and 120 trading days up to and including the Latest Practicable Date, the implied H Share would value from HK\$5.17 – 5.65 per H Share. The Offer Price of HK\$7.5 is higher than those implied values derived from the recent closing prices of A Shares and their premiums over H Share prices before Rule 3.7 Announcement.

### Comments

The Offer Price of HK\$7.5 per H Share represents a premium of approximately 17.55% over the Company's IPO price of HK\$6.38 and premiums of about 15.92% to 25.42% over the closing price of the H Share on the Last Trading Day and the average closing price of the H Share for 5, 10, 30, 60 and 90 trading days (up to and including the Last Trading Day) before the release of the Rule 3.7 Announcement. Furthermore, the Offer Price of HK\$7.5 has been higher than the closing prices of the H shares in 746 trading days out of a total of 794 trading days during the Review Period. The H Share closing prices could be influenced by the Group's business performance or merger and acquisition activities as evidenced by the plunge following trade restrictions imposed by the United States in 2021 and rebound after the one-off disposal gain as discussed above. The purchases of H Shares made by CIMC Group (the controlling Shareholder of the Company) during the Review Period, however, seemed to have limited impact on the H Share price. The Offer Price is 5.8% higher than the NAV per Share as at 31 December 2022 but below the NAV per Share ever since the Group recorded a one-off gain arising from the disposal of Shenzhen Vehicle and strong business performance in its North America Business in the first quarter of 2023 thereafter. Nevertheless, the discount represented by the Offer Price to the latest NAV per Share is narrower than those of the closing price of H Shares in the vast majority of the trading days during the Review Period. The Company's A Share closing prices have always represented premiums over its H Share closing prices. As a further cross-check, we have computed the implied H Share values based on the prevailing premiums represented by A Share prices over H Share prices before the release of Rule 3.7 Announcement and the recent average closing prices of A Shares and noted that the Offer Price is higher than the implied H Share values. On the above basis, the H Share Buy-back Offer provides a solid opportunity for the Shareholders who are unsure of the future prospects of the Group to exit at a fixed cash.

The recent over-performance of the H Shares is, in our opinion, due to the release of the Rule 3.7 Announcement. Shareholders should therefore be aware that the current H Share price may not be sustainable if the H Share Buy-back Offer lapses and the H Share price may return to the undisturbed level.

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### 4.2 Comparable companies

The Group is mainly engaged in the global production and sales of semi-trailers, truck bodies for specialty vehicles, and other vehicles or parts and components with a market capitalisation of HK\$19.9 billion as at the Last Trading Day. According to the FY2023 Annual Results, the Group's sales of (i) semi-trailers, (ii) truck bodies for specialty vehicles, and other vehicles or parts, and (iii) components for semi-trailers and specialty vehicles accounted for 75%, 11% and 14% of its total revenue for FY2023, respectively.

We have endeavoured to identify companies listed on the Hong Kong Stock Exchange and PRC stock exchanges that are mainly engaged in manufacture and sales of semi-trailers and relevant auto parts but in vain. With reference to the List which has indexed trailer builders worldwide and ranked them based on the production output for the period from 1 July 2022 to 30 June 2023, we have identified companies thereon which (i) are listed on any stock exchanges; and (ii) generated more than 50% of their revenue from manufacture and sales of semi-trailer and relevant auto parts in their last financial year. A total of 3 companies have been identified (the “**Primary Comparable Companies**”) based on the aforementioned criteria. Nonetheless, given that the valuation may vary across different stock exchanges, we have also employed the Bloomberg equity screening tool to identify companies listed on the Hong Kong Stock Exchange that have derived over 50% of their revenue from manufacture and sales of traditional automobiles and commercial vehicles in their last financial year to provide shareholders with a general overview on how automotive businesses are priced in Hong Kong stock market. With the said criteria, a total of 6 companies have been identified (the “**Secondary Comparable Companies**”). The Primary Comparable Companies and Secondary Comparable Companies (together, the “**Comparable Companies**”), so far as we are aware of, are exhaustive based on the aforementioned selection criteria.

In conducting our analysis, we have compared the price-to-earning ratio (“**PER**”) and price-to-book ratio (“**PBR**”) of the Company implied by the Offer Price and those of the Comparable Companies, which, we consider, are widely accepted multiples to evaluate a company. Details of the Comparable Companies are set out in the table below:

**TABLE 9: COMPARABLE COMPANIES**

<b>Company (stock code)</b>	<b>Place of listing</b>	<b>PER<sup>(1)</sup> (times)</b>	<b>PBR<sup>(2)</sup> (times)</b>
<i>Primary Comparable Companies:</i>			
Wabash National Corporation (WNC.US)	United States	4.34	1.83
Wielton S.A. (WLT.PL)	Poland	7.29	0.91
Randon S.A. Implementos e Participacoes (“ <b>Randon</b> ”) (RAPT3.BZ)	Brazil	4.51 <sup>(3)</sup>	0.60 <sup>(3)</sup>

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<b>Company (stock code)</b>	<b>Place of listing</b>	<b>PER<sup>(1)</sup></b> <i>(times)</i>	<b>PBR<sup>(2)</sup></b> <i>(times)</i>
	<b>Highest</b>	7.29	1.83
	<b>Lowest</b>	4.34	0.60
	<b>Average</b>	5.38	1.11
	<b>Median</b>	4.51	0.91
 <i>Secondary Comparable Companies:</i>			
Sinotruk (Hong Kong) Limited (3808.HK)	Hong Kong	14.31	1.10
Dongfeng Motor Group Company Limited (489.HK)	Hong Kong	4.72	0.18
Guangzhou Automobile Group Co., Ltd. (2238.HK & 601238.SH)	Hong Kong and PRC	7.27	0.31
Great Wall Motor Company Limited (2333.HK & 601633.SH)	Hong Kong and PRC	22.70	1.47
Geely Automobile Holdings Limited (175.HK)	Hong Kong	15.84	1.04
BAIC Motor Corporation Limited (1958.HK)	Hong Kong	5.85	0.31
	<b>Highest</b>	22.70	1.47
	<b>Lowest</b>	4.72	0.18
	<b>Average</b>	11.78	0.74
	<b>Median</b>	10.79	0.68
 <i>Primary and Secondary Comparable Companies:</i>			
	<b>Highest</b>	22.70	1.83
	<b>Lowest</b>	4.34	0.18
	<b>Average</b>	9.65	0.86
	<b>Median</b>	7.27	0.91
 <b>The Company (1839.HK &amp; 301039.SZ) based on the Offer Price of HK\$7.5</b>	 <b>Hong Kong and PRC</b>	 8.66 <sup>(4)(5)</sup>	 0.94 <sup>(5)</sup>

*Source: The List, Bloomberg, the websites of the Comparable Companies and the Hong Kong Stock Exchange*

*Notes:*

- The PERs of the Comparable Companies and the Company are calculated based on their respective market capitalisation as at the Last Trading Day divided by their respective profit attributable to the shareholders for the trailing 12-month period ended 30 June 2023/FY2023 as referenced from their respective latest published annual/interim reports/results.



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2. The PBRs of the Comparable Companies and the Company are calculated based on their respective market capitalisation as at the Last Trading Day divided by their respective net assets attributable to the shareholders as referenced from their respective latest published financial reports/results.
3. The PER and PBR of Randon are calculated with its preferred shares being classified as debt, as those preferred shares carry no voting rights and have reimbursement priority over common shares.
4. The PER implied by the Offer Price are calculated based on the Group's net profit for FY2023 after having disregarded the losses (after tax) on disposals of non-current assets, the net gain (after tax) on disposal of Shenzhen Vehicle (the "**Disposal**") and reorganisation costs (after tax) resulting from such Disposal during the period as extracted from the FY2023 Annual Results, as the Management considers them to be significant and one-off and non-recurring in nature.
5. The PER and PBR implied by the Offer Price are calculated based on the Offer Price of HK\$7.5 and the total number of Shares in issue as at the Last Trading Day.

The PERs and PBRs of the Primary Comparable Companies range from 3.17 times to 7.29 times with an average of 4.93 times and a median of 4.51 times and from 0.55 times to 1.83 times with an average of 1.10 times and a median of 0.91 times, respectively. The PER implied by the Offer Price of 8.66 times is substantially higher than those of the Primary Comparable Companies, while the PBR implied by the Offer Price of 0.94 times falls within the range of those of the Primary Comparable Companies and is lower than the average of but higher than the median of the Primary Comparable Companies' PBRs. We have reviewed the latest annual reports/results of those Primary Comparable Companies and noted that their gearing ratios (total liabilities divided by total assets) in the last financial year ranging from 60% to 73% are significantly higher than that of the Company of 35%. The Primary Comparable Companies' relatively higher gearing ratios, in our view, may explain the Primary Comparable Companies' relatively higher average PBR but lower average PER as compared to those of the Offer Price.

The PERs of the Secondary Comparable Companies range from 4.72 times to 22.70 times with an average of 11.78 times and a median of 10.79 times, which, in our view, are relatively dispersed and may be due to the varieties existing in their business models and products. The PBRs of the Secondary Comparable Companies range from 0.18 times to 1.47 times with an average of 0.74 times and a median of 0.68 times. The PER of 8.66 times and PBR of 0.94 times implied by the Offer Price fall within the ranges of those of the Secondary Comparable Companies. As aforementioned, due to the uniqueness of the Group's businesses, none of those Secondary Comparable Companies run businesses similar to those of the Group. As such, the PERs and PBRs of the Secondary Comparable Companies serve as a broader general reference of valuation of the companies under a broader automotive sector in Hong Kong market.

In an overall view, both the PER and PBR implied by the Offer Price fall within the ranges of those of the Comparable Companies and are higher than the medians of those of the Comparable Companies.

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### *Comments*

Both the PER and PBR implied by the Offer Price are either higher or within the ranges of those of (i) the Primary Comparable Companies which are engaged in similar businesses as the Company; (ii) the Secondary Comparable Companies which are listed on the same stock exchange as the Company and under a broader automotive sector where the Company belongs; and (iii) the former two groups of comparable companies as a whole.

Given that (i) the Group is profitable in its last financial year; and (ii) PBRs, as discussed above, can be influenced by the debt/equity structure deployed by the companies, we consider PER to be a more appropriate valuation multiple to assess a profitable company of this type. On this basis and considering that the PER implied by the Offer Price is higher than those of the Primary Comparable Companies and falls within the ranges of both Secondary Comparable Companies and Comparable Companies as a whole, we view the Offer Price of HK\$7.5 to be fair and reasonable.

### **4.3 Privatisation precedents**

As part of the assessment of the fairness and reasonableness of the Offer Price, we have searched for approved privatisation transactions by way of share buy-back offer announced by companies listed on the Main Board of the Hong Kong Stock Exchange but only found three cases (including Yitai Coal, Lanzhou Zhuangyuan and Cangnan Instrument as defined in the table below) during the Review Period. As such, we expanded our scope to include all successful privatisation proposals involving companies listed on the Main Board of the Hong Kong Stock Exchange which were initially announced and completed during the Review Period and involved a cash consideration (excluding combined consideration of cash and shares) (the “**Privatisation Precedents**”). The Privatisation Precedents, in our view, give a more comprehensive overview on not only the pricing of recent transactions of this type but also the premium or discount that most of the independent shareholders are willing to accept for tendering their shares in a privatisation transaction. The Privatisation Precedents represent an exhaustive list of privatisation proposals meeting the said criteria, a summary of which is set out in the table below.

**LETTER FROM SOMERLEY**

**TABLE 10: PRIVATISATION PRECEDENTS**

Date of initial announcement <sup>(2)</sup>	Company name (stock code)	Premium or (discount) represented by offer/cancellation price over/to closing share price/average share price on/over <sup>(1)</sup>							Premium or (discount) represented by offer/cancellation price over/to latest NAV per share/adjusted NAV per share <sup>(5)</sup>
		Last full trading day <sup>(3)</sup>	5-trading day <sup>(4)</sup>	10-trading day <sup>(4)</sup>	30-trading day <sup>(4)</sup>	60-trading day <sup>(4)</sup>	90-trading day <sup>(4)</sup>		
14 December 2023	Sinosoft Technology Group Limited (1297)	29.4%	30.4%	31.2%	31.1%	22.5%	15.0%	(78.9)%	
4 December 2023	Weiqiao Textile Company Limited (2698)	104.7%	104.9%	102.7%	111.1%	142.9%	147.5%	(78.3)%	
6 October 2023	Haitong International Securities Group Limited (665)	114.1%	111.1%	108.2%	126.5%	122.2%	124.5%	(39.3)%	
6 October 2023	Pine Care Group Limited (1989)	(1.1)%	0.7%	0.9%	1.5%	8.9%	22.9%	(7.9)%	
15 September 2023	Lausen Pharmaceutical Holdings Limited (503)	26.8%	24.1%	22.5%	20.0%	15.4%	20.8%	22.1%	
1 September 2023	CST Group Limited (985)	61.3%	24.4%	21.4%	36.6%	(1.4)%	(14.9)%	(60.7)%	
27 June 2023	Dali Foods Group Company Limited (3799)	37.9%	36.4%	39.4%	30.2%	21.8%	18.7%	151.7%	
27 June 2023	Poly Culture Group Corporation Limited (3636)	77.6%	112.5%	125.2%	133.1%	129.8%	129.0%	(30.9)%	

**LETTER FROM SOMERLEY**

Date of initial announcement <sup>(2)</sup>	Company name (stock code)	Premium or (discount) represented by offer/cancellation price over/to closing share price/average share price on/over <sup>(1)</sup>							Premium or (discount) represented by offer/cancellation price over/to latest NAV per share/adjusted NAV per share <sup>(5)</sup>
		Last full trading day <sup>(3)</sup>	5-trading day <sup>(4)</sup>	10-trading day <sup>(4)</sup>	30-trading day <sup>(4)</sup>	60-trading day <sup>(4)</sup>	90-trading day <sup>(4)</sup>		
23 June 2023	Yongsheng Advanced Materials Company Limited (3608)	58.7%	55.8%	61.0%	52.9%	38.5%	34.4%	(46.5)%	
11 June 2023	Mason Group Holdings Limited (273)	20.7%	20.7%	19.4%	19.0%	16.2%	12.7%	(60.1)%	
28 May 2023	Golden Eagle Retail Group Limited (3308)	63.4%	66.6%	61.5%	55.3%	49.9%	54.6%	(47.4)%	
8 May 2023	Hailan Holdings Limited (2278)	5.0%	5.0%	5.0%	5.0%	5.0%	8.7%	(60.2)%	
29 March 2023	Inner Mongolia Yitai Coal Co., Ltd. (3948) (“Yitai Coal”)	54.9%	58.7%	63.7%	67.3%	64.2%	65.1%	(6.0)%	
21 February 2023	Jiangnan Group Limited (1366)	83.5%	100.0%	106.2%	107.3%	102.0%	91.4%	(63.8)%	
17 February 2023	AAG Energy Holdings Limited (2686)	10.1%	10.1%	9.3%	10.8%	24.2%	27.2%	(27.5)%	
24 October 2022	Kingston Financial Group Limited (1031)	47.8%	48.4%	47.6%	39.4%	33.3%	29.9%	(80.2)%	
8 August 2022	EVOC Intelligent Technology Company Limited (2308)	52.2%	49.6%	48.3%	45.8%	52.2%	53.5%	(55.4)%	

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Date of initial announcement <sup>(2)</sup>	Company name (stock code)	Premium or (discount) represented by offer/cancellation price over/to closing share price/average share price on/over <sup>(1)</sup>						Premium or (discount) represented by offer/cancellation price over/to latest NAV per share/adjusted NAV per share <sup>(5)</sup>
		Last full trading day <sup>(3)</sup>	5-trading day <sup>(4)</sup>	10-trading day <sup>(4)</sup>	30-trading day <sup>(4)</sup>	60-trading day <sup>(4)</sup>	90-trading day <sup>(4)</sup>	
5 August 2022	Lifestyle International Holdings Limited (1212)	62.3%	75.9%	81.9%	70.1%	58.7%	48.1%	(52.8)%
9 June 2022	China VAST Industrial Urban Development Company Limited (6166)	30.4%	29.2%	28.8%	31.4%	36.9%	42.1%	(41.9)%
2 June 2022	Xiamen International Port Co., Ltd. (3378)	97.4%	90.7%	110.3%	139.4%	152.8%	155.7%	(14.8)%
16 March 2022	Yashili International Holdings Ltd. (1230)	160.9%	153.2%	150.5%	138.5%	134.2%	127.3%	(2.9)%
24 January 2022	Guodian Technology & Environment Group Corporation Limited (1296)	107.7%	107.7%	107.7%	96.4%	107.7%	92.9%	(13.6)%
14 January 2022	AKM Industrial Company Limited (1639)	15.2%	24.5%	29.1%	25.8%	29.0%	41.1%	70.9%
17 December 2021	Lanzhou Zhuangyuan Pasture Co., Ltd. (1533) ("Lanzhou Zhuangyuan")	45.4%	49.2%	49.4%	44.2%	55.1%	59.4%	12.5%

**LETTER FROM SOMERLEY**

Date of initial announcement <sup>(2)</sup>	Company name (stock code)	Premium or (discount) represented by offer/cancellation price over/to closing share price/average share price on/over <sup>(1)</sup>							Premium or (discount) represented by offer/cancellation price over/to latest NAV per share/adjusted NAV per share <sup>(5)</sup>
		Last full trading day <sup>(3)</sup>	5-trading day <sup>(4)</sup>	10-trading day <sup>(4)</sup>	30-trading day <sup>(4)</sup>	60-trading day <sup>(4)</sup>	90-trading day <sup>(4)</sup>		
24 November 2021	Shanghai Jin Jiang Capital Company Limited (2006)	56.6%	63.2%	67.6%	77.1%	85.6%	86.8%	8.8%	
29 October 2021	Razer Inc. (1337)	55.8%	58.4%	61.1%	67.9%	59.3%	51.6%	487.5%	
15 October 2021	Yorkey Optical International (Cayman) Ltd. (2788)	99.8%	102.2%	104.7%	103.5%	101.4%	101.4%	6.3%	
8 October 2021	Dragon Crown Group Holdings Limited (935)	8.5%	7.6%	7.6%	9.4%	20.8%	28.0%	34.7%	
30 September 2021	C.P. Pokphand Co. Ltd. (43)	19.8%	22.3%	17.4%	27.8%	33.7%	30.7%	7.5%	
6 September 2021	Hop Hing Group Holdings Limited (47)	73.9%	74.7%	76.2%	70.9%	62.9%	61.0%	57.8%	
25 August 2021	Suchuang Gas Corporation Limited (1430)	2.9%	19.6%	23.2%	25.6%	26.3%	26.3%	96.9%	
12 August 2021	Good Friend International Holdings Inc. (2398)	50.0%	73.8%	73.8%	61.6%	49.0%	38.9%	(20.2)%	
27 July 2021	Nature Home Holding Company Limited (2083)	39.3%	38.2%	38.2%	31.8%	30.8%	38.2%	(23.1)%	

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Date of initial announcement <sup>(2)</sup>	Company name (stock code)	Premium or (discount) represented by offer/cancellation price over/to closing share price/average share price on/over <sup>(1)</sup>							Premium or (discount) represented by offer/cancellation price over/to latest NAV per share/adjusted NAV per share <sup>(5)</sup>
		Last full trading day <sup>(3)</sup>	5-trading day <sup>(4)</sup>	10-trading day <sup>(4)</sup>	30-trading day <sup>(4)</sup>	60-trading day <sup>(4)</sup>	90-trading day <sup>(4)</sup>		
9 July 2021	Beijing Capital Land Ltd. (2868)	62.8%	61.9%	77.2%	127.6%	150.0%	143.5%	(49.0)%	
5 July 2021	Clear Media Limited (100)	0.0%	0.0%	0.0%	(0.7)%	(0.3)%	7.4%	63.7%	
25 June 2021	Bestway Global Holding Inc. (3358)	27.0%	29.6%	32.7%	47.0%	62.8%	71.8%	0.0%	
18 May 2021	Chong Hing Bank Limited (1111)	97.0%	101.2%	102.5%	107.4%	109.9%	113.6%	(10.1)%	
28 February 2021	Xiezhong International Holdings Limited (3663) (“Xiezhong”)	17.6%	17.6%	21.2%	25.0%	37.9%	42.9%	400.0%	
25 February 2021	Sichuan Languang Jusbon Services Group Co., Ltd. (2606)	39.4%	45.4%	46.6%	46.8%	59.6%	57.4%	201.6%	
5 February 2021	Zhejiang Cangnan Instrument Group Company Limited (1743) (“Cangnan Instrument”)	15.2%	13.6%	13.1%	18.0%	25.2%	4.4%	20.2%	
22 January 2021	Zhuhai Holdings Investment Group Limited (908)	14.3%	22.7%	23.5%	34.0%	52.6%	61.6%	7.8%	

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Date of initial announcement <sup>(2)</sup>	Company name (stock code)	Premium or (discount) represented by offer/cancellation price over/to closing share price/average share price on/over <sup>(1)</sup>							Premium or (discount) represented by offer/cancellation price over/to latest NAV per share/adjusted NAV per share <sup>(5)</sup>
		Last full trading day <sup>(3)</sup>	5-trading day <sup>(4)</sup>	10-trading day <sup>(4)</sup>	30-trading day <sup>(4)</sup>	60-trading day <sup>(4)</sup>	90-trading day <sup>(4)</sup>		
21 January 2021	Polytec Asset Holdings Limited (208)	37.8%	36.7%	37.5%	52.4%	56.1%	57.4%	(21.5)%	
20 January 2021	Zhejiang New Century Hotel Management Co., Ltd. (1158)	61.3%	58.6%	63.2%	72.6%	94.2%	104.1%	(54.6)%	
27 January 2021	New Century Real Estate Investment Trust (1275)	24.7%	23.9%	22.3%	20.8%	19.7%	20.3%	174.8%	
17 January 2021	HKC (Holdings) Limited (190)	120.4%	122.2%	122.8%	119.8%	109.4%	100.0%	(68.3)%	
13 January 2021	China Machinery Engineering Corporation (1829)	45.1%	73.7%	93.7%	118.9%	127.0%	127.0%	(29.4)%	
	<b>Highest</b>	160.9%	153.2%	150.5%	139.4%	152.8%	155.7%	487.5%	
	<b>Lowest</b>	(1.1)%	0.0%	0.0%	(0.7)%	(1.4)%	(14.9)%	(80.2)%	
	<b>Average</b>	50.8%	53.4%	55.6%	58.8%	60.8%	60.5%	14.8%	
	<b>Median</b>	46.6%	48.8%	47.9%	46.9%	52.4%	52.6%	(14.2)%	
<b>28 November 2023</b>	<b>The Company (1839)</b>	16.5%	17.9%	21.0%	25.4%	19.1%	15.9%	(7.0)%	



*Source: Bloomberg and the website of the Hong Kong Stock Exchange*

*Notes:*

1. The figures are quoted from the respective offer/scheme document or if such data is not available, calculated based on the offer/cancellation price divided by the closing price per share on the last full trading day or average closing price per share during various periods.
2. The date of the Takeovers Code Rule 3.5 announcement or Rule 3.7 announcement, whichever is earlier.
3. The last undisturbed full trading day as disclosed in the respective offer/scheme document or last full trading day prior to the release of the initial announcement.
4. Up to and including the last full trading day.
5. It represents the premium or (discount) represented by the offer/cancellation price over the NAV per share (or adjusted NAV per share, if available) quoted from the respective offer/scheme document.
6. Subject to rounding differences.

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## LETTER FROM SOMERLEY

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*(a) Premiums or (discounts) over/to the prevailing share prices*

The ranges of the premiums or (discounts) represented by the offer/cancellation price of the Privatisation Precedents are very wide. They are (1.1)%-160.9%, 0.0%-153.2%, 0.0%-150.5%, (0.7)%-139.4%, (1.4)%-152.8%, (14.9)%-155.7% over/to their respective share closing price on the last full trading day and 5-, 10-, 30-, 60-, and 90-trading day average share closing price, respectively. The premiums of 15.9%-25.4% represented by the Offer Price over the closing Share prices on the Last Trading Day and average closing prices for various trading periods all fall within the ranges of those of the Privatisation Precedents.

Among the companies involved in the Privatisation Precedents, Xiezhong is principally engaged in manufacture and sales of automotive heating, ventilation and cooling systems and related components and the operation of 4S dealership stores in the PRC and the premiums represented by its cancellation price over its share closing price on the last full trading day and 5-, 10-, 30-, 60-, and 90-trading day average share closing price ranged from 17.6% to 42.9%. However, the nature of the automotive businesses Xiezhong operates are quite different from those of the Company, which makes a direct comparison between its privatisation and the H Share Buy-back Offer inappropriate.

*(b) Premiums or (discounts) over/to the NAV per share*

The premiums or (discounts) represented by the offer/cancellation price of the Privatisation Precedents over/to their respective NAV per share are also very wide, ranging from (80.2)% to 487.5%. The Offer Price represented a discount to the NAV per Share of 7.0% is within the range of those of the Privatisation Precedents and above the median discount of the Privatisation Precedents of 14.2%.

Out of the 46 Privatisation Precedents, 17 cases' offer/cancellation prices represent premiums over their respective NAV per share, 28 cases' offer/cancellation prices represent discounts to their respective NAV per share and one case's offer/cancellation price was equal to its NAV per share.

### Comments

We consider the Privatisation Precedents during the Review Period provide a general overview of the pricing of the recent successful privatisation transactions in Hong Kong and serve as a reference when assessing the fairness and reasonableness of the Offer Price. As the Privatisation Precedents' premiums or (discounts) have wide ranges which may be due to the different business nature, scale and industries in which the companies involved operate, as well as their own historical trading prices which may have been impacted by other extenuating circumstances specific to each of the Privatisation Precedents, they give a reference point on recent pricing on privatisation transactions which are acceptable for the respective independent shareholders to tender their shares.

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## LETTER FROM SOMERLEY

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Given that (i) the premiums represented by the Offer Price over the closing Share price on the Last Trading Day and average closing prices for various trading periods fall within the ranges of those of the Privatisation Precedents; and (ii) the discount represented by the Offer Price to the NAV per Share is within the range of the Privatisation Precedents and narrower than those represented by the closing price of the H Share during the majority of the days of the Review Period as discussed in the section 4 above; and (iii) offer/cancellation prices pitched at discounts to NAV per share are not ruled out in privatisation transactions during the Review Period, we consider the terms of the H Share Buy-back Offer are generally in line with the market.

### DISCUSSION

The Company, listed on the Hong Kong Stock Exchange in July 2019 and the Shenzhen Stock Exchange in July 2021, is principally engaged in manufacturing of semi-trailers and specialty vehicles with semi-trailers accounting for over 70% of its revenue in 2023. It was ranked first in 2023 among semi-trailer manufacturers in the world in terms of production output.

China had been the largest market of the Group since its listing in 2019 until 2022. Due to a weak demand for semi-trailers in the PRC market amid faltering PRC economy in 2022 countered by a strong demand from North America, North American market took over PRC market to become the largest revenue contributor to the Group since 2022. Despite the Group recorded a slight drop in overall revenue in 2022, the Group managed to enhance its profit margins as well as profitability. The gross profit margins of North American market increased significantly over the last three years (2021: 10.65%, 2022: 16.22%, 2023: 25.76%) and those of PRC market were relatively stable (2021: 11.32%, 2022: 9.99%, 2023: 11.44%). The Group made a disposal of Shenzhen Vehicle in 2023 and recorded a gain (after tax) of RMB881.2 million. After having excluded gain/loss on disposal of non-current assets and long term equity investments and the costs incidental thereto, net profit attributable to Shareholders increased by 68.79% year-on-year in 2023.

Based on the ACT Report, the semi-trailer market in the United States experienced a decline in net orders and stagnant shipment in 2023 compared to the previous year, largely due to softening demand and increasing order cancellations. Dealers have stocked up on inventory but fleets are increasingly conservative over further investments in trailers. The shipments volume in 2024 is expected to correspondingly decline, which might impact revenue recognition across the industry players. The Group has also experienced a slowdown in North American sales in the second half of 2023 as compared to the corresponding period in previous year. It has been further stated in the ACT Report that the overall business environment and expectations for 2024 demand are somewhat less favourable and the trailer manufacturers reiterated that order placements have been slowdown as compared to previous years. The PRC market saw a mild growth in both social logistics goods value and freight volume in 2023. The Group recorded a 3.5% year-on-year increase in sales in PRC market for FY2023. The expected sluggish sales growth in North American market could possibly be offset by the increase in sales in PRC market to some extent, but the gross profit margin of the Group's North American

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## LETTER FROM SOMERLEY

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market was 14.32% higher than its PRC market in FY2023. It would be, in our view, rather challenging for the Group to maintain its overall gross profit margin or profitability in view of the sluggish North American market going forward.

The Offer Price is HK\$7.5 per H Share, being higher than the IPO price of HK\$6.38 and the closing prices of the H Shares in 746 trading days out of a total of 794 trading days during the Review Period. The H Share closing price fluctuated significantly in 2023 and reached its highest at HK\$8.75 on 2 May 2023 possibly due to the disposal of Shenzhen Vehicle and the then strong business performance in North America in the first quarter of 2023. The H Share closing price then gradually trended downwards and then mainly moved between HK\$6.00 and HK\$7.50 during the period from late May 2023 to mid October 2023. The H Share closing price fell further after the release of the positive alert announcement for the nine months ended 30 September 2023 on 12 October 2023 from HK\$6.68 to HK\$5.48 on 2 November 2023. The H Share closing price gradually climbed commencing from early November 2023 and closed at HK\$6.44 on 27 November 2023, being the day immediately preceding the publication of the Rule 3.7 Announcement. The subsequent H Share closing prices, in our view, have been supported by the indicated offer price set out in the Rule 3.7 Announcement. Alternatively, we assessed the implied value of the H Shares based on the recent A Share closing prices and the historical premium of A Share closing price over H Share closing price and noted that H Shares would have been valued at HK\$5.17-5.65 per share. The discount represented by the Offer Price to NAV per Share as at 31 December 2023 was 7.0%, being narrower than those represented by the closing price of the H Share in 534 day out of 794 days during the Review Period.

No listed companies that are mainly engaged in manufacture and sales of semi-trailers and relevant auto-parts have been identified in Hong Kong or the PRC, but three Primary Comparable Companies listed overseas have been identified. All of them as well as the Company are profitable in their latest financial years. On this basis, we tend to weigh more on their PERs. The Company's PER as represented by the Offer Price is higher than all the Primary Comparable Companies'. We have also looked at Hong Kong listed companies that are mainly engaged in the manufacture and sales of traditional automobiles and commercial vehicles (i.e. Secondary Comparable Companies) to provide Shareholders with a general overview on how automotive businesses are priced in Hong Kong stock market. The PERs of the Secondary Comparable Companies range from 4.72 times to 22.70 times with an average of 11.78 times and a median of 10.79 times. The PER as presented by the Offer Price is within the range of those of the Secondary Comparable Companies'. Given the PER as represented by the Offer Price is higher than all of the Primary Comparable Companies' and falls within the ranges of both Secondary Comparable Companies and Comparable Companies as a whole, the Offer Price of HK\$7.5, in our view, is fair and reasonable.

The premiums represented by the Offer Price over the closing price of H Share on the Last Trading Day and the average H Share closing prices for the last 5 days, 10 days, 30 days, 60 days and 90 day up to and including the Last Trading Day and the discount represented by the Offer Price to NAV per Share are all within the corresponding ranges of the Privatisation Precedents, which indicates the terms of the H Share Buy-back Offer are generally in line with the market.

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## LETTER FROM SOMERLEY

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### OPINION AND RECOMMENDATION

Having taken into account the principal factors and reasons set out in our letter, we consider that (i) the H Share Buy-back Offer (including the Offer Price) is fair and reasonable so far as the Independent H Shareholders are concerned; (ii) the terms of the Voluntary Withdrawal of Listing are fair and reasonable, and the Voluntary Withdrawal of Listing is in the interests of the Company and the Shareholders as a whole; and (iii) the Voluntary Withdrawal of Listing is in the interest of the Independent H Shareholders. Accordingly, we advise the Independent H Shareholders to (i) accept the H Share Buy-back Offer; and (ii) vote in favour of the H Share Buy-back Offer and Voluntary Withdrawal of Listing resolutions at the EGM and H Shareholders Class Meeting.

**The Company has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Buy-back Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the H Share Buy-back Offer, and if the H Share Buy-back Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code and the Share Buy-backs Code (depending on whether it remains as a public company in Hong Kong under the Takeovers Code and the Share Buy-backs Code) after completion of the H Share Buy-back Offer, and the rights of Independent H Shareholders to certain information of the Company will be reduced.**

We would also like to remind the Independent H Shareholders to closely monitor the market price and liquidity of the H Shares during the offer period, and consider selling their H Shares in the open market, where possible, instead of accepting the H Share Buy-back Offer, if the net proceeds from such sales exceed the net amount receivable under the H Share Buy-back Offer.

As different Independent H Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Independent H Shareholders who may require advice in relation to any aspect of the Offer Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,  
for and on behalf of  
**SOMERLEY CAPITAL LIMITED**  
**Jenny Leung**  
*Director*

*Ms. Jenny Leung is a licensed person registered with the SFC and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activities. She has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.*

**1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE H SHARE BUY-BACK OFFER**

The terms and conditions of the H Share Buy-back Offer are set out in the Offer Document. To accept the H Share Buy-back Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions set out in this Offer Document and/or printed on the Form of Acceptance, which instructions form part of the terms and conditions of the H Share Buy-back Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Share(s) is/are in your name, and you wish to accept the H Share Buy-back Offer, you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), by post or by hand, to the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in an envelope marked "**CIMC Vehicles (Group) Co., Ltd. – H Share Buy-back Offer**" to be received by the H Share Registrar no later than 4:00 p.m. on the First Closing Date or the Final Closing Date (as the case may be) or such later time and/or date as the Company may determine and the Company may announce in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the H Share Buy-back Offer in respect of your Offer Shares, you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the H Share Buy-back Offer on your behalf and requesting it to deliver the duly completed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the H Share Registrar; or

- (ii) arrange for the Offer Shares to be registered in your name by the Company through the H Share Registrar, and send the duly completed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the H Share Registrar; or
- (iii) if your Offer Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the H Share Buy-back Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (iv) if your Offer Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.

Holders of the Offer Shares with such a nominee holding of Offer Shares should ensure that they undertake the above applicable course of action promptly so as to allow their nominee(s) sufficient time to complete the acceptance procedure on their behalf by 4:00 p.m. on the First Closing Date or the Final Closing Date (as the case may be) or such later time and/or date as the Company may determine and the Company may announce in accordance with the Takeovers Code.

- (c) If the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are not readily available and/or is/are lost and you wish to accept the H Share Buy-back Offer in respect of your Offer Shares, the Form of Acceptance should nevertheless be completed and delivered to the H Share Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be forwarded to the H Share Registrar as soon as possible thereafter. If you have lost your share certificate(s) and/or transfer receipt(s) and/or

other document(s) of title, you should also write to the H Share Registrar for a form of the letter of indemnity in respect of the lost share certificate(s) and/or transfer receipt(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to the H Share Registrar. In such cases, the holder of the Offer Shares will be informed of the fees payable to the H Share Registrar for which it/he/she will be responsible.

- (d) If you lodged transfer(s) of any of your Offer Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the H Share Buy-back Offer in respect of your Offer Shares, you should nevertheless complete the Form of Acceptance and deliver it to the H Share Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to UBS and/or the Company or their respective agent(s) to collect from the H Share Registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the H Share Registrar as if it was/they were delivered to the H Share Registrar with the Form of Acceptance.
- (e) Acceptance of the H Share Buy-back Offer will be treated as valid only if the completed Form of Acceptance is received by the H Share Registrar no later than 4:00 p.m. on the First Closing Date or the Final Closing Date (as the case may be) or such later time and/or date as the Company may determine and announce in accordance with the Takeovers Code and the H Share Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:
  - (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if the share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Offer Shares; or
  - (ii) from a registered holder of the Offer Shares or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Offer Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
  - (iii) certified by the H Share Registrar or the Hong Kong Stock Exchange; or



- (iv) otherwise treated as valid at the sole discretion of the Company, provided that the cash consideration will not be despatched until the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) have been received by the H Share Registrar or in the case of loss of relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), such relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) has been cancelled and the register of members of the Company has been updated.
- (f) If the Form of Acceptance is executed by a person other than the registered holder of the Offer Shares, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the H Share Registrar must be produced.
- (g) Seller's ad Hong Kong valorem stamp duty for transfer of Offer Shares registered in the seller's name by the Company through the H Share Registrar arising in connection with acceptance of the H Share Buy-back Offer payable by the relevant holder of the Offer Shares at a rate of 0.1% of the higher of (i) the market value of the relevant Offer Shares tendered for acceptance under the H Share Buy-back Offer; or (ii) the consideration payable by the Company in respect of the relevant acceptances of the H Share Buy-back Offer, will be deducted from the amount payable by the Company to such holder of the Offer Shares on acceptance of the H Share Buy-back Offer. The Company will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant holder of the Offer Shares accepting the H Share Buy-back Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the H Share Buy-back Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (h) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (i) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheque(s) will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Company for payment.

**2. ACCEPTANCE PERIOD AND REVISIONS**

- (a) Unless the H Share Buy-back Offer has previously been revised or extended in accordance with the Takeovers Code, the Form of Acceptance must be received by the H Share Registrar by 4:00 p.m. on the First Closing Date or the Final Closing Date (as the case may be) in accordance with the instructions printed on the relevant Form of Acceptance, and the H Share Buy-back Offer will be closed on the First Closing Date or the Final Closing Date (as the case may be). No Form of Acceptance received by the H Share Registrar later than 4:00 p.m. on the First Closing Date or the Final Closing Date (as the case may be) will be accepted.
- (b) The Company will issue an announcement in accordance with the Takeovers Code through the respective websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cimvehiclesgroup.com](http://www.cimvehiclesgroup.com)) no later than 7:00 p.m. on the First Closing Date and/or the Final Closing Date (as the case may be) stating whether the H Share Buy-back Offer has been extended, revised or has lapsed or has become or been declared unconditional.
- (c) In the event that the Company decides to extend the H Share Buy-back Offer, at least 14 days' notice by way of announcement will be given, before the latest time and date for acceptance of the H Share Buy-back Offer, to those holders of the Offer Shares who have not accepted the H Share Buy-back Offer.
- (d) If the Company revises the terms of the H Share Buy-back Offer (which will not, for the avoidance of doubt, include an increase in the Offer Price save for any exceptional circumstances as permitted under the Takeovers Code), all the holders of the Offer Shares, whether or not they have already accepted the H Share Buy-back Offer, will be entitled to the revised terms. The revised H Share Buy-back Offer must be kept open for at least 14 days following the date on which the revised offer document is posted.
- (e) If the First Closing Date and/or the Final Closing Date of the H Share Buy-back Offer is extended, any reference in this Offer Document and in the Form of Acceptance to the latest date of acceptance shall, except where the context otherwise requires, be deemed to refer to the latest date of acceptance of the H Share Buy-back Offer so extended.

**3. ANNOUNCEMENT**

- (a) As required under Rule 19.1 of the Takeovers Code, by 6:00 p.m. on the latest date of acceptance (or such later time and/or date as the Executive may in exceptional circumstances permit), the Company must inform the Executive and the Hong Kong Stock Exchange of its decision in relation to the revision, extension, expiry or unconditionality of the H Share Buy-back Offer. The Company must publish an announcement in accordance with the requirements of the Listing Rules by 7:00 p.m. on the latest date of acceptance stating whether the H Share Buy-back Offer has been extended, revised, has lapsed or has become or been declared unconditional (and, in such case, whether as to acceptances or in all respects). Such announcement must state the following:
- (i) the total number of Offer Shares for which acceptances of the H Share Buy-back Offer have been received;
  - (ii) the total number of Shares held, controlled or directed by the Company, the Directors and parties acting in concert with any of them before the Offer Period;
  - (iii) the total number of Offer Shares acquired or agreed to be acquired by the Company, the Directors and parties acting in concert with any of them during the Offer Period;
  - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Company, the Directors and parties acting in concert with any of them have borrowed or lent, save for any borrowed securities which have been either on-lent or sold; and
  - (v) the percentages of the relevant classes of issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.
- (b) In computing the total number of Offer Shares represented by acceptances, only valid acceptances in complete and good order and which have been received by the H Share Registrar no later than 4:00 p.m. on the First Closing Date or the Final Closing Date (as the case may be), being the latest time and date for acceptance of the H Share Buy-back Offer, shall be included.

- (c) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the H Share Buy-back Offer will be published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.cimcvehiclesgroup.com](http://www.cimcvehiclesgroup.com)).

#### **4. NOMINEE REGISTRATION**

To ensure equality of treatment to all the holders of the Offer Shares, those registered holders of the Offer Shares who hold the Offer Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the H Share Buy-back Offer.

#### **5. RIGHT OF WITHDRAWAL**

The H Share Buy-back Offer is conditional upon fulfillment of the Conditions. Acceptance of the H Share Buy-back Offer will be irrevocable and will not be capable of being withdrawn, except in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the H Share Buy-back Offer shall be entitled to withdraw its/his/her acceptance after twenty-one (21) days from 2 May 2024 (being the date stated as the First Closing Date in this Offer Document), if the H Share Buy-back Offer has not by then become unconditional as to acceptances.

If the Company is unable to comply with the requirements set out in paragraph headed “3. *Announcement*” in Appendix I of this Offer Document, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the holders of the Offer Shares who have tendered acceptance of the H Share Buy-back Offer, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.

In such case, when the holders of the Offer Shares withdraw their acceptance(s), the Company shall, as soon as possible but in any event no later than seven (7) Business Days thereafter, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant holder(s) of the Offer Shares at his/her/its own risk.

#### **6. SETTLEMENT OF THE H SHARE BUY-BACK OFFER**

Assuming the H Share Buy-back Offer has become unconditional in all respects and provided that the accompanying Form of Acceptance for the Offer Shares, together with the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the H Share Registrar no later than 4:00 p.m. on the First

Closing Date or the Final Closing Date (as the case may be), a cheque for the amount due to each of the accepting holders of the Offer Shares in respect of the Offer Shares tendered for acceptance under the H Share Buy-back Offer (less seller's Hong Kong ad valorem stamp duty payable by him/her/it) will be despatched to the accepting holders of the Offer Shares by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the later of the date on which (i) the H Share Buy-back Offer becomes, or are declared unconditional in all respects, and (ii) the duly completed acceptances of the H Share Buy-back Offer and the relevant documents of title of the Offer Shares in respect of such acceptances are received by or for the Company to render each such acceptance complete and valid. If the H Share Buy-back Offer lapses, the share certificate(s) and/or relevant document(s) of title will be returned to the holders of the Offer Shares no later than seven (7) Business Days after the lapse of the H Share Buy-back Offer by ordinary post at that holder's own risk.

Settlement of the consideration to which any accepting holder of the Offer Shares is entitled under the H Share Buy-back Offer will be paid by the Company in full in accordance with the terms of the H Share Buy-back Offer (save in respect of the payment of seller's Hong Kong ad valorem stamp duty, as the case may be) set out in this Offer Document (including this Appendix I) and the accompanying Form of Acceptance, without regard to any lien, right of set-off, counter claim or other analogous right to which the Company may otherwise be, or claim to be, entitled against such holder of the Offer Shares.

## 7. OVERSEAS H SHAREHOLDERS

The making of the H Share Buy-back Offer to the Overseas H Shareholders may be subject to the laws of the relevant jurisdictions. The laws of the relevant jurisdictions may prohibit the making of the H Share Buy-back Offer to the Overseas H Shareholders or require compliance with certain filing, registration or other requirements in respect of the H Share Buy-back Offer.

The availability of the H Share Buy-back Offer to any Overseas H Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas H Shareholders' participation in the H Share Buy-back Offer may be subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the H Share Buy-back Offer. Overseas H Shareholders and beneficial owners of the Offer Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek their own legal advice in respect of the H Share Buy-back Offer.

It is the responsibility of the Overseas H Shareholders and overseas beneficial owners of the Offer Shares who wish to accept the H Share Buy-back Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the H Share Buy-back Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and

the payment of any transfer or other taxes due in respect of such jurisdictions). Any acceptance of the H Share Buy-back Offer by any Overseas H Shareholders and overseas beneficial owners of the Offer Shares will be deemed to constitute a representation and warranty from such Overseas H Shareholders or overseas beneficial owners of the Offer Shares, as applicable, to the Company and UBS that all applicable local laws and requirements have been observed and complied with. For the avoidance of doubt, neither Hong Kong Securities Clearing Company Limited nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. Overseas H Shareholders and overseas beneficial owners of the Offer Shares should consult their professional advisers if in doubt.

As at the Latest Practicable Date, there were no Overseas H Shareholders on the H Share register of members of the Company.

## **8. HONG KONG STAMP DUTY AND TAX IMPLICATIONS**

The seller's Hong Kong *ad valorem* stamp duty arising in connection with acceptances of the H Share Buy-back Offer will be payable by the relevant holders of the Offer Shares at a rate of 0.1% of the higher of (i) the market value of the relevant Offer Shares tendered for acceptance under the H Share Buy-back Offer; or (ii) the consideration payable by the Company in respect of the relevant acceptances of the H Share Buy-back Offer, and will be deducted from the amount payable by the Company to the relevant holders of the Offer Shares on acceptance of the H Share Buy-back Offer.

The Company will arrange for payment of the seller's Hong Kong *ad valorem* stamp duty on behalf of the relevant holders of the Offer Shares accepting the H Share Buy-back Offer and will pay the buyer's Hong Kong *ad valorem* stamp duty in connection with the acceptance of the H Share Buy-back Offer and the transfer of the Offer Shares.

Holders of the Offer Shares are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the H Share Buy-back Offer. None of the Company, the Directors, parties acting in concert with any of them, UBS, Somerley, the H Share Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the H Share Buy-back Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the H Share Buy-back Offer.

**9. EFFECT OF ACCEPTANCE OF THE H SHARE BUY-BACK OFFER**

Each holder of the Offer Shares by whom, or on whose behalf, a Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with the Company and UBS (so as to bind it/him/her, its/his/her personal representatives, heirs, successors and assigns) to the effect:

**Representations and Warranties**

- (a) Acceptance of the H Share Buy-back Offer by any person or persons will constitute representations and warranties by such person or persons to the Company and UBS that:
  - (i) it/he/she has full power and authority to tender, sell, assign and transfer all the Offer Shares specified in such Form of Acceptance for buy-back; and
  - (ii) the Offer Shares tendered for acceptance under the H Share Buy-back Offer are sold by such person or persons free from any Encumbrance and together with all rights and entitlements attached or accrued, including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the H Share Buy-back Offer is made (i.e. the date of the despatch of this Offer Document). For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.
- (b) Acceptance of the H Share Buy-back Offer by any nominee will be deemed to constitute a warranty by such nominee to the Company that the number of Offer Shares in respect of which it is indicated in the Form of Acceptance is the aggregate number of Offer Shares held by such nominee for such beneficial owners who accept the H Share Buy-back Offer.

**Appointment and Authority**

- (c) Execution of the Form of Acceptance constitutes:
  - (i) the irrevocable appointment of any director or officer of the Company or UBS, or such other person as any of them may direct, as the agent of such accepting holder of the Offer Shares (the “**Agent**”): and
  - (ii) an irrevocable instruction to the Agent to complete and execute the Form of Acceptance and/or any other document at the Agent’s discretion on behalf of such accepting holder of the Offer Shares and to do any other acts or things (such as, amongst others, due execution of any instrument of transfers or to tender the relevant Share certificate(s) for cancellation) as may in the opinion of the Agent be

necessary, expedient or desirable for the purpose of the Company buying-back any Offer Shares (as the Company may in its absolute discretion determine) tendered by such accepting holder of the Offer Shares.

### Undertakings

- (d) By executing the Form of Acceptance, it/he/she:
- (i) agrees to ratify and confirm each and every act or thing which may be done or effected by the Company or any Agent in the proper exercise of its or its/his/her powers and/or authorities under the terms of the H Share Buy-back Offer;
  - (ii) undertakes to deliver to the H Share Registrar the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of the Shares for which the H Share Buy-back Offer is accepted, or an indemnity or indemnities acceptable to the Company in lieu thereof, or to procure the delivery of such document(s) to the H Share Registrar as soon as possible thereafter and, in any event, by 4:00 p.m. on the First Closing Date or the Final Closing Date (as the case may be);
  - (iii) accepts that the provisions of the Form of Acceptance and the other terms and conditions in this Offer Document are deemed to be incorporated into the terms and conditions of the H Share Buy-back Offer;
  - (iv) undertakes to execute any further documents, take any further action and give any further assurances which may be required in connection with its/his/her acceptance of the H Share Buy-back Offer as the Company may consider to be necessary, expedient or desirable, including without limitation, to complete the buy-back of any Offer Shares in respect of which it/he/she has accepted the H Share Buy-back Offer free from all liens, charges, options, claims, equities, adverse interests, rights of pre-emption or third party rights or encumbrances whatsoever and such Offer Shares are sold together with all rights accruing or attaching thereto, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the date on which the H Share Buy-back Offer is made (i.e. the date of despatch of this Offer Document) and/or to perfect any of the authorities expressed to be given hereunder;
  - (v) authorises the Company or the Agent to procure the despatch by ordinary post of the consideration to which it/he/she is entitled at its/his/her own risk to the first-named holder at its/his/her registered address stated in the Form of Acceptance; and
  - (vi) submits to the jurisdiction of the courts of Hong Kong in relation to all matters arising out of or in connection with the H Share Buy-back Offer or the Form of Acceptance.



**10. GENERAL**

- (a) All communications, notices, Form of Acceptance, share certificates, transfer receipts and other documents of title and/or of indemnity and/or of any other nature to be delivered by or sent to or from the holders of the Offer Shares will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, UBS, Somerley, the H Share Registrar, any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the H Share Buy-back Offer accepts any liability for any loss in postage or any other liabilities whatsoever which may arise as a result thereof.
- (b) The Company reserves the right, at its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in this Appendix I could have been properly given by the relevant accepting holder of the Offer Shares and, if such investigation is made and as a result the Company determines (for any reason) that any such representation and/or warranty could not have been properly given, such acceptance may be rejected as invalid.
- (c) All questions as to the validity, form, eligibility (including the time of receipt) and acceptance for payment of any acceptance under the H Share Buy-back will be determined by the Company in its sole discretion, which determination will be final and binding on all of the parties (except as otherwise required under the applicable laws or regulations or by the Takeovers Code and/or the Share Buy-backs Code). The Company reserves the absolute right to reject any or all acceptances it determines not to be in proper form or the acceptance or payment therefor which may, in the opinion of the Company, be unlawful. The Company also reserves the absolute right (provided that this is exercised consistently with the requirements of the Takeovers Code and/or the Share Buy-backs Code or otherwise with the Executive's consent) to waive any of the terms of the Offer, except the Conditions, either generally or in a particular case and any defect or irregularity in the acceptance of any particular Share or any particular holder thereof. An acceptance may be rejected as invalid unless all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the H Share Buy-back Offer will not be despatched until after the Form of Acceptance is completed in all respects and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) satisfactory to the Company have been received. None of the Company, UBS, Somerley, the H Share Registrar or any of their respective directors or any other person involved in the H Share Buy-back Offer is or will be obliged to give notice of any defects or irregularities in acceptances, and none of them will incur any liability for failure to give any such notice.

- (d) The provisions set out in the accompanying Form of Acceptance form part of the terms and conditions of the H Share Buy-back Offer.
- (e) The accidental omission to despatch this Offer Document and/or the accompanying Form of Acceptance or either of them to any person to whom the H Share Buy-back Offer is made shall not invalidate the H Share Buy-back Offer in any way.
- (f) The right of acceptance of the H Share Buy-back Offer is personal to each holder of the Offer Shares and is not capable of being assigned or renounced in favour of others or otherwise transferred by the holders of the Offer Shares.
- (g) The H Share Buy-back Offer, all acceptances of it, the Form of Acceptance and all actions taken or made or deemed to be taken or made pursuant to these terms will be governed by and construed in accordance with the laws of Hong Kong.
- (h) The H Share Buy-back Offer is made in accordance with the Takeovers Code and the Share Buy-backs Code.
- (i) References to the H Share Buy-back Offer in this Offer Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (j) In making their decision, the holders of the Offer Shares and/or Independent H Shareholders must rely on their own examination of the Group and the terms of the H Share Buy-back Offer, including the merits and risks involved. The contents of this Offer Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Company, the Directors and parties acting in concert with any of them, UBS, Somerley, the H Share Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the H Share Buy-back Offer. Holders of the Offer Shares and/or Independent H Shareholders should consult their own professional advisers for professional advice.
- (k) Unless otherwise expressly stated in this Offer Document and/or the Form of Acceptance, no person other than the Company and the accepting holders of the Offer Shares may enforce any terms of the H Share Buy-back Offer that will arise out of complete and valid acceptances under the Contracts (Rights of Third Parties) Ordinance, Chapter 623 of the Laws of Hong Kong.
- (l) The English text of this Offer Document and of the accompanying Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the audited consolidated financial results of the Group for the years ended 31 December 2021, 2022 and 2023 respectively, as extracted from the relevant published financial statements of the Company for the relevant years.

	For the year ended 31 December		
	2023	2022 <i>(audited)</i>	2021
	<i>RMB</i>		
<b>Revenue</b>	25,086,577,013.05	23,620,612,415.36	27,647,762,501.46
<b>Operating profit</b>	3,264,673,614.58	1,472,638,520.24	1,173,596,875.71
<b>Profit before income tax</b>	3,260,764,615.46	1,474,779,017.88	1,176,166,310.16
<b>Income tax expenses</b>	813,003,671.70	361,171,952.63	188,502,861.95
<b>Net profit</b>	2,447,760,943.76	1,113,607,065.25	987,663,448.21
Net profit attributable to the Shareholders of the Company	2,455,670,702.61	1,117,958,345.49	900,749,340.13
Net profit attributable to the Shareholders of the Company after deducting non-recurring profit or loss	1,553,393,232.96	915,504,724.28	635,803,868.16
Net profit attributable to non-controlling interests of the Company	(7,909,758.85)	(4,351,280.24)	86,914,108.08
<b>Total comprehensive income</b>	2,697,413,059.31	1,314,508,506.26	866,261,619.65
Total comprehensive income attributable to the Shareholders of the Company	2,705,342,771.08	1,318,965,969.23	779,509,922.40
Total comprehensive income attributable to non-controlling interests of the Company	(7,929,711.77)	(4,457,462.97)	86,751,697.25
<b>Earnings per Share</b>			
Basic earnings per Share	1.22	0.55	0.48
Diluted earnings per Share	1.22	0.55	0.48
<b>Dividend attributable to the Shareholders of the Company</b>	0.00	605,280,000.00	403,520,000.00
<b>Dividend per Share</b>	0.00	0.30	0.20

There are no other items of income or expense which are material for each of the three years ended 31 December 2021, 2022 and 2023.

The auditor's reports issued by PricewaterhouseCoopers Zhong Tian LLP, in respect of the audited consolidated financial statements of the Group for each of the years ended 31 December 2021, 2022 and 2023 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

## 2. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer to in this Offer Document the consolidated statements of financial position, consolidated statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Group for the years ended 31 December 2023 (the “**2023 Financial Statements**”), 31 December 2022 (the “**2022 Financial Statements**”) and 31 December 2021 (the “**2021 Financial Statements**”) together with the significant accounting policies and the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2023 Financial Statements are set out from page 84 to page 115 in the annual result announcement of the Company for the year ended 31 December 2023 (the “**2023 Annual Result Announcement**”), which was published on 21 March 2024. The 2023 Annual Result Announcement is posted on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cimvehiclesgroup.com](http://www.cimvehiclesgroup.com)), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0321/2024032101028.pdf>

The 2022 Financial Statements are set out from page 333 to page 532 in the annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”) of the Company, which was published on 26 April 2023. The 2022 Annual Report is posted on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cimvehiclesgroup.com](http://www.cimvehiclesgroup.com)), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042603071.pdf>

The 2021 Financial Statements are set out from page 313 to page 516 in the annual report of the Company for the year ended 31 December 2021, which was published on 25 April 2022 (the “**2021 Annual Report**”). The 2021 Annual Report is posted on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cimvehiclesgroup.com](http://www.cimvehiclesgroup.com)), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0425/2022042500853.pdf>

The 2023 Financial Statements, the 2022 Financial Statements and the 2021 Financial Statements (but not any other parts of the 2023 Annual Result Announcement, the 2022 Annual Report or the 2021 Annual Report in which they respectively appear) are incorporated by reference into this Offer Document and form part of this Offer Document.

### **3. STATEMENT OF INDEBTEDNESS**

As at 31 January 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Offer Document, the Group had current borrowings of approximately RMB396,112,000, of which RMB65,952,000 was guaranteed, approximately RMB323,360,000 was unsecured and RMB6,800,000 was pledged. The Group had non-current borrowings of approximately RMB230,473,000, of which approximately RMB31,648,000 was guaranteed and approximately RMB198,825,000 was unsecured. As at 31 January 2024, the Group had lease liabilities of approximately RMB263,993,000.

The Group entered into financial guarantee contracts relating to customer vehicle mortgage loans with CIMC Finance Company Ltd. (中集集團財務有限公司), Huishang Bank, Sinotruk Auto Finance Co., Ltd. (重汽汽車金融有限公司) and Industrial Bank and other entities to provide guarantees in respect of banking facilities granted to dealers and customers of the Group, which had drawn down loans under banking facilities granted to settle outstanding payables arising from purchasing of vehicles from the Group. As at 31 January 2024, the outstanding balance of the above guarantees provided by the Group to dealers and customers amounted to approximately RMB729,141,000. Under the terms of the above mentioned financial guarantee contracts, the Group, as guarantor of consumer vehicle mortgage loans for the sale of transportation vehicles, is required to perform obligations or assume liabilities in accordance with the contracts when the debtors fail to perform. The financial contract liabilities are subsequently measured at the higher of the amount initially recognised net of accumulated amortisation and the provision determined according to the contingent principle. The amount of warranties was provided based on the risk assessment on the Group's loss arising from compensation for the guarantee contracts. As at 31 January 2024, the estimated provision for the financial guarantee was approximately RMB16,744,000.

Save as disclosed above, and apart from intra-group liabilities, as at 31 January 2024, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances, or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

### **4. MATERIAL CHANGE**

The Directors confirm that, there has been no material change in the financial or trading position or outlook of the Group subsequent to 31 December 2023, being the date to which the latest published audited accounts of the Group were made up, up to and including the Latest Practicable Date.

## 5. FINANCIAL AND TRADING PROSPECTS

The Company is the world's leader in the sophisticated manufacturing of semi-trailers and specialty vehicles, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China.

The Company continues to upgrade and iterate its major businesses or groups, and has established the “Star Chain Semi-trailer Group”, “North American Business”, “European Business”, “Champion Tanker Business Group” and “Dump Truck and Heavy Cargo Truck Business”. The Company has conducted the production and sales of truck bodies for semi-trailers and specialty vehicles in four major markets in the world, covering more than 40 countries and regions, and has 21 “Light Tower” plants at home and abroad.

As disclosed in the 2023 Annual Result Announcement, the Group's operating profit in 2023 was RMB3,264,673,614.58, representing an increase of approximately 121.69% over that of the same period of last year; and the Company's operating profit in 2023 was RMB1,112,934,594.63, representing an increase of approximately 79.92% over that of the same period of last year. As disclosed in the 2022 Annual Report, the Group's operating profit in 2022 was RMB1,472,638,520.24, representing an increase of approximately 25.48% over that of the same period of last year; and the Company's operating profit in 2022 was RMB618,561,770.31, representing an increase of approximately 24.50% over that of the same period of last year.

The Company will accelerate the development of new productive forces, steadfastly promote high-quality development, forge resilience to cope with cycle effect, and foster practical actions with new thinking to explore more refined, more resilient and higher-quality growth. While stabilizing the fundamentals of “Intercontinental Operation, Local Manufacturing”, the Company will develop advanced productive forces featuring high-tech, high-efficiency and high-quality, deepen the supply-side structural reform, eliminate supply constraints, and remove barriers in procurement, production, circulation, distribution and consumption. Under the new business model of domestic circulation and international circulation economy, the Company will gradually build a “stable and agile organization” to create a new growth engine for the third venture.

## A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

For illustrative purposes, the financial information prepared in accordance with Rule 4.29 of the Listing Rules is set out here to provide further information about how the financial information of the Group might be affected by the assumption of the completion of the H Share Buy-back Offer as if the H Share Buy-back Offer had been completed as at 31 December 2023, 1 January 2023 or at any future date.

The following are illustrative and unaudited pro forma statements of adjusted consolidated net assets per Share and adjusted earnings per Share (the “**Unaudited Pro Forma Financial Information**”) of the Group attributable to shareholders of the Company which have been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the H Share Buy-back Offer as if it had taken place on 31 December 2023 for the unaudited pro forma adjusted consolidated net assets per Share attributable to shareholders of the Company after completion of the H Share Buy-back Offer or 1 January 2023 for the pro forma adjusted earnings per Share to shareholders of the Company after completion of the H Share Buy-back Offer. This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position or financial results of the Group had the H Share Buy-back Offer been completed as at 31 December 2023, 1 January 2023 or at any future date.

## Unaudited pro forma statement of adjusted consolidated net assets per Share

	Audited consolidated net assets of the Group attributable to shareholders of the Company as at 31 December 2023 <sup>(Note 1)</sup> RMB '000	Estimated expenditure to be incurred under the H Share Buy-back Offer <sup>(Note 2)</sup> RMB '000	Unaudited pro forma adjusted consolidated net assets attributable to shareholders of the Company as at 31 December 2023 RMB '000
Non-current assets	7,316,307	–	7,316,307
Current assets*	16,521,521	(1,046,535)	15,474,986
Current liabilities <sup>(Note 3)</sup>	7,740,454	–	7,740,454
Net current assets <sup>(Note 3)</sup>	8,781,067	(1,046,535)	7,734,532
Non-current liabilities <sup>(Note 3)</sup>	650,281	–	650,281
Net assets	15,447,093	(1,046,535)	14,400,558
Net assets attributable to shareholders of the Company	14,808,858	(1,046,535)	13,762,323
*Including:			
– Cash and cash equivalents	6,010,494	(1,046,535)	4,963,959
Net assets per Share attributable to shareholders of the Company <sup>(Note 4)</sup>	7.34		7.36

## Unaudited pro forma statement of adjusted earnings per Share

	Audited consolidated profit attributable to shareholders of the Company for the year ended 31 December 2023 <sup>(Note 1)</sup> RMB'000	Earnings per Share to shareholders of the Company for the year ended 31 December 2023 <sup>(Note 4)</sup> RMB	Unaudited pro forma adjusted earnings per Share to shareholders of the Company after completion of the H Share Buy-back Offer <sup>(Note 6)</sup> RMB
Share buy-back of 146,729,400 Shares at HK\$7.5 per Share	2,455,671	1.22	1.31

## Notes:

- The audited consolidated net assets of the Group attributable to Shareholders of the Company as at 31 December 2023 and audited consolidated profit attributable to Shareholders of the Company for the year ended 31 December 2023 are extracted from the annual result announcement of the Company for the year ended 31 December 2023 published on 21 March 2024.
- The estimated expenditure to be incurred under the H Share Buy-back Offer of RMB1,046,535,000 include the H Share Buy-back Offer cost of approximately RMB1,014,535,000, which is calculated based on 146,729,400 Shares to be bought-back at the offer price of HK\$7.5 per Offer Share and the related transaction costs of RMB32,000,000.
- The estimated expenditure to be incurred under the H Share Buy-back Offer will be settled by cash and therefore the H Share Buy-back Offer will not have any effect on the liabilities of the Group, and the working capital (expressed as net current assets) as at 31 December 2023 would decrease by approximately RMB1,046,535,000 from approximately RMB8,781,067,000 to approximately RMB7,734,532,000.
- The consolidated net assets per Share attributable to shareholders of the Company as at 31 December 2023 and the earnings per Share to shareholders of the Company for the year ended 31 December 2023 were approximately RMB7.34 and approximately RMB1.22 respectively, which was based on the audited consolidated net assets of the Group attributable to Shareholders of the Company as at 31 December 2023 of approximately RMB14,808,858,000 and the audited consolidated profit attributable to Shareholders of the Company for the year ended 31 December 2023 of approximately RMB2,455,671,000 respectively, and on the basis that 2,017,600,000 Shares were in issue as at 31 December 2023 and throughout the year ended 31 December 2023.
- The unaudited pro forma adjusted consolidated net assets per share attributable to Shareholders of the Company after completion of the H Share Buy-back Offer is arrived at after taking into account of the following (i) the audited consolidated net assets of the Group attributable to Shareholders of the Company as at 31 December 2023 of approximately RMB14,808,858,000 (Note 1) deducted by the estimated expenditure from the H Share Buy-back Offer of approximately RMB1,046,535,000 (Note 2) and (ii) on the basis that 2,017,600,000 Shares were in issue as at 31 December 2023 and 146,729,400 H Shares were bought-back under the H Share Buy-back Offer, resulting in 1,870,870,600 Shares, assuming the H Share Buy-back Offer had been completed on 31 December 2023 and that there is full acceptance of the H Share Buy-back Offer up to the maximum number of the Shares to be bought-back pursuant to the H Share Buy-back Offer, being 146,729,400 H Shares in aggregate and representing approximately 7.27% of the total issued Shares as at 31 December 2023 (the "Maximum Number of Shares").



6. The unaudited pro forma adjusted earnings per Share to shareholders of the Company after completion of the H Share Buy-back Offer is arrived at after taking into account of the audited consolidated profit attributable to Shareholders of the Company for the year ended 31 December 2023 of approximately RMB2,455,671,000 (Note 1) and on the basis that 2,017,600,000 Shares were in issue as at 1 January 2023 and 146,729,400 H Shares were bought-back under the H Share Buy-back Offer, resulting in 1,870,870,600 Shares throughout the year ended 31 December 2023, assuming the H Share Buy-back Offer had been completed on 1 January 2023 and that there is full acceptance of the H Share Buy-back Offer up to the Maximum Number of Shares. The Directors confirm that the related transaction cost of approximately RMB32,000,000 will be capitalized in full to equity in accordance with the Company's accounting policies.
7. For the purposes of the consideration payable from the H Share Buy-back Offer, the amount denominated in HK\$ has been converted into RMB at an exchange rate of RMB1.00 to HK\$1.0847. No representation is made that the HK\$ amounts have been, could have been or may be converted to RMB, at that rate or at all; and
8. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2023.

**B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

*The following is the text of a report on the unaudited pro forma financial information of the Group received from PricewaterhouseCoopers Zhong Tian LLP, for the purpose of incorporation in this Offer Document.*



普华永道

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of CIMC Vehicles (Group) Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of CIMC Vehicles (Group) Co., Ltd. (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net assets per share attributable to shareholders of the Company as at 31 December 2023 and the unaudited pro forma statement of adjusted earnings per share to shareholders of the Company for the year ended 31 December 2023, and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages III-1 to III-3 of the Company’s offer document dated 27 March 2024 (the “**Offer Document**”), in connection with the (1) conditional cash offer by UBS AG (acting through its Hong Kong Branch) on behalf of the Company to buy back all the issued H shares (other than those held by China International Marine Containers (Group) Co., Ltd. and its concert parties) at HK\$7.5 per H share and (2) proposed voluntary withdrawal of listing of the H shares of the Company from The Stock Exchange of Hong Kong Limited. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-1 to III-3 of the Offer Document.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Offer on the Group’s financial position as at 31 December 2023 and the Group’s financial performance for the year ended 31 December 2023 as if the Offer had taken place at 31 December 2023 and 1 January 2023 respectively. As part of this process, information about the Group’s financial position and financial performance has been extracted by the Directors from the Group’s financial statements for the year ended 31 December 2023, on which an audit report has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

**Our Independence and Management**

We have complied with the independence and other ethical requirement of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Offer at 31 December 2023 or 1 January 2023 respectively would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**PricewaterhouseCoopers Zhong Tian LLP**

Shanghai, the People's Republic of China

27 March 2024

**1. RESPONSIBILITY STATEMENT**

As at the Latest Practicable Date, the executive Director of the Company is Mr. Li Guiping; the non-executive Directors of the Company are Mr. Mai Boliang, Mr. Zeng Han, Mr. Wang Yu, Mr. He Jin and Ms. Lin Qing; and the independent non-executive Directors of the Company are Mr. Feng Jinhua, Mr. Fan Zhaoping and Mr. Cheng Hok Kai Frederick.

The Directors jointly and severally accept fully responsibility for the accuracy of the information contained in this Offer Document, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document, the omission of which would make any statement contained in this Offer Document misleading.

**2. SHARE CAPITAL**

As at the Latest Practicable Date, the total registered share capital of the Company was RMB2,017,600,000 and the number of issued Shares was 2,017,600,000, comprising 563,920,000 issued H Shares and 1,453,680,000 issued A Shares. As the Company is incorporated under the PRC laws, the Company does not have an authorised share capital.

All the existing issued Shares are fully paid up or credited as fully paid and rank pari passu in all respects with each other, including all rights in respect of capital, dividends and voting.

The Company has not issued any new Shares nor bought back any Shares since 31 December 2023, being the end of the last financial year of the Company. As at the Latest Practicable Date, the Company had no other outstanding securities, options, warrants or derivatives which are convertible into or which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code), other than the Shares as disclosed above.

During the two financial years preceding the commencement of the Offer Period, save for the conversion of 1,201,080,000 A Shares from the then existing issued domestic shares of the Company and the issue of 252,600,000 new A Shares on 8 July 2021 in relation to the listing of the A Shares on the ChiNext Market of the Shenzhen Stock Exchange on 8 July 2021, there has been no other reorganisation of capital of the Company. In addition, the Company did not buy back any Shares for the twelve (12) months period immediately preceding the date of this Offer Document. None of the H Shares were issued during the two (2)-year period immediately preceding the Offer Period.

**3. MARKET PRICES**

The table below sets out the closing prices of the H Shares on the Hong Kong Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; (iii) the last trading day before the date of the Rule 3.5 Announcement; and (iv) the Latest Practicable Date:

	<b>Closing Price of the H Shares (HK\$)</b>
31 May 2023	5.77
30 June 2023	6.80
31 July 2023	7.79
31 August 2023	6.07
29 September 2023	6.87
31 October 2023	5.67
27 November 2023 (the Last Trading Day)	6.44
30 November 2023	6.90
29 December 2023	6.93
31 January 2024	6.86
29 February 2024	6.94
8 March 2024 (the last trading day before the date of the Rule 3.5 Announcement)	7.15
25 March 2024 (the Latest Practicable Date)	7.25

During the Relevant Period, the highest and lowest closing prices of the H Shares as quoted on the Hong Kong Stock Exchange was HK\$7.80 per H Share on 1 August 2023 and HK\$5.48 per H Share on 2 November 2023, respectively.

**4. DIVIDEND**

The frequency and amount of dividends that have been proposed or paid out by the Company to the H Shareholders during the two year period immediately preceding the date of this Offer Document are as follows:

	<b>2023</b>	<b>2022</b>
	<i>RMB</i>	<i>RMB</i>
Interim dividend per Share for the six months ended 30 June	Nil	Nil
Final dividend per Share for the year ended 31 December	Nil	0.30

Depending on the future results and financial position of the Group, the Company may declare dividends as and when it considers appropriate taking into account the then financial performance of the Group, capital needs for the manufacturing of semi-trailers and specialty vehicles, the development of road transport equipment and new energy specialty vehicles and other operations of the Group in accordance with its dividend policy and the articles of association of the Company. The Company does not intend to announce, declare or pay any dividend, distribution or other return of capital or alter its dividend policy before the close of the H Share Buy-back Offer.

## 5. DISCLOSURE OF INTERESTS

### Interests of Directors in the Company and associated corporations of the Company

As at the Latest Practicable Date, save for the interests in the Shares of the Company and the shares and underlying shares of associated corporations of the Company as disclosed below, none of the Directors, supervisors and chief executive of the Company has any interest and short position in the Shares of the Company, or shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors, supervisors or chief executive of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules; or (iv) disclosed pursuant to the Takeovers Code or the Share Buy-backs Code:

#### *Interests of Directors in the Shares of the Company*

Name of Director	Nature of Interest	Class of Shares	Number of Shares/		Approximate Percentage of the Relevant Class of Shares	Approximate Percentage of the Total Issued Share Capital of the Company
			Underlying Shares Held	Long Position/ Short Position		
Li Guiping	Beneficial owner <sup>(Note 1)</sup>	A Shares	21,272	Long position	0.00%	0.00%
	Interest in controlled corporation <sup>(Note 1)</sup>	A Shares	89,046,400	Long position	6.13%	4.41%
	Beneficial owner	H Shares	2,500	Long position	0.00%	0.00%
Wang Yu	Interest in controlled corporation <sup>(Note 2)</sup>	A Shares	68,336,400	Long position	4.70%	3.39%
He Jin	Beneficial owner <sup>(Note 3)</sup>	A Shares	1,000	Long Position	0.00%	0.00%



*Notes:*

1. Mr. Li Guiping is the executive Director, Chief Executive Officer and President of the Company. Mr. Li Guiping is also deemed to be interested in 21,272 A Shares held through the Phase I Employee Stock Ownership Scheme (2023-2027). Mr. Li Guiping is the general partner of Shenzhen Long Hui Gang Cheng Enterprise Management Center (Limited Partnership) (深圳市龍匯港城企業管理中心(有限合夥)), a general partner of Xiangshan Huajin and is interested in 47.37% of the shares, therefore he is deemed to be interested in 68,336,400 A Shares held by Xiangshan Huajin. Mr. Li Guiping is interested in 80% of the equity interest of Shenzhen Long Yuan Gang Cheng Investment and Development Co., Ltd. (深圳市龍源港城投資發展有限公司), a general partner of Hainan Longyuan Gangcheng, and therefore he is also deemed to be interested in 20,710,000 A Shares held by Hainan Longyuan Gangcheng.
2. Mr. Wang Yu is a non-executive Director. Mr. Wang Yu is interested in 26.32% of the shares of Shenzhen Long Hui Gang Cheng Enterprise Management Center (Limited Partnership) (深圳市龍匯港城企業管理中心(有限合夥)), a general partner of Xiangshan Huajin, and therefore is also deemed to be interested in 68,336,400 A Shares held by Xiangshan Huajin.
3. Mr. He Jin is a non-executive Director, and is deemed to be interested in the 1,000 A Shares held by his spouse.

*Interests of Directors in the shares/underlying shares of associated corporations of the Company*

Associated Corporation	Class of Shares Held in the Associated Corporation	Name of Director	Capacity	Number	Number of Shares/
				of Shares/	underlying Shares
				Underlying	held Approximate
				Shares Held	Percentage of
					the Relevant
					Class of Shares
CIMC Group	A shares	Mai Boliang	Beneficial owner <sup>(Note 1)</sup>	890,465	0.04%
	A shares	He Jin	Beneficial owner <sup>(Note 1)</sup>	26,100	0.00%
CIMC Enric Holdings Limited (中集安瑞科控股有限公司)	Ordinary shares	Mai Boliang	Beneficial owner <sup>(Note 1)</sup>	7,260,000	0.36%
		Wang Yu	Beneficial owner <sup>(Note 1)</sup>	1,170,000	0.06%
		Zeng Han	Beneficial owner <sup>(Note 1)</sup>	1,250,000	0.06%
China Jiangsu Vanguard Trailer Rental Co., Ltd. (江蘇掛車幫租賃有限公司)	Domestic shares	Li Guiping	Interest in controlled corporation <sup>(Note 2)</sup>	10,000,000	3.85%
Shenzhen SF-Trailer.net Technology Co., Ltd. (深圳市星火車聯科技有限公司)	Domestic shares	Li Guiping	Interest in controlled corporation <sup>(Note 3)</sup>	1,200,000	17.14%

*Notes:*

1. Mr. Mai Boliang, Mr. He Jin, Mr. Wang Yu and Mr. Zeng Han are non-executive Directors of the Company. As at the Latest Practicable Date, Mr. Mai Boliang and Mr. He Jin held 890,465 and 26,100 A shares in issue of CIMC Group respectively, and Mr. Mai Boliang, Mr. Wang Yu and Mr. Zeng Han held 7,260,000, 1,170,000 and 1,250,000 ordinary shares of CIMC Enric Holdings Limited (中集安瑞科控股有限公司) respectively. CIMC Enric Holdings Limited (中集安瑞科控股有限公司) is a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3899) and a non-wholly-owned subsidiary of CIMC Group. CIMC Group and CIMC Enric Holdings Limited (中集安瑞科控股有限公司) are associated corporations of the Company.
2. Mr. Li Guiping is the executive Director, Chief Executive Officer and President of the Company. As Mr. Li Guiping has a 34% equity interest in Shenzhen Huixin Enterprise Management Center (Limited Partnership) (深圳匯信企業管理中心(有限合夥)) as at the Latest Practicable Date, Mr. Li Guiping discloses his 3.85% equity interest in China Jiangsu Vanguard Trailer Rental Co., Ltd. which is held by the Company as to 51.92% of its shares.
3. Mr. Li Guiping is the executive Director, Chief Executive Officer and President of the Company. Mr. Li Guiping has a 4.8% equity interest in Shenzhen Yuanxin Investment Partnership (Limited Partnership) (深圳源欣投資合夥企業(有限合夥)) as at the Latest Practicable Date, and therefore he discloses his interest in 17.14% of the shares of Shenzhen SF-Trailernet Technology Co., Ltd.(深圳市星火車聯科技有限公司) which is held by the Company as to 54.29% of its shares.

**Interests of substantial Shareholders in the Company**

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO, the following persons had, or were deemed or taken to have interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Shareholders	Nature of Interest	Class of Shares held	No. of Shares held	Approximate	Approximate
				% of the relevant class of Shares in issue	% of the total Shares in issue
CIMC Group <sup>(Note 1)</sup>	Beneficial owner	A Shares	728,443,475	50.11%	36.10%
	Interest in controlled corporation	H Shares	417,190,600	73.98%	20.68%
CIMC HK <sup>(Note 1)</sup>	Beneficial owner	H Shares	417,190,600	73.98%	20.68%

*Note:*

- (1) As at the Latest Practicable Date, CIMC HK is a wholly-owned subsidiary of CIMC Group and CIMC Group is thus deemed to be interested in the H Shares held by CIMC HK.

Save as disclosed above, the Directors and the chief executive of the Company are not aware of any person who, as at the Latest Practicable Date, had an interest or short position in the Shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## 6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contracts with any member of the Group which (i) have been entered into or amended within 6 months before the commencement of the Offer Period (including both continuous and fixed terms contracts); (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed terms contracts with more than 12 months to run irrespective of the notice period.

## 7. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS IN THE COMPANY

The Company confirms that, as at the Latest Practicable Date:

- (a) save as disclosed in the paragraph headed “*Shareholding Structure of the Company*” in “*Letter from the Board*” above and the section headed “*Interests of Directors in the Company and associated corporations of the Company*” in this Appendix IV, none of the Directors and their respective concert parties has any interest (within the meaning of Part XV of the SFO) in the Shares or convertible securities, warrants, options or derivatives in respect of the Shares, and there is no outstanding derivative in respect of the securities in the Company which is owned, controlled or directed by, or has been entered into by the Directors or any of their respective concert parties;
- (b) save for the CIMC Group and CIMC HK Irrevocable Undertaking and the Independent H Shareholder Irrevocable Undertakings, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares which might be material to the H Share Buy-back Offer;
- (c) save as disclosed in the section headed “*Interests of substantial Shareholders in the Company*” in this Appendix IV, there is no Shareholder which holds 10% or more of the voting rights in the Company;
- (d) save for the CIMC Group and CIMC HK Irrevocable Undertaking and the Independent H Shareholder Irrevocable Undertakings, the Company or any parties acting in concert with it has not received any irrevocable commitment to accept or reject the H Share Buy-back Offer, or to vote in favour of or against the resolutions at the H Shareholders’ Class Meeting, the A Shareholders’ Class Meeting and/or the EGM. Save as disclosed in the paragraph headed “*Shareholding Structure of the Company*” in “*Letter from the Board*” above and the section headed “*Interests of*

*substantial Shareholders in the Company*” in this Appendix IV, none of CIMC Group, CIMC HK or Independent IU Shareholders has any interest (within the meaning of Part XV of the SFO) in the Shares or convertible securities, warrants, options or derivatives in respect of the Shares;

- (e) there is no agreement or arrangement to which the Company is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the H Share Buy-back Offer;
- (f) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Company, any of the Directors or any of their respective concert parties has borrowed or lent;
- (g) save for the shareholdings of CIMC Group and CIMC HK as disclosed in the paragraph headed “*Shareholding Structure of the Company*” in the “*Letter from the Board*” above and the section headed “*Interests of substantial Shareholders in the Company*” in this Appendix IV, the Company and parties acting in concert with it do not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code);
- (h) save for the consideration for the H Share Buy-back Offer, there is no other consideration, compensation or benefits in whatever form provided (or to be provided) by the Company or any of its concert parties to any Shareholder in connection with the H Share Buy-back Offer; and
- (i) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between:
  - (i) (x) the Company or any of its concert parties on one hand and (y) the Shareholders on the other hand; and
  - (ii) (x) the Company, its subsidiaries or associated companies on one hand and (y) the Shareholders on the other hand.

Save for the dealings by Xiangshan Huajin, a corporation controlled (as defined in the Takeovers Code) by Mr. Li Guiping (the executive Director) and Mr. Wang Yu (a non-executive Director) (for details, please refer to notes 2 and 4 under the section headed “*Shareholding structure of the Company*” above), (ii) Hainan Longyuan Gangcheng, a corporation controlled (as defined in the Takeovers Code) by Mr. Li Guiping (for details, please refer to note 2 under the section headed “*Shareholding structure of the Company*” above), and (iii) Ms. YU Siwei, the spouse of Mr. He Jin (a non-executive Director) as disclosed below, no person referred to in paragraphs 7(a), 7(d) and 7(g) above has dealt for value in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the Relevant Period.

Name of A Shareholders	Date	Bought/ Sold	No. of A Shares Dealt	Consideration per A Share Dealt (RMB)
Xiangshan Huajin	27 June 2023	Sold	320,300	12.5300
	3 July 2023	Sold	3,500,000	14.0800
	31 July 2023	Sold	58,000	15.0600
Hainan Longyuan Gangcheng	14 November 2023	Sold	650,000	10.5190
	15 November 2023	Sold	900,000	10.5667
	16 November 2023	Sold	485,700	10.2733
YU Siwei	17 November 2023	Sold	414,300	10.3260
	17 July 2023	Bought	1,000	13.5200
	25 July 2023	Sold	1,000	13.7600
Phase I Employee Stock Ownership Scheme (2023-2027)	26 July 2023	Bought	1,000	13.3700
	1 November 2023	Bought	50,000	10.0900
	1 November 2023	Bought	100,000	10.0700
	1 November 2023	Bought	50,000	10.0700
	2 November 2023	Bought	50,000	10.0800
	2 November 2023	Bought	50,000	10.0800
	2 November 2023	Bought	100,000	10.0700
	2 November 2023	Bought	9,400	10.0600
	3 November 2023	Bought	100,000	10.2000
	6 November 2023	Bought	50,000	10.3000
7 November 2023	Bought	50,000	10.2900	
7 November 2023	Bought	67,600	10.2800	

As set out in the paragraph headed “*CIMC Group and CIMC HK Irrevocable Undertaking*” in the “*Letter from UBS*”, CIMC Group and CIMC HK have provided the CIMC Group and CIMC HK Irrevocable Undertaking in favour of the Company, pursuant to which CIMC Group and CIMC HK have irrevocably and unconditionally undertaken to the Company, among other things, that the H Share Buy-back Offer does not have to be extended to CIMC HK, and no comparable A Share offer has to be extended to CIMC Group, and even if the H Share Buy-back Offer is extended to CIMC HK and/or such comparable A Share offer is extended to CIMC Group, they will not accept the H Share Buy-back Offer or such comparable A Share offer. In addition, pursuant to the CIMC Group and CIMC HK Irrevocable Undertaking, CIMC HK will attend the H Shareholders Class Meeting and the EGM, CIMC Group will attend the A Shareholders Class Meeting and the EGM, and each of CIMC Group and CIMC HK will respectively vote in favour of the resolutions to be proposed at the A Shareholders Class Meeting and the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

As set out in the paragraph headed “*Independent H Shareholder Irrevocable Undertakings*” in the “*Letter from UBS*”, each of Independent IU Shareholders provided the Independent H Shareholder Irrevocable Undertakings pursuant to which each of Independent IU Shareholders has irrevocably and unconditionally undertaken to the Company, among other things, that it will accept the H Share Buy-back Offer in respect of all the H Shares and any other securities of the Company held by it and will vote in favour of the resolutions to be proposed at the H Shareholders Class Meeting, the A Shareholders Class Meeting (if applicable) and the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. As at the Latest Practicable Date, the Independent IU Shareholders hold an aggregate of 80,143,000 H Shares (representing approximately 55.16% of all the H Shares held by the Independent H Shareholders, approximately 14.21% of all the H Shares in issue and approximately 3.97% of the total issued share capital of the Company).

Save as disclosed above and except for Mr. Li Guiping, who has indicated his intention to accept the H Share Buy-back Offer in respect of all the 2,500 H Shares held by him as at the Latest Practicable Date, and Ms. Mao Yi, who has indicated her intention to accept the H Share Buy-back Offer in respect of all the 1,438,000 H Shares held by her as at the Latest Practicable Date, no person referred to in paragraphs 7(a), 7(c), 7(d) and 7(g) above has indicated its intention to accept the H Share Buy-back Offer and/or to vote in favour or against the H Share Buy-back Offer and/or the Voluntary Withdrawal of Listing.

## 8. DEALINGS DISCLOSURE OBLIGATIONS

Associates of the Company are reminded to observe their disclosure obligations regarding their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Note 11 to Rule 22 of the Takeovers Code, stockbrokers, banks and others who deal in any securities of the Company on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of the Company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant securities of the Company undertaken for a client during any 7-day period is less than HK\$1 million.

Intermediaries are expected to co-operate with the Executive in its dealing enquiries. Therefore, those who deal in the securities of the Company should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

## 9. LITIGATION

As at the Latest Practicable Date, except for the investigation against CIMC Intermodal Equipment, LLC (being a wholly-owned subsidiary of the Company) initiated by the U.S. Customs and Border Protection as disclosed in the announcement of the Company dated 19 February 2024, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was pending or threatened against either the Company or any of its subsidiaries.

## 10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by the members of the Group within the two years immediately preceding the commencement date of the Offer Period and up to and including the Latest Practicable Date, which were or might be material:

- (a) The capital increase agreement dated 24 March 2022 entered into by and among the Company, Shenzhen CIMC Investment Co., Ltd.\* (深圳市中集投資有限公司), CIMC Technology Co., Ltd.\* (中集技術有限公司), CIMC Enric Investment Holdings (Shenzhen) Ltd.\* (中集安瑞科投資控股(深圳)有限公司), Cuilian (Shenzhen) Fire-fighting Equipment Co., Ltd.\* (萃聯(深圳)消防裝備有限公司) and Shenzhen Qili Corporate Management Partnership (Limited Partnership)\* (深圳齊力企業管理合夥企業(有限合夥)) in respect of the capital injection in Shenzhen CIMC Tongchuang Supply Chain Co., Ltd.\* (深圳中集同創供應鏈有限公司) for an aggregate cash consideration of RMB187,517,500.00, details of which are set out in the announcement of the Company dated 24 March 2022;
- (b) the expropriation and resettlement compensation agreement for houses on the state-owned land dated 8 September 2022 entered into by and between Qingdao CIMC Special Vehicles Co., Ltd. (青島中集專用車有限公司) (a wholly-owned subsidiary of the Company) and Huangdao Sub-district Office, Huangdao District, Qingdao City, in respect of the expropriation of the land parcel and buildings on the land parcel located in the south of Huaihe Road and west of Penghudao Street for a resettlement compensation of RMB329,825,300.00, details of which are set out in the announcement of the Company dated 8 September 2022;

- (c) the appraisal and compensation agreement dated 8 September 2022 entered into by and between Qingdao CIMC Special Vehicles Co., Ltd. (青島中集專用車有限公司) and Huangdao Sub-district Office, Huangdao District, Qingdao City, in respect of the expropriation of the attachments above the concrete floor of the land parcel located in the south of Huaihe Road, Huangdao Street and west of Penghudao Street for a compensation of RMB3,402,760.00, details of which are set out in the announcement of the Company dated 8 September 2022;
- (d) the equity transfer agreement dated 17 February 2023 entered into between the Company, CIMC Vehicle Investment Holdings Company Limited (a wholly-owned subsidiary of the Company) and CIMC Group, in respect of the sale of 75% of equity interest in Shenzhen CIMC Vehicle Co., Ltd. (深圳中集專用車有限公司) by the Company to CIMC Group and the sale of 25% of equity interest in Shenzhen CIMC Vehicle Co., Ltd. (深圳中集專用車有限公司) by CIMC Vehicle Investment Holdings Company Limited to CIMC Group for an aggregate cash consideration of RMB1,355,618,000, details of which are set out in the announcements of the Company dated 6 February 2023 and 17 February 2023 and the circular of the Company dated 7 March 2023; and
- (e) the equity transfer agreement dated 23 August 2023 entered into between the Company and Shenzhen CIMC Investment Co., Ltd.\* (深圳市中集投資有限公司), in respect of the sale of 3.7991% of equity interest in Shenzhen CIMC Tongchuang Supply Chain Co., Ltd.\* (深圳中集同創供應鏈有限公司) for a cash consideration of RMB22,286,900, details of which are set out in the announcement of the Company dated 23 August 2023.

\* For identification purpose only



**11. CONSENTS AND QUALIFICATIONS**

The following are the names and qualifications of the professional advisers whose letters, opinions or advice are contained or referred to in this Offer Document.

<b>Name</b>	<b>Qualifications</b>
UBS	a registered institution under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
Somerley	a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
PricewaterhouseCoopers Zhong Tian LLP	Certified Public Accountants in the People's Republic of China; Recognized Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588)

Each of the above professional advisers has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion of the text of its letter and/or report and the references to its name in the form and content in which they appear therein.

**12. DOCUMENTS ON DISPLAY**

Copies of the following documents are available for inspection on (i) the website of the SFC ([www.sfc.hk](http://www.sfc.hk)) and (ii) the Company's website ([www.cimcvehiclesgroup.com](http://www.cimcvehiclesgroup.com)) during the period from the date of this Offer Document for so long as the H Share Buy-back Offer remains opened for acceptance:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for each of the years ended 31 December 2021 and 2022;
- (c) the annual result announcement of the Company for the year ended 31 December 2023;
- (d) the letter from UBS, the financial adviser to the Company, the text of which is set out in pages 16 to 30 of this Offer Document;
- (e) the letter from the Board, the text of which is set out in pages 31 to 48 of this Offer Document;

- (f) the letter from Somerley, the text of which is set out in pages 49 to 86 of this Offer Document;
- (g) the report from PricewaterhouseCoopers Zhong Tian LLP in respect of the unaudited pro forma financial information of the Group, the text of which is set out in Appendix III to this Offer Document;
- (h) the CIMC Group and CIMC HK Irrevocable Undertaking and the Independent H Shareholder Irrevocable Undertakings;
- (i) the material contracts referred to in paragraph headed “10. Material Contracts” in this Appendix IV; and
- (j) the letters of consent referred to in the paragraph headed “11. Consents and Qualifications” in this Appendix IV.

### 13. MISCELLANEOUS

- (a) The addresses of the principal members of the concert group of the Company, being CIMC Group and CIMC HK, are No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC and Unit 3101-2, 31th Floor, Infinitus Plaza, 199 Des Voeux Road, Central, Hong Kong.
- (b) The secretary of the Company is Ms. Mao Yi.
- (c) The registered office, principal place of business and head office of the Company in the PRC is at No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC.
- (d) The principal place of business of the Company in Hong Kong is at 40th Floor, Dah Sing Financial Centre, No. 248 Queen’s Road East, Wan Chai, Hong Kong.
- (e) The H Share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
- (f) The registered address of UBS, the financial adviser to the Company, is at 52/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.
- (g) The registered office of Somerley, the Independent Financial Adviser, is at 20/F, China Building, 29 Queen’s Road Central, Hong Kong.
- (h) The English text of this Offer Document, the accompanying Form of Acceptance and proxy forms shall prevail over their respective Chinese text in case of inconsistency.

# 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 SECOND EXTRAORDINARY GENERAL MEETING FOR 2024

**NOTICE IS HEREBY GIVEN** that the second extraordinary general meeting for 2024 (the “EGM”) of CIMC Vehicles (Group) Co., Ltd. (the “Company”) will be held at 2:50 p.m. on Thursday, 18 April 2024 at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC for the purposes of considering and, if thought fit, passing the following resolutions.

Save as defined herein, capitalised terms used in this notice shall have the same meanings as defined in the offer document dated 27 March 2024 issued by the Company (the “Offer Document”).

#### RESOLUTIONS

1. To consider and approve the resolution for approval of the H Share Buy-back Offer, the Voluntary Withdrawal of Listing, and the reduction of the registered capital of the Company
2. To consider and approve the resolution for authorising the Board and any persons authorised by the Board with full authority to take any actions in connection with the H Share Buy-back Offer and the Voluntary Withdrawal of Listing

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

Hong Kong, 27 March 2024

*Notes:*

1. For details of the resolutions, the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, please refer to the Offer Document. As set out in the Offer Document, it is one of the Conditions that the resolution (1) approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the Shares held by the Shareholders that are voted either in person or by proxy at the EGM.

2. For the purpose of holding the EGM, the register of members of H Shares of the Company will be closed from Monday, 15 April 2024 to Thursday, 18 April 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, Wan Chai, Hong Kong, no later than 4:30 p.m. on Friday, 12 April 2024. The Shareholders whose names appear on the register of members of the Company on Monday, 15 April 2024 are entitled to attend and vote at the EGM.
3. Votes on the resolutions to be proposed at the EGM shall be taken by way of poll.
4. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a shareholder of the Company.
5. The instrument appointing a proxy must be in writing under the hand of a Shareholder or its/his/her 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 authorised by a resolution of its board or other decision-making bodies.
6. 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, Wan Chai, 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.
7. Shareholders shall produce their identity documents and supporting documents in respect of the Shares held when attending the EGM. If corporate shareholders appoint authorised representative to attend the EGM, the authorised representative shall produce his/her identity documents and a notarially certified copy of the relevant authorisation instrument signed by the board of directors or other authorised parties of the corporate Shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the EGM (except for a recognised clearing house as defined by the relevant regulations of the laws of Hong Kong in effect from time to time and its proxies).
8. 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.
9. Contact details of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, are as follows:  
  
Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong  
Telephone: (852) 2862 8555  
Fax No.: (852) 2865 0990
10. 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\_cv@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*

# 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 H SHAREHOLDERS CLASS MEETING FOR 2024

**NOTICE IS HEREBY GIVEN** that the first H Shareholders class meeting for 2024 (the “**H Shareholders Class Meeting**”) of CIMC Vehicles (Group) Co., Ltd. (the “**Company**”) will be held at 2:50 p.m. on Thursday, 18 April 2024 at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC for the purposes of considering and, if thought fit, passing the following resolutions.

Save as defined herein, capitalised terms used in this notice shall have the same meanings as defined in the offer document dated 27 March 2024 issued by the Company (the “**Offer Document**”).

#### RESOLUTIONS

1. To consider and approve the resolution for approval of the H Share Buy-back Offer, the Voluntary Withdrawal of Listing, and the reduction of the registered capital of the Company
2. To consider and approve the resolution for authorising the Board and any persons authorised by the Board with full authority to take any actions in connection with the H Share Buy-back Offer and the Voluntary Withdrawal of Listing

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

Hong Kong, 27 March 2024

*Notes:*

1. For details of the resolutions, the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, please refer to the Offer Document. As set out in the Offer Document, it is one of the Conditions that the resolution (1) to be proposed at the H Shareholders Class Meeting is passed, provided that (a) the resolution (1) is approved (by way of poll) by (x) at least two-thirds (2/3) of the votes attaching to all the H Shares held by the H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting, and (y) at least 75% of the votes attaching to all the H Shares held by the Independent H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting and (b) the number of votes cast (by way of poll) by the Independent H Shareholders present and voting either in person or by proxy at the H Shareholders Class Meeting against the resolution (1) is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders.

2. For the purpose of holding the H Shareholders Class Meeting, the register of members of H Shares of the Company will be closed from Monday, 15 April 2024 to Thursday, 18 April 2024 (both days inclusive), during which period no transfer of H Shares will be registered. In order to be qualified to attend and vote at the H Shareholders Class Meeting, 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, Wan Chai, Hong Kong, no later than 4:30 p.m. on Friday, 12 April 2024. The H Shareholders whose names appear on the register of members of the Company on Monday, 15 April 2024 are entitled to attend and vote at the H Shareholders Class Meeting.
3. Votes on the resolutions to be proposed at the H Shareholders Class Meeting shall be taken by way of poll.
4. H Shareholders who are entitled to attend and vote at the H Shareholders Class Meeting may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a shareholder of the Company.
5. The instrument appointing a proxy must be in writing under the hand of an H Shareholder or its/his/her attorney duly authorised in writing. If the H 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 authorised by a resolution of its board or other decision-making bodies.
6. 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, Wan Chai, 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 H Shareholders Class Meeting. 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 H Shareholders from attending and voting in person at the H Shareholders Class Meeting or any adjourned meetings should they so wish.
7. H Shareholders shall produce their identity documents and supporting documents in respect of the H Shares held when attending the H Shareholders Class Meeting. If corporate H Shareholders appoint authorised representative to attend the H Shareholders Class Meeting, 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 H Shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the H Shareholders or their attorney when attending the H Shareholders Class Meeting (except for a recognised clearing house as defined by the relevant regulations of the laws of Hong Kong in effect from time to time and its proxies).
8. The H Shareholders Class Meeting is expected to take for less than half a day. H Shareholders or their proxies attending the H Shareholders Class Meeting shall be responsible for their own travel and accommodation expenses.
9. Contact details of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, are as follows:  
  
Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong  
Telephone: (852) 2862 8555  
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*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*