

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this supplemental circular, make no representation as to its 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 supplemental circular.

---

### CIMC Vehicles (Group) Co., Ltd. 中集車輛(集團)股份有限公司

(  
,  
)  
(Stock Code: 1839)

**SUPPLEMENTAL CIRCULAR  
IN RELATION TO  
A SHARE OFFERING AND OTHER RELEVANT PROPOSALS;  
FORMULATION OF THE ARTICLES OF ASSOCIATION (DRAFT)  
AND  
APPENDIXES THERETO TO BE EFFECTIVE UPON  
THE A SHARE OFFERING  
AND  
LISTING ON THE CHINEXT MARKET;  
AMENDMENTS TO CONNECTED TRANSACTION  
MANAGEMENT RULES;  
PROPOSED APPOINTMENT OF  
NON-EXECUTIVE DIRECTOR;  
AND  
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING;  
SUPPLEMENTAL NOTICE OF THE FIRST H SHAREHOLDERS  
CLASS MEETING OF 2020**

---

A letter from the Board is set out on pages 5 to 25 of this Supplemental Circular.

The Annual General Meeting and Class Meetings of the Company will be held at No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC, on Monday, 22 June 2020 at 2:30 p.m. The notices of the Annual General Meeting and Class Meetings were despatched on 28 April 2020. The supplemental notices in relation to the Annual General Meeting and the First H Shareholders' Class Meeting of 2020 are set out in pages 183 to 194 in this supplemental circular. The Original Resolutions and additional resolutions will be considered during the meetings, the relevant supplemental notices have been despatched on 3 June 2020 and published on both the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company.

The holders of Domestic Shares and the holders of H Shares are both entitled to attend and vote at the Annual General Meeting and Class Meetings.

Since the proxy forms (the "First Proxy Form(s)") sent together with the notices of the Company dated 28 April 2020 in relation to the resolutions (the "Original Resolutions") set out in the notice of the Annual General Meeting and the notice of the First H Shareholders' Class Meeting of 2020 does not contain the resolutions set out in the supplemental notice of the Annual General Meeting and the supplemental notice of the First H Shareholders' Class Meeting of 2020, new proxy forms (the "Second Proxy Form(s)") has been prepared by the Company and is enclosed with the supplemental notice of the Annual General Meeting and the supplemental notice of the First H Shareholders' Class Meeting of 2020. The Second Proxy Forms for use at the Annual General Meeting and the First H Shareholders' Class Meeting of 2020 have been despatched and published on the website of the Stock Exchange (<http://www.hkexnews.hk>) on 3 June 2020. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying Second Proxy Forms in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the Annual General Meeting and Class Meetings (or any adjournment thereof). Completion and return of the Second Proxy Forms will not preclude you from attending and voting in person at the Annual General Meeting and Class Meetings (or any adjournment thereof) should you so wish.

3 June 2020

---

## TABLE OF CONTENTS

---

<b>DEFINITIONS .....</b>	<b>1-4</b>
<b>LETTER FROM THE BOARD .....</b>	<b>5-25</b>
<b>APPENDIX I      FEASIBILITY ANALYSIS REPORT ON                      THE PROCEEDS-FUNDED INVESTMENT PROJECTS                      FROM THE A SHARES OFFERING .....</b>	<b>26-31</b>
<b>APPENDIX II      PROFIT DISTRIBUTION POLICY AND                      SHAREHOLDER RETURN PLAN FOR THE NEXT                      THREE YEARS FOLLOWING THE A SHARE                      OFFERING AND LISTING ON THE CHINEXT                      MARKET .....</b>	<b>32-36</b>
<b>APPENDIX III      PLAN OF STABILIZATION OF THE A SHARE PRICE                      WITHIN THREE YEARS FOLLOWING THE                      A SHARE OFFERING AND LISTING ON THE                      CHINEXT MARKET .....</b>	<b>37-40</b>
<b>APPENDIX IV      DILUTION OF CURRENT RETURN AS A RESULT OF                      A SHARE OFFERING AND REMEDIAL MEASURES ..</b>	<b>41-47</b>
<b>APPENDIX V      TABLE OF COMPARISON FOR AMENDMENTS TO                      THE ARTICLES OF ASSOCIATION (DRAFT) AND                      APPENDIXES THERETO .....</b>	<b>48-123</b>
<b>APPENDIX VI      RULES OF PROCEDURE FOR THE GENERAL                      MEETING.....</b>	<b>124-145</b>
<b>APPENDIX VII      RULES OF PROCEDURE FOR THE BOARD OF                      DIRECTORS .....</b>	<b>146-157</b>
<b>APPENDIX VIII      RULES OF PROCEDURE FOR THE SUPERVISORY                      COMMITTEE .....</b>	<b>158-163</b>
<b>APPENDIX IX      CONNECTED TRANSACTION MANAGEMENT                      RULES .....</b>	<b>164-182</b>
<b>SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING .....</b>	<b>183-189</b>
<b>SUPPLEMENTAL NOTICE OF H SHAREHOLDERS' CLASS MEETING ....</b>	<b>190-194</b>

---

## DEFINITIONS

---

“A Share(s)”	ordinary share(s) proposed to be issued by the Company pursuant to A Share Offering, with a nominal value of RMB1.00 each, which will be listed on the ChiNext Market of the Shenzhen Stock Exchange and traded in RMB
“A Share Offering” or “A Share Offering and Listing”	the proposed initial public offering by the Company of not more than 311,470,000 A Shares (including 311,470,000 A shares) which are proposed to be listed on the ChiNext Market of the Shenzhen Stock Exchange and A Shares to be issued by way of exercising the over-allotment option (if any) according to law and regulation and administrative regulation
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened at No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC at 2:30 p.m. on Monday, 22 June 2020, or any adjournment thereof
“Articles of Association”	the articles of association of the Company, as amended, modified, or supplemented from time to time
“Articles of Association (Draft) and Appendixes thereto”	the Articles of Association (Draft), the Rules of Procedure for the General Meeting, the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Supervisory Committee
“Board” or “Board of Directors”	the Board of Directors of the Company
“ChiNext Market” or “ChiNext”	ChiNext Market of the Shenzhen Stock Exchange
“CIMC”	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司), a joint stock company with limited liability incorporated in the PRC on 14 January 1980 and listed on the Shenzhen Stock Exchange (stock code: 000039) and the Hong Kong Stock Exchange (Stock Code: 2039), and the controlling shareholder of the Company
“Class Meeting(s)”	collectively, the H Shareholders’ Class Meeting and/or the Domestic Shareholders’ Class Meeting

---

## DEFINITIONS

---

“Company” or “CIMC Vehicles”	CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)股份有限公司), a joint stock company with limited liability established under the laws of the PRC on 29 August 1996, whose H Shares are listed and traded on the Hong Kong Stock Exchange (Stock Code: 1839)
“Company Law”	the Company Law of the People’s Republic of China published and adopted by the 8th Standing Committee of the National People’s Congress on 29 December 1993 and becoming effective on 1 July 1994, as amended, supplemented from time to time
“Connected Transaction Management Rules”	Connected Transaction Management Rules of CIMC Vehicles (Group) Co., Ltd.
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the Director(s) of the Company
“Domestic Share(s)”	ordinary share(s) of the Company’s capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded in any stock exchange
“Domestic Shareholder(s)”	the holder(s) of the Domestic Share(s)
“Domestic Shareholders’ Class Meeting”	the class meeting of the holders of Domestic Shares to be convened and held on Monday, 22 June 2020 immediately after the conclusion of the AGM to be held on the same date at the same place or any adjournment thereof
“Global Offering”	the offer of the Company’s H Shares for subscription by the public in Hong Kong and outside the United States in offshore transactions, and only for subscription by the qualified institutional buyers in the United States, details of which are set out in the Prospectus
“Group”	the Company and its subsidiaries

---

## DEFINITIONS

---

“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 Hong Kong Stock Exchange
“H Shareholders’ Class Meeting”	the class meeting of the holders of H Shares to be convened and held on Monday, 22 June 2020 immediately after the conclusion of the Domestic Shareholders’ Class Meeting to be held on the same date at the same place or any adjournment thereof
“H-share Proceeds”	the net proceeds obtained by the Company upon completion of global offering of H Shares on the Main Board of the Hong Kong Stock Exchange on 11 July 2019
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	29 May 2020, being the latest practicable date prior to the printing of this supplemental circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or modified otherwise from time to time
“PRC” or “China”	the People’s Republic of China, excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated 27 June 2019 in connection with the Global Offering
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedure for the Board of Directors”	Rules of Procedure for the Board of CIMC Vehicles (Group) Co., Ltd., as amended from time to time
“Rules of Procedure for the General Meeting”	Rules of Procedure for the General Meeting of CIMC Vehicles (Group) Co., Ltd. as amended from time to time

---

## DEFINITIONS

---

“Rules of Procedure for the Supervisory Committee”	Rules of Procedure for the Supervisory Committee of CIMC Vehicles (Group) Co., Ltd. as amended from time to time
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the shares of the Company at the nominal value of RMB1.00 each, including the Domestic Shares and H Shares
“Shareholder(s)”	the holder(s) of the Company’s Share(s)
“Special Mandate”	subject to the approval of Shareholders at the AGM and Class Meetings, the special mandate will be granted to the Directors. Proposed initial public offering of not more than 311,470,000 A Shares (including 311,470,000 A Shares) of the Company, which are to be listed on the ChiNext Market and A Shares (if any) will be issued based on the exercise of over-allotment option
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supervisory Committee”	the Supervisory Committee of the Company
“Supervisor(s)”	the Supervisor(s) of the Company
“%”	per cent.

---

## LETTER FROM THE BOARD

---

### CIMC Vehicles (Group) Co., Ltd. 中集車輛(集團)股份有限公司

(  
(Stock Code: 1839)  
)

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

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

Mr. Li Guiping

(  
)

40/F, Sunlight Tower  
248 Queen's Road East  
Wanchai  
Hong Kong

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

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR  
IN RELATION TO  
A SHARE OFFERING AND OTHER RELEVANT PROPOSALS;  
FORMULATION OF THE ARTICLES OF ASSOCIATION (DRAFT)  
AND  
APPENDIXES THERETO TO BE EFFECTIVE UPON  
THE A SHARE OFFERING  
AND  
LISTING ON THE CHINEXT MARKET;  
AMENDMENTS TO CONNECTED TRANSACTION  
MANAGEMENT RULES;  
PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR;  
AND  
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING;  
SUPPLEMENTAL NOTICE OF THE FIRST H SHAREHOLDERS  
CLASS MEETING OF 2020**

#### INTRODUCTION

The Annual General Meeting and Class Meetings of the Company will be held at No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC, on Monday, 22 June 2020 at 2:30 p.m. The notices of the Annual General Meeting and Class Meetings were despatched on 28 April 2020. The supplemental notices in relation to the Annual General Meeting and the First H Shareholders' Class Meeting of 2020 are set out in pages 183 to 194 in this supplemental circular.

---

## LETTER FROM THE BOARD

---

This supplemental circular should be read in conjunction with the announcements of the Company on the A Share Offering and the change of non-executive Director dated 6 May 2020 and 15 May 2020 respectively, in relation to, among others, the approval of the following proposals by the Board at the Board meetings convened on 6 May 2020 and 15 May 2020: (1) the proposal on the plan for the A Share Offering and Listing on the ChiNext Market; (2) the proposal on the use of proceeds from A Share Offering and feasibility analysis on projects funded therefrom; (3) the proposal on grant of authorization by the general meeting for the Board to handle matters in relation to the A Share Offering and Listing on the ChiNext Market; (4) the proposal on the plan of distribution of accumulated profits prior to A Share Offering; (5) the proposal on the engagement of intermediaries for the A Share Offering and Listing on the ChiNext Market; (6) the proposal on the profit distribution policy and Shareholder return plan for the next three years following the A Share Offering and Listing on the ChiNext Market; (7) the proposal on the plan of stabilization of the A Share price within three years following the A Share Offering and Listing on the ChiNext Market; (8) the proposal on dilution of current return as a result of A Share Offering and remedial measures; (9) the proposal on undertakings as to the A Share Offering and Listing on the ChiNext Market and restriction measures; (10) the proposal on the formulation of the Articles of Association (Draft) and appendixes thereto to be effective upon the A Share Offering and Listing on the ChiNext Market; (11) the proposal on amendments to the Connected Transaction Management Rules; and (12) the proposal on the proposed appointment of a non-executive Director.

The above proposals (1) to (4), (6) to (8) and (10) are subject to the approval by the Shareholders at the AGM and the Class Meetings respectively, by way of special resolutions. While the above proposals (5), (9) and (11) are subject to the approval by the Shareholders at the AGM and the Class Meetings respectively, by way of ordinary resolutions and the proposal (12) is subject to the approval by the Shareholders at the AGM by way of ordinary resolution.

In accordance with to the Company Law, the Articles of Association and other relevant regulations, Shareholders individually or jointly holding more than 3% of the Company's Shares may submit interim proposals to the convener in writing 10 days prior to the general meeting, pursuant to which, 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)), (as at 15 May 2020, directly held 75,877,500 Domestic Shares, accounting for approximately 4.3% of the total issued share capital of the Company), submitted to the Board on 15 May 2020, A Share Offering and other relevant proposals and the proposal on the proposed appointment of a non-executive Director, for consideration at the AGM and Class Meetings (as the case may be). The procedures for submission of the ordinary and special resolutions comply with relevant applicable laws and regulations, and the Articles of Association.

The purpose of this supplemental circular is to provide you with, among other things, further details of the abovementioned additional resolutions, to enable you to make informed decisions on whether to vote for or against the following proposals to be submitted at the AGM and the Class Meetings (as the case may be).



---

## LETTER FROM THE BOARD

---

### **I. Matters to be Handled at the AGM and the Class Meetings (as the case may be)**

#### **1. A Share Offering and Relevant Matters**

##### ***1.1 A Share Offering and Listing on the ChiNext Market***

Details of the A Share Offering are as follows:

Domestically listed RMB ordinary shares (A Shares).

The nominal value per share is RMB1.00.

The number of shares to be issued pursuant to the A Share Offering is up to 15% of the total share capital of the Company (including the over-allotment option) upon the offering, and not more than 311,470,000 Shares (including 311,470,000 shares). In case of bonus issue, conversion of capital reserve into share capital and other ex-right matters of the Company prior to the A Share Offering, the number of A Shares to be issued under the A Share Offering will be adjusted accordingly. The specific number to be issued will be determined by the Board according to the authorization of the general meeting, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting, and conditions specified by national laws and regulations, and regulatory bodies, and market conditions.

The Company and the lead underwriter may exercise an over-allotment option, subject to relevant laws and regulations as well as the approval(s) of regulatory bodies.

The target subscribers for A Share Offering are qualified strategic investors, participants in the price consultation process and other qualified investors. If the CSRC, the Shenzhen Stock Exchange or other regulatory bodies have other requirements, such requirements shall be followed. If any target subscriber for the A Share Offering is a related (connected) person of the Company, the Company will take all reasonable measures to ensure that the target subscriber for the A Share Offering complies with relevant requirements of CSRC, the Shenzhen Stock Exchange, the Hong Kong Stock Exchange and other regulatory bodies as appropriate.

Upon full consideration of the interests of existing Shareholders as a whole and according to the market-oriented principle and the conditions of the securities market of China at the time of the A Share Offering. The offering price is determined through the negotiation of price consultation results from offline investors between the Company and the lead underwriter or determined by other methods accepted by CSRC or the Shenzhen Stock Exchange (which shall

---

## LETTER FROM THE BOARD

---

The validity period of the resolution for A Share Offering is 12 months from the date on which it is considered and approved at the AGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting. If the Company fails to complete the A Share Offering within the validity period of the resolution and intends to continually proceed with the A Share Offering, the Company shall seek further approval at the general meeting, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting for the A Share Offering.

Except as otherwise provided in laws, regulations and other normative documents and the Articles of Association of the Company, the Shareholders of A Shares to be issued will rank *pari passu* with the existing Shareholders of Domestic Shares and Shareholders of H Shares in all respects, and they are both ordinary Shareholders.

### ***1.2 The Use of Proceeds from A Share Offering and Feasibility Analysis on Projects Funded therefrom***

The proposed proceeds from A Share Offering after deducting the offering costs will be used for the following projects:

S/N	Project Name	Amount of Proceeds to be Used
1	Digital transformation, research and development Project	5.00
2	"Light Tower Plants" upgrade and construction project	11.50
3	New marketing construction project	1.00
4	Repayment of bank loans and replenishment of working capital	2.50
	Total	<hr/> 20.00 <hr/>

Within the scope of the above proceeds-funded investment projects, the Board will make appropriate adjustments to the order of proceeds-funded investment projects and the specific amount based on the principle of overall arrangement and according to the actual situation of the projects including progress and fund needs.

The Company will first invest with self-raised funds according to the actual situation of the projects, before receiving the proceeds from the A Share Offering, and will replace the funds with the proceeds received. If the actual proceeds from the A Share Offering after deducting the offering costs are less than the funds required for the above investment projects,

---

## LETTER FROM THE BOARD

---

the Company will make up the difference by self financing. If the actual proceeds from the A Share Offering after deducting offering costs exceed the total project investment amount, the difference may be used for replenishing the working capital of the Company in relation to its principal businesses in accordance with the requirements of CSRC and the Shenzhen Stock Exchange.

According to the financing plan of the Company, the H-share Proceeds are mainly used for new overseas production or assembly plants in the United States, Europe and other countries, and research and development projects of high-end refrigerated trailers and other new products. The proceeds from the A Share Offering are mainly used for construction and upgrade of “Light Tower Plants” project in China, and digital transformation, research and development projects.

Therefore, the proceeds-funded investment projects from the A Share Offering are different from the investment projects funded by the H-share Proceeds in terms of location, investment orientation, focus, etc., and are the strategic choice for the Company to respond to the change in the macro environment and market demand.

For the feasibility analysis report on the above proceeds-funded investment projects, please refer to the Appendix I Feasibility Analysis Report on the Proceeds-funded Investment Projects From the A Shares Offering in this supplemental circular.

The proposal was approved by the Board and submitted to the AGM, the Domestic Shareholders’ Class Meeting and the H Shareholders’ Class Meeting respectively for the approval by the Shareholders by way of special resolution. The proposal will become effective upon the approval by the Shareholders at the AGM, the Domestic Shareholders’ Class Meeting and the H Shareholders’ Class Meeting.

### ***1.3 Grant of Authorization by the General Meeting for the Board to Handle Matters in Relation to the A Share Offering and Listing on the ChiNext Market***

In order to facilitate the A Share Offering, it is agreed that the resolution will be proposed at the AGM and the Class Meetings for the Shareholders to consider and approve, the authorization for the Board to handle all matters in relation to the A Share Offering, including but not limited to:

- (1) for the purpose of the A Share Offering, where necessary, properly amending, signing and submitting the prospectus and other listing reporting documents issued by the Company;
- (2) carrying out necessary amendment of the Articles of Association (Draft) and appendixes thereto (including Rules of Procedure for the General Meeting, Rule of Procedure for the Board of Directors and Rules of Procedure for the Supervisory

---

## LETTER FROM THE BOARD

---

Committee), in accordance with the requirements of CSRC, the Shenzhen Stock Exchange and relevant securities regulatory authorities, or the actual situation of the A Share Offering, in the process of the A Share Offering;

- (3) after the completion of the A Share Offering of the Company, for the matters relating to the A Share Offering and Listing, the Company will supplement or amend the terms of “registered capital” and “equity structure” in the Articles of Association (Draft) and appendixes thereto and make the changes in registration of industry and commerce and filings in accordance with relevant laws, regulations, normative documents or the requirements of relevant government authorities and regulatory authorities and the actual situation of the A Share Offering and Listing; handling matters in relation to the listing of A Shares on the stock exchange and lock-up of shares;
- (4) subject to the conditions specified by relevant applicable laws and regulations and regulatory requirements, formulating and implementing a specific plan for the A Share Offering (including but not limited to determining the date of the offering, target subscribers, offering price, pricing method, number of shares to be offered, offering method, strategic placing, and over-allotment option, etc.);
- (5) subject to the conditions specified by relevant applicable laws and regulations and regulatory requirements, amending the offering plan according to the requirements of the new policy and proceeding with the A Share Offering, in case of any change in the share offering policy during the validity period of the A Share Offering and Listing;
- (6) engaging other intermediaries related to the A Share Offering and Listing, other than sponsors (lead underwriters), lawyers and auditors;
- (7) within the scope of the resolutions of the Annual General Meeting, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting, adjusting the specific arrangements for the proceeds-funded investment projects from the A Share Offering, including but not limited to the adjustment and final determination of the order of priority of the proceeds-funded investment projects, the project investment progress, the specific investment amount for each project, and the signing of significant agreements or contracts during the construction of the proceeds-funded projects;
- (8) designating a A Share proceeds account prior to the A Share Offering, as required;
- (9) formulating, reviewing, amending, approving, signing, disclosing, performing, suspending, terminating significant contracts and other relevant legal documents in relation to the process of implementation of the A Share Offering and Listing and the proceeds-funded investment projects, including but not limited to preliminary

---

## LETTER FROM THE BOARD

---

prospectus, prospectus, the report on the previous use of proceeds or special assurance report, sponsor agreement, underwriting agreement, intermediary service agreement, proceeds supervision agreement, offering announcement and other relevant documents;

- (10) after the completion of the A Share Offering, handling matters related to equity registration and settlement in China Securities Depository and Clearing Corporation Limited, including but not limited to equity custody registration, lock-up and other matters, according to the undertakings of shareholders;
- (11) analyzing, studying and demonstrating the impact of the A Share Offering and Listing on the current financials indicators of the Company and the current returns of shareholders of the Company in accordance with relevant laws and regulations and the requirements of regulatory authorities, and amending, improving and implementing relevant remedial measures and policies according to the opinions of regulatory authorities and in consideration of the market environment, and handling other matters in relation thereto;
- (12) when authorizing the Board to handle matters in relation to the A Share Offering, delegating the authorization to other Directors or relevant persons for individually or jointly handling matters in relation to the A Share Offering and Listing, as required;
- (13) subject to the conditions specified by relevant applicable laws and regulations and regulatory requirements, handling such other matters as the Board considers relevant to the offering, necessary and appropriate, including but not limited to amending and signing documents in relation to the A Share Offering and Listing, considering and approving relevant systems and submitting applications to relevant authorities;
- (14) the validity period of the authorization is 12 months, from the date on which the proposal is considered and approved at the Annual General Meeting, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting by way of special resolution. If the Company fails to complete the A Share Offering within the validity period of the resolution and intends to continually proceed with the A Share Offering, the Company shall seek further approval at the general meeting, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting for the A Share Offering.

#### ***1.4 Plan of Distribution of Accumulated Profits Prior to the A Share Offering***

The profit distribution may be carried out by the Company before the completion of the A Share Offering and Listing according to the profit distribution plan formulated by the Board and considered and approved at the general meeting of the Company. The accumulated undistributed profits generated prior to the A Share Offering and Listing shall be shared among new Shareholders who are recorded as such after the completion of the A Share Offering and Listing and existing Shareholders in proportion to their shareholdings, after the completion of the A Share Offering and Listing.

The proposal was approved by the Board and submitted to the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting respectively for the approval by the Shareholders by way of special resolution. The proposal will become effective upon the approval by the Shareholders at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting.

#### ***1.5 Engagement of Intermediaries for the A Share Offering and Listing on the ChiNextUnTfwrite ringa***

***The propo326.1(Accumulated)ss M***

***fare ringan4g***

***The propo326.1(Accumulated)ss M***

***The61ypropo3261y***

***undistr9272Tassfe61yf-562(the)-56261be 1be an2(1be)62(co(1be)25.7(61be)o)-49,-2261be 1be1beco(1be)2o(co***

***and the H Sh2.8(H)-***

---

## LETTER FROM THE BOARD

---

( )  
( )

The proposal was considered and approved by the Board, and is subject to consideration and approval at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting by way of ordinary resolution. The proposal will become effective upon the approval by the Shareholders at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting.

### ***1.6 Profit Distribution Policy and Shareholder Return Plan for the Next Three Years following the A Share Offering and Listing on the ChiNext Market***

The profit distribution policy and shareholder return plan for the next three years following the A Share Offering and Listing on the ChiNext Market have been formulated by the Company, in accordance with the Notice on Further Implementing of Matters Related to Cash Dividend Distribution of Listed Companies (ZJF [2012] No.37) (證監發[2012]37號), the Guidelines for Supervision of Listed Company No. 3 – Cash Dividend Distribution of Listed Companies (CSRC Announcement [2013] No.43) (證監會公告[2013]43號) and other documents published by CSRC, and the Articles of Association, and in consideration of the actual situation of the Company. For details, please refer to the Appendix II Profit Distribution Policy and Shareholder Return Plan for the Next Three Years Following the A Share Offering and Listing on the ChiNext Market in this supplemental circular.

The proposal was approved by the Board and submitted to the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting respectively for the approval by the Shareholders by way of special resolution. The proposal will become effective and implement upon the date of the A Share Offering and Listing on the ChiNext Market.

### ***1.7 Plan of Stabilization of the A Share Price Within Three Years Following the A Share Offering and Listing on the ChiNext Market***

In accordance with the Opinions of the CSRC on Further Promoting the Reform of New Share Offering System, the Plan of Stabilization of the A Share Price Within Three Years Following the A Share Offering and Listing on the ChiNext Market has been prepared by the Company. For details, please refer to Appendix III Plan of Stabilization of the A Share Price Within Three Years Following the A Share Offering and Listing on the ChiNext Market in this supplemental circular.

The proposal was approved by the Board and submitted to the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting respectively for the approval by the Shareholders by way of special resolution. The proposal will become effective and implement upon the date of the A Share Offering and Listing on the ChiNext Market.



### ***1.8 Dilution of Current Return as a Result of A Share Offering and Remedial Measures***

The Company has formed opinions on dilution of current return as a result of A Share Offering and remedial measures, in order to further comply with the Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets (GBF [2013] No.110) (國辦發[2013]110號) and to protect the rights of minority investors to know and their interests in accordance with the Guiding Opinions on Matters Concerning the Dilution of Current Return as a Result of the Initial Public Offering, Refinancing and Material Asset Restructuring. For specific opinions, please refer to Appendix IV Dilution of Current Return as a Result of A Share Offering and Remedial Measures in this supplemental circular.

The proposal was approved by the Board and submitted to the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting respectively for the approval by the Shareholders by way of special resolution. The proposal will become effective upon the approval by the Shareholders at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting.

### ***1.9 Undertakings as to the A Share Offering and Listing on the ChiNext Market, and Restriction Measures***

For the purpose of successful A Share Offering and Listing, the Company plans to issue the following letters of undertaking in accordance with the requirements of the PRC laws and regulations and PRC security review and regulatory authorities, the letters of undertaking contain the undertaking in relation to the profit distribution policy and shareholder return plan for the next three years following the A Share Offering and Listing on the ChiNext Market specified in Paragraph 1.6, the undertaking in relation to the plan of stabilization of the A-Share price within three years following the A Share Offering and Listing on the ChiNext Market specified in Paragraph 1.7, the undertaking in relation to dilution of current return as a result of the A Share Offering and Listing and remedial measures specified in Paragraph 1.8 (with regard to relevant undertakings specified in Paragraphs 1.6, 1.7 and 1.8, applicable laws and regulations, and review and regulatory requirements on A Share Offering are indicated in the proposals), and undertaking in relation to the authenticity, accuracy, completeness and

If a competent authority holds that there are false representations, misleading statements or material omissions in the prospectus for A Share Offering of the Company, which has a significant and substantial impact on the judgement of whether the Company complies with such offering conditions for the initial public offering of A Shares and listing on the ChiNext Market as specified in laws, regulations and normative documents, the Company will, by law, repurchase all new A Shares issued in the initial public offering. The repurchase price shall be determined according to the secondary market price of A Shares issued by the Company, and shall not be lower than the initial public offering price of A Shares (the price shall be adjusted accordingly if ex-right and ex-dividend matters occur for A Shares of the Company during the period), and procedures shall be gone through in accordance with relevant laws, regulations and normative documents.

If a competent authority holds that there are false representations, misleading statements or material omissions in the prospectus of the Company, which lead to losses of investors in securities transaction, the Company will compensate investors by laws and regulations, for such losses.

---

## LETTER FROM THE BOARD

---

### **2. Formulation of the Articles of Association (Draft) and Appendixes Thereto to be effective upon the A Share Offering and Listing on the ChiNext Market**

For the purpose of the A Share Offering, the Company has formulated the Articles of Association (Draft) and appendixes thereto which become effective upon the A Share Offering and Listing on the ChiNext Market.

The table of comparison for amendment to the Articles of Association (Draft), and the appendixes to the Articles of Association (Draft) are respectively set out in Appendixes V to VIII in this supplemental circular.

The proposal was considered and approved by the Board, and is subject to consideration and approval by the Shareholders at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting by way of special resolution.

### **3. Amendments to the Connected Transaction Management Rules**

In order to further improve the Company's connected transaction management rules, the Company has made corresponding amendments to the Connected Transaction Management Rules in accordance with ChiNext Market Listing Rules for A shares and relevant regulatory requirements. For details, please refer to Appendix IX in this supplemental circular.

The proposal was approved by the Board and will be submitted to the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting respectively for the approval by the shareholders by way of ordinary resolution.

### **4. Proposed appointment of non-executive Director**

Reference is made to the announcement of the Company dated 15 May 2020, in relation to the proposed appointment of Mr. Huang Haicheng (黃海澄) ("Mr. Huang") as a non-executive Director. An ordinary resolution will be proposed at the AGM to approve the appointment of Mr. Huang as a non-executive Director with effect from the date of approval by Shareholders at the AGM and until the expiration of the term of the current session of the Board. Meanwhile, Mr. Huang has also been nominated as the chairman of the strategy and investment committee, with effect from the approval of his appointment as a non-executive Director at the AGM.

---

## LETTER FROM THE BOARD

---

The biographical details of Mr. Huang are set out as follows:

Mr. Huang, aged 35, obtained a bachelor's degree in Economics from Shanghai University of Finance and Economics (上海財經大學) in July 2007, and the Master degree of Business Administration from China Europe International Business School (中歐國際工商學院) in November 2018. He worked for Klynveld Pst Marrick Goerdeler (畢馬威會計師事務所) and Sunvision Capital Investment Limited. He joined the direct investment department of Ping An Asset Management Co., Ltd. (平安資產管理有限責任公司) in April 2012, and currently serves as the deputy director of investment in Ping An Capital Co., Ltd. (平安資本有限責任公司).

Save as disclosed above, as at the Latest Practicable Date, Mr. Huang has confirmed that (i) he does not have any relationship with other Directors, Supervisors, senior management, substantial or controlling Shareholders of the Company or hold any other position with the Company or its subsidiaries, or hold any directorship in other listed companies in the last three years; (ii) he does not have any interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance; (iii) there is no other information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules; and (iv) there are no other matters relating to his appointment of the non-executive Director and the chairman of the Strategy and Investment Committee that needs to be brought to the attention of the Shareholders.

The nomination were made in accordance with the nomination policy of the Company and the objective criteria (including without limitation, skills, accomplishments, experience, reputation and potential time commitment for the board and/or committee responsibilities), with due regard for the benefits of diversity as set out under the board diversity policy of the Company. The Nomination Committee considered that in view of the perspectives, skills and experience as abovementioned, Mr. Huang will bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective functioning and his appointment will contribute to the diversity of the Board appropriate to the requirements of the Group's business.

Subject to the approval by Shareholders of the appointment of Mr. Huang as a non-executive Director at the AGM, the Company will enter into a service contract with Mr. Huang. He will not receive any Director's fee during his term of office as a non-executive Director.

## LETTER FROM THE BOARD

### II. Impact of A Share Offering on the Shareholding Structure of the Company

For reference and illustration purposes only, assuming that the offering of 311,470,000 A Shares under the A Share Offering is approved (and assuming that the over-allotment option has been exercised), and the share capital of the Company remains unchanged prior to the completion of the A Share Offering and the target subscribers are all independent third parties, the shareholding structure of the Company as at the Latest Practicable Date and immediately following the completion of the A Share Offering is set out as follows:

Shareholder	As at the Latest Practicable Date		Immediately Following the Completion of the A Share Offering (and assuming that the over-allotment option has been exercised)	
	Number of Shares (Shares)	Approximate Percentage of the Issued Share Capital of the Company	Number of Shares (Shares)	Approximate Percentage of the Issued Share Capital of the Company
<b>Domestic Shares ( )</b>				
( )	1,201,080,000	68.05%	–	–
CIMC	664,950,000	37.67%	–	–
Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) ( )	252,330,000	14.30%	–	–
Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) ( )	161,602,500	9.16%	–	–
Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) ( )	75,877,500	4.30%	–	–
Shenzhen Long Yuan Gang Cheng Enterprise Management Center (Limited Partnership) ( )	23,160,000	1.31%	–	–
Shenzhen Nan Shan Da Cheng New Material Investment Partnership (Limited Partnership)	23,160,000	1.31%	–	–

## LETTER FROM THE BOARD

Shareholder	As at the Latest Practicable Date		Immediately Following the Completion of the A Share Offering (and assuming that the over-allotment option has been exercised)	
	Number of Shares (Shares)	Approximate Percentage of the Issued Share Capital of the Company	Number of Shares (Shares)	Approximate Percentage of the Issued Share Capital of the Company
<b>A Shares (at maximum)</b>	–	–	<b>1,512,550,000</b>	<b>72.84%</b>
A Shares to be converted from				
Domestic Shares	–	–	1,201,080,000	57.84%
CIMC	–	–	664,950,000	32.02%
Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) ( )	–	–	252,330,000	12.15%
Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) ( )	–	–	161,602,500	7.78%
Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) ( )	–	–	75,877,500	3.65%
Shenzhen Long Yuan Gang Cheng Enterprise Management Center (Limited Partnership) ( )	–	–	23,160,000	1.12%
Shenzhen Nan Shan Da Cheng New Material Investment Partnership (Limited Partnership)	–	–	23,160,000	1.12%
New A Shares issued under the A Share Offering which are held by the public	–	–	311,470,000	15.00%
<b>H Shares</b>	<b>563,920,000</b>	<b>31.95%</b>	<b>563,920,000</b>	<b>27.16%</b>
China International Marine Containers (Hong Kong) Limited	284,985,000	16.15%	284,985,000	13.72%
H Shares held by the public ( )	278,935,000	15.80%	278,935,000	13.43%
<b>Total</b>	<b>1,765,000,000</b>	<b>100.00%</b>	<b>2,076,470,000</b>	<b>100.00%</b>

---

## LETTER FROM THE BOARD

---

- (1) All of the issued Domestic Shares will be converted into domestic listed shares (A Shares) upon completion of the A Share Offering.
- (2) Upon completion of the A Share Offering, the Domestic Shares held by CIMC, Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership), Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership), Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) and Shenzhen Long Yuan Gang Cheng Enterprise Management Center (Limited Partnership) will not constitute the public float of the Company under the Listing Rules.
- (3) Based on the publicly available information and to the best knowledge of Directors, as at the Latest Practicable Date, H Shares are held by the public, except for H Shares held by CIMC through China International Marine Containers (Hong Kong) Limited.

As disclosed in the Prospectus, the Company applied to the Hong Kong Stock Exchange for, and was granted by the Hong Kong Stock Exchange, a waiver from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules, for the acceptance of a lower percentage of public float being the percentage of public float immediately following the completion of the Global Offering (i.e. 15.80%).

Based on the publicly available information and to the best knowledge of Directors, assuming that a total of 311,470,000 new A Shares will be issued according to the A Share Offering (other than A Shares converted from Domestic Shares upon completion of the A Share Offering) and there are no other changes in the share capital of the Company prior to the completion of the A Share Offering and the target subscribers are all independent third parties, then the public float percentage of the A Shares and H Shares of the Company immediately following the completion of the A Share Offering in aggregate will be approximately 29.55%, which is not less than the minimum percentage prescribed in the conditions imposed in the waiver granted by the Hong Kong Stock Exchange from strict compliance with Rule 8.08(1)(a) of the Listing Rules. The Company undertakes that in the process of applying for the A Share Offering and after completing the A Share Offering, it will continue to comply with the minimum percentage (i.e. 15.80%) requirement prescribed in the conditions imposed in the waiver granted by the Hong Kong Stock Exchange from strict compliance with Rule 8.08(1)(a) of the Listing Rules.

As at the Latest Practicable Date, to the knowledge and belief of the Directors, no agreements were entered into by and between the Company and connected persons in relation to the subscription of A Shares. The Company will comply with applicable provisions of Chapter 14A of the Listing Rules if the target subscribers for A Share Offering are connected person(s) of the Company at that time.

After the completion of the A Share Offering, CIMC will remain the controlling Shareholder of the Company, while the Company will remain the consolidated subsidiary of CIMC.

---

## LETTER FROM THE BOARD

---

### III. Financing Activities

Except for the issue of H shares by the Company on the Hong Kong Stock Exchange by way of initial public offering on the Hong Kong Stock Exchange on 11 July 2019, within the 12 months immediately preceding the Latest Practicable Date, the Company did not carry out any financing activities in relation to the issue of equity securities.

### IV. Benefits and Reasons of the Proposed A Share Offering

In addition to the reasons and purposes of the A Share Offering mentioned in the announcement of the Company dated 6 May 2020 in relation to the A Share Offering, the Directors believe that the A Share Offering will also bring benefits to the Company for the following reasons:

Firstly, the Company can further optimize and improve the corporate governance structure by offering shares in China and listing A Shares, thus improving the comprehensive corporate governance level;

Secondly, the Company can fully expand and make use of the financing channels in the A Share capital market to attract more domestic high-quality investors, and enhance the attention of the Company in the capital market, the liquidity of the shares, and their financing capacity, which helps the Company continuously improve its core competitiveness;

Thirdly, the entry of the Company into the A Share capital market will further accelerate its strategic arrangement, improve the capital advantages of strategic core measures including upgrading Product Modules, improving “Light Tower Plants”, initiating marketing changes and promoting organizational development, and expand the scale effect of the Company; and

Fourthly, the return of the Company, as a leading enterprise in the semi-trailer industry, to the A Share market, will facilitate a more comprehensive understanding of the semi-trailer industry in the capital market and promote the development and upgrade of the semi-trailer industry.

Meanwhile, continuous attention and reporting by domestic investment analysis agencies and social media will also help enhance relevant parties’ understanding of, trust in and support for the business and future development of the Company.

The Directors consider that the A Share Offering is in the best interests of the Company and the Shareholders as a whole. The A Share Offering and the relevant proposals thereto above are necessary for the A Share Offering.



## **V. Responsibility Statement**

This supplemental circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this supplemental circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this supplemental circular misleading.

## **OTHER INFORMATION**

The A Share Offering is to be made pursuant to the Special Mandate to be obtained from the Shareholders at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting, and is subject to corresponding procedures of the Hong Kong Stock Exchange, the Shenzhen Stock Exchange and the CSRC.

According to the Listing Rules, no Shareholder of the Company is required to abstain from voting at the Annual General Meeting, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company.

## **SUPPLEMENTAL NOTICE OF AGM AND CLASS MEETINGS AND THE SECOND PROXY FORMS**

The AGM will be held at No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen,



---

## LETTER FROM THE BOARD

---

- (iii) If the Second Proxy Form is lodged with the Company's H Share registrar (for the H Shareholder(s)) or the registered office in PRC (for the Domestic Shareholder(s)) after the Closing Time, or if lodged before the Closing Time but is incorrectly completed, the proxy appointment under the Second Proxy Form will be invalid. The proxy so appointed by the Shareholder(s) under the First Proxy Form, if correctly completed, will be entitled to vote in the manner as mentioned in (i) above as if no Second Proxy Form was lodged. Accordingly, Shareholder(s) is advised to complete the Second Proxy Form carefully and lodge the Second Proxy Form with the Company's H Share registrar (for the H Shareholder(s)) or the registered office in PRC (for the Domestic Shareholder(s)) before the Closing Time.

### **Voting by Poll at the AGM and the Class Meetings**

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the supplemental notices of the AGM and the Class Meetings shall be voted by poll.

To the knowledge of the Directors, as at the Latest Practicable Date, no other Shareholders are required to abstain from voting on the above additional ordinary resolutions and special resolutions at the AGM and the Class Meetings.

If the A Share Offering proposal specified in Paragraph 1.1 as mentioned in "Letter from the Board" in this supplemental circular is considered and disapproved at the AGM and the Class Meetings, none of the proposals under the "A Share Offering and Relevant Matters" shall be deemed to be implemented. If the A Share Offering proposal specified in Paragraph 1.1 as mentioned in "Letter from the Board" in this supplemental circular is considered and approved at the AGM and the Class Meetings, but relevant proposals under the "A Share Offering and Relevant Matters" are considered and disapproved at the AGM and the Class Meetings, the Company shall submit revised proposals on the disapproved matters, for consideration at the general meeting and the Class Meetings, so as to ensure the implementation of the A Share Offering and relevant matters.

### **RECOMMENDATION**

The Directors (including the independent non-executive Directors) consider that the resolutions set out in the supplemental notice of AGM and the supplemental notice of the First H Shareholders' Class Meeting of 2020 for Shareholders' consideration and approval are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM and the Class Meetings (where applicable).

The Chinese version of this supplemental circular shall prevail over the English version in the event of inconsistency.

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

## USE OF PROCEEDS FROM A SHARE OFFERING AND THE FEASIBILITY ANALYSIS

### I. The Basis Situation of the Use of Proceeds From A Share Offering

The proposed proceeds from A Share Offering after deducting the offering costs will be used for the following projects:

S/N	Project Name	Amount of Proceeds to be Used
1	Digital Transformation, research and development Project	5.00
2	“Light Tower Plants” upgrade and construction project	11.50
3	New marketing construction project	1.00
4	Repayment of bank loans and replenishment of working capital	2.50
	Total	20.00

Within the scope of the above proceeds-funded investment projects, the Board will make appropriate adjustments to the order of proceeds-funded investment projects and the specific amount based on the principle of overall arrangement and according to the actual situation of the projects including progress and fund demand.

The Company will first invest with self-raised funds according to the project progress, before receiving the proceeds from the A Share Offering, and will replace the funds with the proceeds received. If the actual proceeds from the A Share Offering after deducting the offering costs are less than the funds required for the above investment projects, the Company will make up the difference by self financing. If the actual proceeds from the A Share Offering after deducting offering costs exceed the total project investment amount, the difference may be used for replenishing the working capital of the Company in relation to its principal businesses in accordance with the requirements of CSRC and the Shenzhen Stock Exchange.

## **II. Necessity and Feasibility of the Proceeds From A Share Offering to Finance Investment Projects**

### **(I) Overview, Progress and Investment Arrangements of Proceeds-funded Projects**

#### **1. *Digital Transformation, Research and Development Project***

The proceeds will be invested in the “digital transformation, research and development project”, mainly covering the comprehensive digital upgrade of design of products including semi-trailers, truck bodies for specialty vehicles and refrigerated van bodies.

The digital transformation, research and development project remains at the preliminary planning stage, and is planned to be implemented gradually in the next three years. The details of the project will be further calculated and disclosed in the prospectus for the listing of the Company on the ChiNext Market. In addition, the project scope is subject to approval by relevant government authorities or filing procedures, if any.

The Company will first invest the self-raised funds including own funds and bank loans, according to the project progress, before receiving the proceeds from the A Share Offering, and will replace the funds with the proceeds received. The Board will make appropriate adjustments to the specific investment amount of the digital transformation, research and development project based on the principle of overall arrangement and according to the actual situation of the digital transformation, research and development project including progress and capital needs.

#### **2. *“Light Tower Plant” Upgrade and Construction Project***

The proceeds will be invested in the “Project for “Light Tower Plant” Upgrade and Construction”, mainly covering the digital transformation of “Product Modules and Light Tower Plant” of subsidiaries with “Light Tower Plant”, and improvement in the Company’s capacity for the production of semi-trailer bodies, tank trailer bodies and refrigerated van bodies through the project for “Light Tower Plant” construction.

The “Light Tower Plant” upgrade and construction project remains at the preliminary planning stage, and is planned to be implemented gradually in the next five years. The Company will select Chinese production plants and assembly plants as the project implementers to promote the digital transformation of its “Product Modules and Light Tower Plant”, and select appropriate regions in China for the “Light Tower Plant” construction project. The details of the project will be further calculated and disclosed in the prospectus for the listing of the Company on the ChiNext Market. In addition, the project scope is subject to approval by relevant government authorities or filing procedures, if any.

The Company will first invest the self-raised funds including own funds and bank loans, according to the project progress, before receiving the proceeds from the A Share Offering, and will replace the funds with the proceeds received. The Board will make appropriate adjustments to the specific investment amount of the “Light Tower Plant” upgrade and construction project based on the principle of overall arrangement and according to the actual situation of the “Light Tower Plant” upgrade and construction project including progress and capital needs.

### ***3. New Marketing Construction Project***

The new marketing construction project aims to construct the online and offline linkage model for new marketing through investment in and establishment of a new marketing network, thus improving the after-sales service market.

The new marketing construction project remains at the preliminary planning stage, and is planned to be implemented gradually in the next three years. The details of the project will be further calculated and disclosed in the prospectus for the listing of the Company on the ChiNext Market. In addition, the project scope is subject to approval by relevant government authorities or filing procedures, if any.

The Company will first invest the self-raised funds including own funds and bank loans, according to the project progress, before receiving the proceeds from the A Share Offering, and will replace the funds with the proceeds received. The Board will make appropriate adjustments to the specific investment amount of the new marketing construction project based on the principle of overall arrangement and according to the actual situation of the new marketing construction project including progress and capital needs.

### ***4. Repayment of Bank Loans and Replenishment of Working Capital***

As at the Latest Practicable Date, the Company plans to repay short-term bank loans of up to RMB250 million from Industrial and Commercial Bank of China, China Merchants Bank and Industrial Bank which will fall due within one year, and will use the remaining proceeds for replenishing its working capital. The Board will make appropriate adjustments based on the principle of overall arrangement and according to the actual situation including its loan balance and capital needs, as well as the total proceeds finally and actually received.

## **(II) Necessity of Proceeds-funded Investment Projects**

The necessity of proceeds-funded investment projects is mainly reflected in the following two aspects:

### ***1. Continuous Promotion of Digital Transformation of “Global Operation” Management***

Through years of development, the Company has become a leader in the global semi-trailer industry, with well-known brands in the major markets in which the Company operates. According to the data released by “Global Trailer” on the ranking of global semi-trailer manufacturers by sales volume in 2018, the Company is the semi-trailer manufacturer with the highest sales volume in the world. Meanwhile, the Company is also actively engaged in the production and sale of truck bodies for specialty vehicles, as well as refrigerated van bodies in the domestic market, and is in a leading position in the market segment.

The Company’s leading position benefits from its long-term competitive advantages in “global operation”: cross-border design, cross-border manufacturing, global supply chain and

The establishment and upgrade of high-end manufacturing systems of enterprises will help directly produce “highly good-looking and cost-effective” products to benefit users and promote improvement in results. In addition, in the process of upgrade of an enterprise to high-end manufacturing, it can connect data islands in each process of operation, and use AI-based algorithms to learn prediction, assist in and advise on business decision-making.

### **(III) Feasibility of Proceeds-funded Investment Projects**

After years of development, the Company has accumulated certain research and development technology reserves and manufacturing experience in the transformation to high-end manufacturing.

#### **1. *Digital Transformation, Research and Development Project***

The Company has initially established a modular design system for semi-trailers, and a modular design system for bodies of light and durable cement mixer trucks and environmental-friendly urban muck trucks, and a modular design system for refrigerated van bodies. The proceeds will be used to carry out a comprehensive digital upgrade of the above product design.

#### **2. *“Light Tower Plants” Upgrade and Construction Project***

The “Light Tower Plants plan” of the Company aims to promote product upgrade and transformation to high-end manufacturing.

Since the exploration and successful implementation of the “Light Tower Plants” plan in 2014, the upgrade of 14 “Light Tower Plant” in China and 9 overseas “Light Tower Plant” has been completed, thus realizing the linked upgrade of domestic “Light Tower Plant” with a focus on production and overseas “Light Tower Plant” with a focus on manufacturing.

The proceeds will be invested in an orderly manner in subsidiaries with “Light Tower Plant”, for digital transformation of their “Product Modules and Light Tower Plant”. The establishment of a comprehensive high-end manufacturing system is promoted. In addition, the project for “Light Tower Plant” construction aims to improve the Company’s capacity for the production of semi-trailer bodies, tank trailer bodies and refrigerated van bodies.

Through “Light Tower Plant” upgrade and construction, the Company will promote continuous improvement in the production quality and efficiency and develop products with more competitive advantages.



### **3. *New Marketing Construction Project***

Since 2017, the Company has carried out a pilot marketing reform. The new marketing construction project funded by the proceeds aims to improve the after-sales service market thus further promoting the sustainable development of the business of the Company, through the construction of the online and offline linkage model for new marketing.

### **4. *Repayment of Bank Loans and Replenishment of Working Capital***

The Company has achieved steady business development in recent years. It will use the proceeds from the A Share Offering to repay certain bank loans and replenish its working capital, which will effectively improve its capital structure, reduce interest expenses and support the sustained and healthy development of its business.

To sum up, the use by the Company of the proceeds from the A Share Offering to finance the investment projects is necessary and feasible, as the use is conducive to the development of the Company's business, further enhancement of the Company's core competitiveness, reduction in the Company's financial risks, improvement in the Company's overall profitability and achievement of the Company's strategic development goals.

**PROFIT DISTRIBUTION POLICY AND SHAREHOLDER RETURN PLAN FOR  
THE NEXT THREE YEARS FOLLOWING THE A SHARE OFFERING AND  
LISTING ON THE CHINEXT MARKET**

**I.      CONSIDERATIONS IN PREPARATION OF THE RETURN PLAN**

A continuous, stable and reasonable return mechanism for Shareholders has been established in comprehensive consideration of the long-term and sustainable development of the Company, its actual operation and development, shareholders' requirements and wishes, costs of private capital, external financing environment and other factors.

**II.     PRINCIPLES TO THE RETURN PLAN**

1. Basic principles of corporate profit distribution specified in the Articles of Association of the Company shall be complied with;
2. Opinions of Shareholders (especially minority Shareholders) and independent non-executive Directors shall be fully considered and heard;
3. The relationship between short-term benefits and long-term development shall be properly handled. Profit distribution of the Company shall not damage the Company's sustainability;
4. Priority shall be given to cash dividends. Attention shall be paid to reasonable investment returns for investors. The continuity and stability of profit distribution shall be maintained. Relevant provisions laws and regulations shall be complied with.

**III.    SPECIFIC CONTENTS OF THE RETURN PLAN**

**1.     Dividend distribution method**

The Company may distribute dividends to investors in cash, shares or a combination of cash and shares. Subject to ensuring the normal operation of the Company, cash dividends are preferred.

**2.     Conditions for cash dividends**

Upon satisfying the below conditions, the Company shall distribute cash dividends when:

- (1) the distributable profit (i.e. the after-tax profit after deducting losses and reserves) of the Company for the year is positive;

---

**APPENDIX II      PROFIT DISTRIBUTION POLICY AND SHAREHOLDER RETURN PLAN  
FOR THE NEXT THREE YEARS FOLLOWING THE A SHARE  
OFFERING AND LISTING ON THE CHINEXT MARKET**

---

- (2) an auditor issues a standard unqualified opinion report on the Company's financial reports for the year;
- (3) there are no significant capital expenditures or other alike events of the Company (except for the proceeds-funded investment projects).

Significant capital expenditure means: the total expenditures of the Company in the next 12 months for proposed external investment, acquisition of assets or purchase of equipment reaching or exceeding 10% of the latest audited net assets of the Company attributable to the parent company.

**3. Profit distribution and cash dividend payout ratio**

As the Company attaches great importance to provide reasonable returns to investors, the dividend policy was approved by the Board on 26 August 2019 in order to provide return to the Shareholders and in consideration of the financial and business conditions of the Company. According to the dividend policy, the Company's annual dividend distribution will range from 40% to 60% of the net profit attributable to the owners of the Company in the previous financial year, subject to the relevant laws and regulations of China and Hong Kong and the Articles of Association. In accordance with applicable laws, the declaration and payment of any dividend shall be made at the discretion of the Board and depend on actual and expected results of operations, cash flow, financial position, general operating conditions, operating strategies, expected working capital requirements, future expansion plans, legal, regulatory and other contractual restrictions, and other factors as the Board deems appropriate. In addition, any dividends for every financial year will be subject to the approval at the general meeting.

Subject to the conditions for cash dividends and in accordance with Article 8 of the "Administrative Measures for the Issuance of Securities by Listed Companies", the total profit distributed by the Company in cash within the next three years after the listing of A share shall not be less than 30% of the average annual distributable profit over the three years. The Company may distribute stock dividends while distributing cash dividends.

The Board shall distinguish the following conditions in comprehensive consideration of features of the industry in which the Company operates, the development stage, its own business model, profitability, and whether there is any significant expenditure arrangements and otherwise, and propose differentiated cash dividend policies according to the procedures specified in the Articles of Association:

- (1) If the Company is at the mature stage of development and has no significant capital expenditure arrangements, the cash dividend payout ratio shall be at least 80% in the profit distribution;

---

**APPENDIX II      PROFIT DISTRIBUTION POLICY AND SHAREHOLDER RETURN PLAN  
FOR THE NEXT THREE YEARS FOLLOWING THE A SHARE  
OFFERING AND LISTING ON THE CHINEXT MARKET**

---

- (2) If the Company is at the mature stage of development and has significant capital expenditure arrangements, the cash dividend payout ratio shall be at least 40% in the profit distribution;
- (3) If the Company is at the growing stage and has significant capital expenditure arrangements, the cash dividend payout ratio shall be at least 20% in the profit distribution.

If it is difficult to distinguish the Company's stage of development but there are significant capital expenditure arrangements, the item (3) shall apply.

**4. Frequency of profit distribution**

Subject to the profit distribution conditions and ensuring the normal operation and long-term development of the Company, the Company will, in principle, distribute profits annually, after consideration and approval at the annual general meeting. The Board may advise the Company to carry out interim profit distribution according to the Company's profitability and capital needs, and submit the proposal at the general meeting for consideration and approval.

**IV. DECISION-MAKING PROCEDURE FOR PROFIT DISTRIBUTION POLICY**

The Board shall fully discuss with the independent non-executive Directors during the demonstration of a profit distribution plan, and carefully study and demonstrate the timing, conditions and minimum payout ratio for the Company's cash dividend distribution, adjusted conditions and requirements of its decision-making procedures, and other matters, in consideration of continuous, stable and reasonable returns to all Shareholders, and form a profit distribution plan, while the independent non-executive Directors shall express clear opinions.

In considering a specific cash dividend plan, the general meeting shall actively communicate and exchange with Shareholders, especially minority Shareholders, through various channels, fully listen to the opinions and demands of minority Shareholders, and respond to the issues of concern to minority Shareholders in a timely manner.

**V. AMENDMENTS TO THE PROFIT DISTRIBUTION POLICY**

- 1. The profit distribution policy may be adjusted, if there are material changes in the external operating environment or operating conditions of the Company, or where necessary according to investment plans and long-term development needs, etc. The adjusted profit distribution policies shall not violate relevant requirements of CSRC and the stock exchange.

---

**APPENDIX II      PROFIT DISTRIBUTION POLICY AND SHAREHOLDER RETURN PLAN  
FOR THE NEXT THREE YEARS FOLLOWING THE A SHARE  
OFFERING AND LISTING ON THE CHINEXT MARKET**

---

2. Proposals on adjusting or changing a profit distribution policy and shareholder return plan shall be demonstrated in detail by the Board, in consideration of the opinions of public investors. Proposals considered and approved by the Board shall be submitted to the general meeting for consideration and approval. Independent non-executive Directors shall express independent opinions, and in consideration of the proposal at the general meeting, the proposal is subject to approval by the Shareholders holding more than two-thirds of the voting rights who are present at the meeting. In considering any change in a profit distribution policy and shareholder return plan at the general meeting, online voting or other methods shall be available for facilitating the attendance of public Shareholders at the general meeting.

**VI. INFORMATION DISCLOSURE MECHANISM FOR PROFIT DISTRIBUTION**

The Company shall, in strict accordance with the relevant provisions, disclose in detail the formulation and implementation of its profit distribution plan and cash dividend policy in its annual report and interim report to state whether it complies with the provisions of the Articles of Association or the requirements of the resolutions of the general meeting, whether the dividend standard and payout ratio are clear, whether relevant decision-making procedures and mechanisms are complete, whether independent non-executive Directors perform their duties and play their due roles, whether minority Shareholders have sufficient opportunities to express their opinions and demands, and whether the legitimate rights and interests of minority Shareholders are fully protected, etc. If the cash dividend policy is adjusted or changed, whether the conditions and procedures for the adjustment or change are compliant and transparent shall be specified in detail additionally.

If the Company makes profits in the year and meets the conditions for cash dividends, but the Board does not make a cash profit distribution plan, the Company shall disclose the reasons in its periodic report, and independent non-executive Directors shall express independent opinions.

**VII. CYCLE FOR FORMULATION OF DIVIDEND AND RETURN PLAN**

The Company reviews the dividend and return plan every three years, and may make appropriate and necessary adjustments to a dividend plan according to the opinions of Shareholders (especially minority Shareholders) and independent non-executive Directors and subject to relevant laws, regulations, normative documents and the relevant provisions of the Articles of Association.

---

**APPENDIX II      PROFIT DISTRIBUTION POLICY AND SHAREHOLDER RETURN PLAN  
FOR THE NEXT THREE YEARS FOLLOWING THE A SHARE  
OFFERING AND LISTING ON THE CHINEXT MARKET**

---

**VIII. OTHER MATTERS**

Matters not covered by this return plan shall be handled in accordance with the provisions of relevant laws, regulations, normative documents and the Articles of Association.

## **PLAN OF STABILIZATION OF THE A SHARE PRICE WITHIN THREE YEARS FOLLOWING THE A SHARE OFFERING AND LISTING ON THE CHINEXT MARKET**

In order to protect the interests of investors and further define the measures to stabilize the A Share price of the Company when the A Share price of the Company is less than the net assets per share within three years following the A Share Offering and Listing on the ChiNext Market, the plan has been formulated as follows in accordance with the Opinions of the CSRC on Further Promoting the Reform of New Share Offering System:

### **I. CONDITIONS FOR TAKING A SHARE PRICE STABILIZATION MEASURES**

The A Share price stabilization measures will be taken if the closing price of A Shares of the Company for 20 consecutive trading days is less than the latest audited net assets per share of the Company (the 20th trading days is the “Trigger Date”, the net assets per share will be adjusted accordingly if there is any change in the net assets or the total number of shares of

The funds for the repurchase of A Shares by the Company is its own funds. The repurchase price of A Shares shall be determined according to the secondary market price of A Shares of the Company. The method of repurchase of A Share is centralized bidding trading, block trade or any other method approved by securities regulatory authorities. The total amount of repurchase funds used by the Company to stabilize the A Share price in a single financial year shall not exceed 20% of the audited net profit attributable to shareholders of the parent company in the latest financial year. The total amount of funds used by the Company to repurchase A Shares shall not exceed the net proceeds from the initial public offering of A Shares of the Company. Upon repurchase of A Shares, the distribution of the Company's shareholding shall comply with the listing conditions of the place where the shares of the Company are listed.

## **2. Increase by the Controlling Shareholder in Its Holding of A Shares**

If the closing price of A Shares of the Company for 10 consecutive trading days remains lower than the audited net assets per share of the Company at the end of previous financial year, after the Company initiates the A Share price stabilization measures and completes the repurchase of A Shares according to the A Share price stabilization measures specified in Clause 1 of Article 2 of this plan, or the A Share price stabilization measures specified in Clause 1 of Article 2 of this plan cannot be implemented, and the controlling Shareholder of the Company intends to increase its holding of A Shares of the Company, then subject to the distribution of the Company's shareholding meeting the listing conditions of the place where the Shares of the Company are listed, the controlling Shareholder of the Company shall, within 10 trading days, submit the plan of increasing the holding of A Shares of the Company (including the number of A Shares to be additionally held, price range, timing, etc.) to the board and the general meeting (if necessary) of the controlling Shareholder of the Company for consideration, and perform the approval procedures of relevant securities regulatory authorities, the stock exchange and other competent authorities by law, and shall notify the Company within three trading days following the approval, and the Company shall disclose the plan of the controlling Shareholder for increasing the holding of A Shares of the Company.

The price of A Shares to be additionally held by the controlling Shareholder shall not be higher than the audited net assets per share at the end of the previous financial year. The amount of funds used to increase the holding of A Shares shall not exceed 20% of the after-tax cash dividends obtained by the controlling Shareholder from the Company in the previous year. If the Company's A Share price fails to meet the conditions for taking the A Share price stabilization measures of the Company, the controlling Shareholder may cease to increase its holding of A Shares of the Company.

The increase by the controlling Shareholder of the Company in its holding of A Shares shall comply with laws and regulations.



**3. Increase by Directors (Other Than Independent Non-executive Directors) and Senior Management in Their Holding of A Shares**

If the closing price of A Shares of the Company for 10 consecutive trading days remains lower than the audited net assets per share of the Company at the end of previous financial year after the Company initiates the A Share price stabilization measures and completes the increase by the controlling shareholder in the holding of A Shares of the Company according to the A Share price stabilization measures specified in Clause 2 of Article 2 of this plan, or the A Share price stabilization measures specified in Clause 2 of Article 2 of this plan cannot be implemented, the then Directors (other than independent non-executive Directors) and senior management of the Company shall purchase A Shares of the Company to stabilize the A Share price of the Company by trading methods permitted by laws and regulations. Upon the purchase of A Shares of the Company by Directors (other than independent non-executive Directors) and senior management, the distribution of the Company's shareholding shall comply with the listing conditions of the place where the Shares of the Company are listed.

With regard to the purchase of A Shares by Directors (other than independent non-executive Directors) and senior management by trading methods permitted by laws and regulations, the purchase price shall not exceed the audited net assets per share at the end of the previous financial year, and the amount of funds used by Directors (other than independent non-executive Directors) and senior management of the Company for purchasing A Shares shall not exceed 30% of the after-tax remuneration received by them from the Company in the previous financial year. If the Company's A Share price fails to meet the conditions for taking the A Share price stabilization measures of the Company, Directors (other than independent non-executive Directors) and senior management may cease to increase their holdings of A Shares of the Company.

The purchase of A Shares of the Company by Directors (other than independent non-executive Directors) and senior management shall comply with relevant laws and regulations, and shall be subject to corresponding approval procedures, if the approval by securities regulatory authorities, the stock exchange and other competent authorities is required for the purchase. Failure to purchase A Shares of the Company due to failure to obtain the approval is deemed to have complied with this plan and fulfilled the undertakings.

**III. CONDITIONS FOR TERMINATING A SHARE PRICE STABILIZATION MEASURES**

The A Share price stabilization measures and undertakings are deemed to be completed, and the announced A Share price stabilization plan shall be terminated, if within 90 natural days after the announcement of the A Share price stabilization plan:

1. the closing price of A Shares of the Company for 5 consecutive trading days exceeds the latest audited net assets per share of the Company;
2. the agreed amount for repurchasing or increasing the holding of A Shares of the Company is used up;
3. proceeding with the repurchase or increase in the holding of A Shares of the Company will lead to the failure of the distribution of the Company's shareholding to comply with the listing conditions of the place where the Shares of the Company are listed.

**IV. RESTRICTION MEASURES FOR FAILURE TO TAKE A SHARE PRICE STABILIZATION MEASURES WHICH ARE REQUIRED TO BE TAKEN**

If the conditions for taking the A Share price stabilization measures are met but the Company, the controlling Shareholder, Directors (other than independent non-executive Directors, hereinafter the same) and senior management fail to take the measures, they undertake to accept the following restriction measures:

1. the Company, the controlling Shareholder, Directors and senior management will explain the specific reasons for failure to take the A Share price stabilization measures and make an apology to Shareholders and public investors of the Company at the general meeting of the Company and on the newspapers or periodicals designated by CSRC.
2. if the controlling Shareholder fails to take the specific A Share price stabilization measures, the Company has the right to withhold the cash dividends attributable to the controlling Shareholder during the period from the date of occurrence of the event to the date on which the specific A Share price stabilization measures are taken and completed by the controlling Shareholder as required.
3. if the Directors and senior management of the Company fail to take the above specific A Share price stabilization measures, the Company has the right to reduce the salaries, bonuses and allowances of the Directors and senior management by an amount not exceeding the minimum increase in the holding by the Directors and senior management (namely 10% of their total after-tax salary received from the Company in the previous year) within 10 trading days from the date of occurrence of the event (the Directors and senior management also agree that the cash dividends payable to them may be retained by the Company), meanwhile the Shares of the Company held by the Directors and senior management shall not be transferred until the corresponding A Share price stabilization measures are taken and completed by the Directors and senior management according to this plan.

**DILUTION OF CURRENT RETURN AS A RESULT OF A SHARE OFFERING AND  
REMEDIAL MEASURES****I. RISK WARNING ON DILUTION OF CURRENT RETURN AS A RESULT OF THE  
A SHARE OFFERING AND LISTING**

The offering size of the Company is up to 311,470,000 A Shares (including 311,470,000 A Shares, and having taken into account the over-allotment option). Upon completion of the A Share Offering, there will be an increase in the Company's total share capital and net assets and a decrease in its gearing ratio, which is conducive to enhancing the stability of the Company's financial structure and risk tolerance.

The proceeds of the Company will be used for its principal businesses, and the proceeds-funded investment projects conform to the development trend of the industry and its development plan. However, as there is a construction period of the proceeds-funded investment projects, there is some lag in the economic benefits for the construction period of the projects. The absence of a corresponding increase in the net profit of the Company will lead to the risk that there will be a decrease in current and future earnings per share and return on net assets of the Company.

The Company has formulated corresponding remedial measures for the dilution of current returns as a result of the A Share Offering, and will strictly implement the measures.

**II. NECESSITY AND RATIONALITY OF THE A SHARE OFFERING**

The Company is at a critical stage of business transformation and development. It needs to invest a large amount of funds to upgrade Product Modules, improve "Light Tower Plant", initiate marketing changes and promote organizational development. The necessity and rationality of the A Share Offering are mainly reflected in the following aspects:

**1. Expansion of the Company's Share of the Market of Semi-trailers, Truck Bodies for Specialty Vehicles and Refrigerated Van Bodies, and Enhancement of the Company's Core Competitiveness in High-end Equipment Manufacturing**

According to the data released by "Global Trailer" on the ranking of global semi-trailer manufacturers by sales volume in 2018, the Company is the top semi-trailer manufacturer in China and even the world in terms of sales volume. It expects to further enhance its market share and profitability in China. With its domestic "Light Tower Plant" and semi-trailer research, development and production advantages, the Company plans to establish an online internet marketing and sales channel management system through internal and external resources. Capitalizing on big data, vehicle networking and other technologies, it will rapidly reach end customers and expand the coverage of core products, the customer base and market share.

After the A Share listing, the proceeds will be intended to be used for the above development to complete product modularization and upgrade and improve the operating capability. After the implementation of the proceeds-funded projects, the Company may provide better services for scientific and technological innovation and achieve high-quality economic development, and enhance its core competitiveness in high-end equipment manufacturing.

## **2. Expansion of the Company's Financing Channels in the A Share Capital Market to Create Greater Value for Shareholders and Investors**

The Company needs a long-term, stable and considerable source of funds to enhance its core competitiveness in high-end manufacturing. The A Share Offering and Listing can help expand the financing channels of the Company in the A Share capital market, enable the Company to obtain a stable source of funds for a longer period, and reduce the financial risks of the Company. The Company will focus on implementing its development strategy, upgrading Product Modules, improving "Light Tower Plant", initiating marketing changes and promoting organizational development to enhance its profitability.

In addition, after the A Share Offering and Listing, the Shares of the Company can be traded in the A Share market, while the good liquidity and rapid price transmission mechanism of the A Share market allow the Company's results of operations and other information to be better reflected in indicators including share price. The Company will further improve its internal governance mechanism, enhance the standard operation level, and actively provide Shareholders with sustainable and stable reasonable returns through cash dividend and other methods according to its operating conditions and development plans, thus creating greater value for Shareholders and investors.

## **3. Improvement in the Company's Incentive Mechanism for the Management and Key Personnel in the A Share Capital Market to Enhance the Results of Operations of the Company**

The Company has established a shareholding platform for the management and key personnel. After the A Share Offering, the Company's potential value can be fully reflected in the domestic capital market. According to the needs of strategic development, the Company will improve the incentive mechanism for the management and key personnel, supervise and urge the management personnel to fulfill their duties, stimulate their enthusiasm and creativity, so as to improve the results of operations of the Company.

The A Share Offering, which meets the current development needs of the Company, is necessary and reasonable.

### **III. RELATIONSHIP BETWEEN PROCEEDS-FUNDED INVESTMENT PROJECTS AND EXISTING BUSINESSES OF THE COMPANY, AND RESERVES OF THE COMPANY IN TERMS OF PERSONAL, TECHNOLOGIES AND MARKETS FOR PROCEEDS-FUNDED INVESTMENT PROJECTS**

#### **(I) Relationship Between the Proceeds-funded Investment Projects and Existing Businesses of the Company**

The proceeds from the A Share Offering after deducting offering costs are intended to be invested in Digital transformation, research and development project, “Light Tower Plants” upgrade and construction project, new marketing construction project and repayment of bank loans and replenishment of working capital.

Since 2014, the Company has been committed to promoting the upgrade and update of products and investment in “Light Tower Plant”. With the proceeds from the Global Offering of H Shares, the Company has basically completed the upgrade and update of products of overseas core enterprises and the “Light Tower Plants” improvement. It is vigorously promoting the research and development of a new generation of refrigerated trailers. Meanwhile, the Company has also initially established a high-end manufacturing framework for its core product sectors: global semi-trailer business, China’s truck bodies for specialty vehicles business and China’s refrigerated van body business.

With a focus on the above strategic direction of high-end manufacturing transformation and upgrade, the proceeds-funded investment projects will continue to fit the Company’s production and operation, technical level and management capability, which will facilitate the enhancement of the Company’s core competitiveness of high-end manufacturing, consolidation of its position in the industry, improvement in its profitability and strengthening of its comprehensive competitive strength.

#### **(II) Reserves of the Company in Terms of Personal, Technologies and Markets for Proceeds-funded Investment Projects**

In terms of personnel, the Company attaches great importance to the training of talents and actively promotes the reform and innovation of human resources management. Through years of development, the Company has established a sound human resources management system and has an experienced and professional management team, technical research and development personnel and production technicians. In the future, the Company will continue to strengthen the selection and training of professionals, technicians and managerial personnel according to the needs of business development objectives, continuously strengthen the talent reserve, and gradually increase the incentives for various outstanding employees, so as to ensure the smooth implementation of the proceeds-funded projects.

In terms of technology, the Company is committed to production facility improvement, product research and development, continuously improving the technical features and functions of products to promote the transformation and upgrade of the Company to high-end manufacturing. It actively participates in the formulation of industry standards. The Company has more than 800 registered patents in many countries, and has led the formulation of multiple national and industrial semi-trailer and truck body standards in China simultaneously. In the future, the Company will continue to deepen the accumulation of technology and optimize its product mix, so as to technically ensure the smooth implementation of the proceeds-funded investment projects.

In terms of market, the Company, a global leading semi-trailer manufacturer, ranks first in China and even the world in terms of sales volume. Meanwhile, the Company actively produces and sells truck bodies for specialty vehicles and refrigerated van bodies. As the new national standards for second-generation semi-trailers (GB1589-2016 and GB-7258-2017) in China come into effect in 2020 and the Chinese government vigorously promotes the “oversizing and over-loading” control and “environmental protection”, the “upgrade and update” of semi-trailers in China will be changed from a partial action to a comprehensive action, and there will be a window for the development of specialty vehicles. In addition, African swine fever in 2019 and novel coronavirus pneumonia in 2020 accelerate the development of the industry of logistics of fresh products, bringing about long-term growth in the demand for refrigerated trailers and refrigerated vans in China. The above factors lay a good market foundation for the implementation of the proceeds-funded investment projects.

#### **IV. SPECIFIC MEASURES OF THE COMPANY TO REMEDY DILUTION OF CURRENT RETURN AS A RESULT OF THE A SHARE OFFERING**

Considering that the A Share Offering may reduce the current return, the Company will follow and adopt the following principles and measures to speed up the development of principal businesses and improve its profitability, thus achieving an improvement in its asset quality and an increase in its revenue and future profits, as well as its sustainable development, and fully protect the interests of its Shareholders, especially minority Shareholders, and pay attention to the medium and long-term return to Shareholders.

##### **1. Consolidation and Development the Company’s Principal Businesses, Improvement in the Company’s Comprehensive Competitiveness and Sustained Profitability**

According to the data released by “Global Trailer” on the ranking of global semi-trailer manufacturers by sales volume in 2018, the Company is a global top semi-trailer manufacturer in terms of sales volume, engaged in the manufacture and sale of seven main categories of semi-trailers in major global markets. Furthermore, the Company proactively carries out the manufacture of truck bodies for specialty vehicles and the sales of fully-assembled specialty vehicles in China. Meanwhile, the Company is also a leading manufacturer of refrigerated van bodies in China.

Capitalizing on opportunities from the proceeds-funded investment projects funded from the A Share Offering, the Company will improve its core competitiveness in the high-end manufacturing, upgrade Product Modules, improve “Light Tower Plant”, initiate marketing changes and promote organizational development, so as to continuously improve its comprehensive competitiveness and sustainable profitability.

## **2. Enhancement of Proceeds Management and Efficiency in the Use of Proceeds**

Upon receipt of the proceeds from the A Share Offering, the Company will enhance the safety management of the proceeds, with a special deposit of the proceeds, so as to ensure the reasonable, standardized and effective use of the proceeds. Meanwhile, the Company will go through the capital expenditure approval procedures, for investment in a proceeds-funded project, in strict compliance with the relevant provisions of the fund management system. It will define the relevant responsibilities for each control processes, and apply for, approve and use the proceeds according to investment plans, and conduct internal inspection and assessment of the use.

The Board has fully demonstrated the proceeds-funded investment projects, which shows that they have good market prospects and economic benefits. Before the receipt of the proceeds from the A Share Offering, in order to obtain the benefits of the proceeds-funded investment projects as soon as possible, the Company will actively allocate resources and carry out the preparatory work for the proceeds-funded investment projects in advance. After the receipt of the proceeds from the A Share Offering, the Company will accelerate the construction of the proceeds-funded projects investment, and strive to procure that the proceeds-funded projects investment reach their designed capacity and generate expected benefits, so as to reduce the risk of dilution of current returns of Shareholders arising from the A Share Offering.

## **3. Enhancement of the Company’s Operation Management, Internal Control, and Risk Prevention Awareness**

The Company will further enhance its management and internal control, improve and strengthen its decision-making procedures, rationally use various financing tools and channels to control the cost of capital, save its various expenses, and comprehensively and effectively control its operation and management costs. In the future, the Company will further improve the level of operation and management and its overall profitability.



**4. Strict Implementation of Dividend Distribution Policy of the Company for Ensuring the Returns to Shareholders of the Company**

The Profit Distribution Policy and Shareholder Return Plan for the Three Years Following the Initial Public Offering of RMB Ordinary Shares (A Shares) and Listing on the ChiNext Market of CIMC Vehicles (Group) Co., Ltd. has been prepared by the Company in accordance with the Notice on Further Implementing of Matters Related to Cash Dividend Distribution of Listed Companies, the Guidelines for Supervision of Listed Company No. 3 – Cash Dividend Distribution of Listed Companies, and the spirit of the Guidelines for Articles of Association of Listed Companies published by CSRC. The Company further improves and refines the profit distribution policy, especially the specific cash dividend conditions and payout ratio. In the future, the Company will continue to strictly implement the Company's dividend distribution policy and strengthen the investor return mechanism to ensure the interests of its Shareholders, especially minority Shareholders.

**V. UNDERTAKINGS OF DIRECTORS AND SENIOR MANAGEMENT TO TAKE REMEDIAL MEASURES FOR DILUTION OF CURRENT RETURN AS A RESULT OF THE OFFERING AND LISTING**

The Directors and senior management undertake to perform their duties faithfully and diligently, safeguard the legitimate rights and interests of the Company and all Shareholders, in accordance with the relevant provisions of CSRC, they undertake that:

1. they will not transfer any gains and benefits to other entities or individuals without consideration or under unfair conditions, or otherwise damage the interests of the Company;
2. they will restrict position-related consumption of Directors and senior management;
3. they will not use the Company's assets to carry out any investment or consumption activity irrelevant to their performance of duties;
4. they will actively promote the improvement in the Company's remuneration system to make it more in line with the requirements of remedying the dilution of current return; support the linkage between the remuneration system formulated by the Board or the nomination committee and the remuneration committee and the implementation of the Company's remedial measures, and strictly comply with the systems;
5. they will actively support the linkage between the vesting conditions for equity incentives and the implementation of the Company's remedial measures, if the Company makes an equity incentive plan (if any).



They will strictly comply with the remedial measures formulated by the Company, and will actively take all necessary and reasonable measures to supervise and urge the implementation of the remedial measures of the Company within the scope of their authority, in accordance with relevant regulations published by CSRC, the stock exchange and other regulatory authorities in the future;

If CSRC or the stock exchange publishes other new regulatory requirements on remedial measures and their undertakings after the date of the undertakings, and the above undertakings fail to meet such requirements of CSRC or the stock exchange, they undertake to make supplemental undertakings according to the requirements of CSRC or the stock exchange then.

TABLE OF COMPARISON FOR AMENDMENTS TO THE ARTICLES OF  
ASSOCIATION (DRAFT)

Unless the context otherwise requires, the terms used in this Articles of Association (Draft) have the same meaning as defined in the Articles of Association of the Company dated 10 July 2019. Table of comparison for amendments to the Articles of Association (Draft) is as follows:

No.	Original Articles of Association	Articles of Association (Draft)
1	<p>Article 1 The Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (中華人民共和國公司法) (the "Company Law"), Securities Law of the People's Republic of China (中華人民共和國證券法) (the "Securities Law"), Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (the "Special Provisions"), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款) (the "Mandatory Provisions"), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (關於到香港上市公司對公司章程作補充修改的意見的函, Zheng Jian Hai Han 1995 No. 1), Opinions on Further Standardizing Operations and Intensifying Reforms of Companies Listed Overseas (關於進一步促進境外上市公司規範運作和深化改革的意見, Guo Jing Mao Qi Gai 1999 No. 230), the Official Reply of the State Council regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders' Meetings by Overseas Listed Companies (Guo Han [2019] No. 97) (國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆(國函[2019]97號)), Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (including relevant appendix, the "Stock Exchange Listing Rules") and other relevant provisions to safeguard the legitimate rights and interests of CIMC Vehicles (Group) Co., Ltd. (the "Company"), its shareholders and creditors, and to regulate the organization and activities of the Company.</p>	<p>Article 1 The Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (中華人民共和國公司法) (the "Company Law"), Securities Law of the People's Republic of China (中華人民共和國證券法) (the "Securities Law"), Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (the "Special Provisions"), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款) (the "Mandatory Provisions"), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (關於到香港上市公司對公司章程作補充修改的意見的函, Zheng Jian Hai Han 1995 No. 1), Opinions on Further Standardizing Operations and Intensifying Reforms of Companies Listed Overseas (關於進一步促進境外上市公司規範運作和深化改革的意見, Guo Jing Mao Qi Gai 1999 No. 230), the Official Reply of the State Council regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders' Meetings by Overseas Listed Companies (Guo Han [2019] No. 97) (國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆(國函[2019]97號)), <u>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (including relevant appendix, the "Stock Exchange Listing Rules"), the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (the "ChiNext Market Listing Rules"), the Guidelines on the Articles of Association of Listed Companies</u> and other relevant provisions to safeguard the legitimate rights and interests of CIMC Vehicles (Group) Co., Ltd. (the "Company"), its shareholders and creditors, and to regulate the organization and activities of the Company.</p>

No.	Original Articles of Association	Articles of Association (Draft)
2	<p>Article 5 <b><u>After the completion of the initial public offering of overseas-listed Foreign Shares (H shares) of the Company as mentioned in Article 18,</u></b> the registered capital of the Company is <b><u>RMB1,765,000,000.</u></b></p>	<p>Article 5 The registered capital of the Company is RMB[●].</p>
3	<p>Article 16 The Company may, with approval from the China Securities Regulatory Commission (the “CSRC”), issue shares to domestic and overseas investors.</p> <p>For the purpose of the preceding paragraph, the term overseas investors shall refer to investors from foreign countries or Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company. The term domestic investors shall refer to investors inside the People’s Republic of China, excluding the above-mentioned regions, that subscribe for shares issued by the Company.</p> <p>The shares issued by the Company to domestic investors for subscription in RMB shall be referred to as Domestic Shares. The shares issued by the Company to overseas investors for subscription in foreign currencies shall be referred to as Foreign Shares. <b><u>Foreign Shares listed domestically shall be referred to as domestic-listed Foreign Shares. Foreign Shares listed overseas shall be referred to as overseas-listed Foreign Shares;</u></b> among which, overseas-listed Foreign Shares which have been admitted for listing on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”), the par value of which is denominated in RMB and which are subscribed for and traded in Hong Kong dollars shall be referred to as “H Shares”.</p> <p>Foreign currencies referred to in the previous paragraph means the legal currencies of countries or districts, other than RMB, which are recognized by the foreign exchange authority of the State and which can be used to make payment for the share price to the Company.</p>	<p>Article 16 The Company may, with approval from <b><u>or registration with</u></b> the China Securities Regulatory Commission (the “CSRC”) <b><u>and/or with the consideration and approval of the Shenzhen Stock Exchange (the “SZSE”)</u></b>, issue shares to domestic and overseas investors.</p> <p>For the purpose of the preceding paragraph, the term overseas investors shall refer to investors from foreign countries or Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company. The term domestic investors shall refer to investors inside the People’s Republic of China, excluding the above-mentioned regions, that subscribe for shares issued by the Company.</p> <p>The shares issued by the Company to domestic investors for subscription in RMB shall be referred to as Domestic Shares. <b><u>Domestic Shares listed on the domestic stock exchange shall be referred to as domestic-listed Domestic Shares. Domestic-listed Domestic Shares listed on the domestic stock exchange, the par value of which is denominated in RMB and which are subscribed for and traded in RMB shall be referred to as “A Shares”.</u></b> The shares issued by the Company to overseas investors for subscription in foreign currencies shall be referred to as Foreign Shares. Foreign Shares listed domestically shall be referred to as domestic-listed Foreign Shares. Foreign Shares listed overseas shall be referred to as overseas-listed Foreign Shares; among which, overseas-listed Foreign Shares which have been admitted for listing on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”), the par value of which is denominated in RMB and which are subscribed for and traded in Hong Kong dollars shall be referred to as H Shares.</p>

No.	Original Articles of Association	Articles of Association (Draft)
	<p><u>The Company's shareholders may list and trade their unlisted shares on the overseas stock exchange upon approvals of the CSRC. Listing and trading of such shares on overseas stock exchange(s) shall also comply with the regulatory procedures, provisions and requirements of overseas securities market(s). Unlisted shares are converted to Foreign Shares according to legal procedures and are listed and traded on an overseas stock exchange, without voting at a shareholder's general meeting or class meeting of shareholders. Overseas-listed Foreign Shares converted from Domestic Shares are in the same class as that of original overseas-listed Foreign Shares.</u></p>	<p>"Foreign currencies" referred to in the previous paragraph means the legal currencies of other countries or districts, other than RMB, which are recognized by the foreign exchange authority of the State and which can be used to make payment for the share price to the Company.</p>
4	<p>Article 18 With the approval by way of special resolution at the shareholder's general meeting, and the approval of CSRC and the Hong Kong Stock Exchange, the Company makes an initial public offering of no more than 383,801,955 overseas-listed Foreign Shares (H shares), which are all ordinary shares at par value of RMB1 for each share and will be listed on the Main Board of the Hong Kong Stock Exchange.</p>	<p>Article 18 With the approval by way of special resolution at the shareholder's general meeting, and the approval of CSRC and the Hong Kong Stock Exchange, the Company makes an initial public offering of no more than 383,801,955 overseas-listed Foreign Shares (H shares), which are all ordinary shares at par value of RMB1 for each share and will be listed on the Main Board of the Hong Kong Stock Exchange.</p>

No.	Original Articles of Association	Articles of Association (Draft)
	<p>Upon the completion of the overseas-listed Foreign Shares (H shares) issuance as above, the shareholding structure of the Company is as follows: there are 1,765,000,000 ordinary shares, of which, there are 1,201,080,000 Domestic Shares, accounting for 68.05% of the total number of ordinary shares of the Company in issue; 664,950,000 Domestic Shares, 252,330,000 Domestic Shares, 23,160,000 Domestic Shares, 23,160,000 Domestic Shares, 161,602,500 Domestic Shares and 75,877,500 Domestic Shares are respectively held by China International Marine Containers (Group) Co., Ltd., Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership), Shenzhen Long Yuan Gang Cheng Enterprise Management Centre (Limited Partnership), Shenzhen Nan Shan Da Cheng New Material Investment Partnership (Limited Partnership), Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) and Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) (previously known as Xiang Shan Hua Jin Equity Investment Partnership (Limited Partnership)) as the promoter; and there are 563,920,000 overseas-listed Foreign Shares, accounting for 31.95% of the total number of ordinary shares of the Company in issue; 284,985,000 Foreign Shares and 13,935,000 Foreign Shares are respectively held by China International Marine Containers (Hong Kong) Limited and Sumitomo Corporation as the promoter, and there are 265,000,000 newly issued H shares.</p>	<p>Upon the completion of the overseas-listed Foreign Shares (H shares) issuance as above, the shareholding structure of the Company is as follows: there are 1,765,000,000 ordinary shares, of which, there are 1,201,080,000 Domestic Shares, accounting for 68.05% of the total number of ordinary shares of the Company in issue; 664,950,000 Domestic Shares, 252,330,000 Domestic Shares, 23,160,000 Domestic Shares, 23,160,000 Domestic Shares, 161,602,500 Domestic Shares and 75,877,500 Domestic Shares are respectively held by China International Marine Containers (Group) Co., Ltd., Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership), Shenzhen Long Yuan Gang Cheng Enterprise Management Centre (Limited Partnership), Shenzhen Nan Shan Da Cheng New Material Investment Partnership (Limited Partnership), Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) and Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) (previously known as Xiang Shan Hua Jin Equity Investment Partnership (Limited Partnership)) as the promoter; and there are 563,920,000 overseas-listed Foreign Shares, accounting for 31.95% of the total number of ordinary shares of the Company in issue; 284,985,000 Foreign Shares and 13,935,000 Foreign Shares are respectively held by China International Marine Containers (Hong Kong) Limited and Sumitomo Corporation as the promoter, and there are 265,000,000 newly issued H shares.</p>

No.	Original Articles of Association	Articles of Association (Draft)
		<p><u>With the consideration and approval of the SZSE and registration with the CSRC, the Company makes an initial public offering of [●] domestic-listed Domestic Shares on [●]. Such Domestic Shares issued by the Company and Domestic Shares previously issued by the Company were listed on the SZSE on [●]. Upon the completion of the issuance as above, the shareholding structure of the Company is as follows: there are [●] ordinary shares in total, of which, there are [●] domestic-listed Domestic Shares (A Shares), accounting for [●]% of the total number of ordinary shares of the Company in issue; and there are [●] overseas-listed Foreign Shares (H Shares), accounting for [●]% of the total number of ordinary shares of the Company in issue.</u></p>
5	<p>Article 38 When the Company convenes a shareholders' general meeting, distributes dividends, commences liquidation and participates in other activities which require to confirm the identification of shareholders, the convener of the Board or the shareholders' general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date shall enjoy the relevant rights.</p>	<p>Article 38 When the Company convenes a shareholders' general meeting, distributes dividends, commences liquidation and participates in other activities which require to confirm the identification of shareholders, the convener of the Board or the shareholders' general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date shall enjoy the relevant rights. <u>The interval between the record date and the date of the general meeting shall not be more than seven working days. Once the record date is determined, it shall not be changed.</u></p>

No.	Original Articles of Association	Articles of Association (Draft)
6	Article 47 Shares of the Company issued before the public offering of shares shall not be transferred within one (1) year from the date on which the shares are listed and commenced trading on a <u>stock exchange</u> .	Article 47 <b><u>Domestic</u></b> Shares of the Company issued before the <b><u>initial</u></b> public offering of <b><u>Domestic</u></b> Shares shall not be transferred within one (1) year from the date on which the shares are listed and commenced trading on the <b><u>SZSE</u></b> .
7	Article 48 Directors, Supervisors and senior management shall report to the Company their shareholdings in the Company and changes therein and shall not transfer more than 25% of the total number of shares they held in the Company during their terms of office. The shares of the Company held by them shall not be transferred within one (1) year from the date on which the shares are listed and commenced trading. They shall not transfer the shares of the Company held by them within six (6) months from the date they leave the Company, unless enforced by a court.	Article 48 Directors, Supervisors and senior management shall report to the Company their shareholdings in the Company and changes therein and shall not transfer more than 25% of the total number of shares they held in the Company during their terms of office. The shares of the Company held by them shall not be transferred within one (1) year from the date on which the shares are listed and commenced trading. They shall not transfer the shares of the Company held by them within six (6) months from the date they leave the Company, unless enforced by a court.  <b><u>If the Directors, Supervisors and senior management members of the Company as well as the shareholders holding more than 5% of the A Shares of the Company sell the Company's Shares they hold within six months after purchase or buy shares or other securities with the nature of equities of the Company within six months after the sale, the gains generated from such trade shall be disgorged and paid to the Company. The Board of Directors of the Company shall forfeit such gains from the abovementioned parties. Nevertheless, if a securities company holds more than 5% of the shares of the Company by buying the remaining shares pursuant to an underwriting arrangement and except other circumstances as stipulated by the CSRC, the six-month limitation for selling the said shares shall not apply.</u></b>



No.	Original Articles of Association	Articles of Association (Draft)
		<p><u>For the purpose of the foregoing paragraph, the shares or other securities with the nature of equities held by the Directors, Supervisors, senior management members and natural person shareholders shall include the shares or other securities with the nature of equities held by their spouses, parents and children and held through others' accounts.</u></p> <p><u>Should the Board of Directors of the Company does not observe the provisions set forth in the second paragraph of this article, the Shareholders shall be entitled to require the Board to effect the same within 30 days. If the Board of Directors of the Company fails to do so within the aforesaid time limit, the Shareholders may directly initiate people's court proceedings in their own name for the interests of the Company.</u></p> <p><u>Should the Board of Directors of the Company fails to execute the provisions under the second paragraph of this article, the responsible Director(s) held accountable shall assume joint and several liabilities under the law.</u></p>
8	<p>Article 51 The ordinary shareholders of the Company shall be entitled to the following rights:</p> <p>(I) the right to receive dividends and other distributions in proportion to their shareholdings;</p> <p>(II) the right to legally request, convene, preside over, attend or appoint a proxy to attend shareholders' general meetings and to exercise corresponding voting rights;</p>	<p>Article 51 The ordinary shareholders of the Company shall be entitled to the following rights:</p> <p>(I) the right to receive dividends and other distributions in proportion to their shareholdings;</p> <p>(II) the right to legally request, convene, preside over, attend or appoint a proxy to attend shareholders' general meetings and to exercise corresponding voting rights;</p>



No.	Original Articles of Association	Articles of Association (Draft)
	<p>(III) the right to supervise the Company's business operations, present proposals or raise queries;</p> <p>(IV) the right to transfer shares in accordance with laws, administrative regulations and provisions of the Articles of Association;</p> <p>(V) to inspect the Articles of Association, register of shareholders, stubs of corporate bonds, minutes of shareholders general meetings, resolutions of the meetings of the Board of Directors, resolutions of the meetings of the Supervisory Committee, and financial and accounting reports;</p> <p>(VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in proportion with the number of shares held;</p> <p>(VII) the shareholders disagreeing with the merger or separation resolution made by the general meeting are entitled to ask the Company to acquire their shares;</p> <p>(VIII) to obtain relevant information in accordance with the Articles of Association including:</p> <p>1. the right to a copy of the Articles of Association at cost;</p> <p>2. the right to inspect and copy upon paying reasonable charges:</p> <p>(1) all parts of the register of shareholders;</p>	<p>(III) the right to supervise the Company's business operations, present proposals or raise queries;</p> <p>(IV) the right to transfer, <b><u>give or pledge</u></b> shares in accordance with laws, administrative regulations and provisions of the Articles of Association;</p> <p>(V) to inspect the Articles of Association, register of shareholders, stubs of corporate bonds, minutes of shareholders general meetings, resolutions of the meetings of the Board of Directors, resolutions of the meetings of the Supervisory Committee, and financial and accounting reports;</p> <p>(VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in proportion with the number of shares held;</p> <p>(VII) the shareholders disagreeing with the merger or separation resolution made by the general meeting are entitled to ask the Company to acquire their shares;</p> <p>(VIII) to obtain relevant information in accordance with the Articles of Association including:</p> <p>1. the right to a copy of the Articles of Association at cost;</p> <p>2. the right to inspect and copy upon paying reasonable charges:</p> <p>(1) all parts of the register of shareholders;</p>

No.	Original Articles of Association	Articles of Association (Draft)
	<p>(2) personal particulars of each of the Directors, Supervisors, president and other senior management including:</p> <p>i. present and former name and alias;</p> <p>ii. principal residential address (domicile);</p> <p>iii. nationality;</p> <p>iv. primary and all other part-time occupations and duties;</p> <p>v. identification documents and identification numbers.</p> <p>(3) the state of the Company's share capital;</p> <p>(4) special resolution of the Company;</p> <p>(5) reports of the aggregate par value, number of shares, highest and lowest prices paid by the Company in respect of each class of shares bought back by the Company since the end of the last accounting year and all the expenses paid by the Company therefor;</p> <p>(6) minutes of shareholders' general meetings;</p> <p>(7) report of the Board of Directors and Supervisory Committee.</p> <p>(IX) other rights conferred by law, administrative regulations, departmental regulations or the Articles of Association.</p>	<p>(2) personal particulars of each of the Directors, Supervisors, president and other senior management including:</p> <p>i. present and former name and alias;</p> <p>ii. principal residential address (domicile);</p> <p>iii. nationality;</p> <p>iv. primary and all other part-time occupations and duties;</p> <p>v. identification documents and identification numbers.</p> <p>(3) the state of the Company's share capital;</p> <p>(4) special resolution of the Company;</p> <p>(5) reports of the aggregate par value, number of shares, highest and lowest prices paid by the Company in respect of each class of shares bought back by the Company since the end of the last accounting year and all the expenses paid by the Company therefor;</p> <p>(6) minutes of shareholders' general meetings;</p> <p>(7) report of the Board of Directors and Supervisory Committee.</p> <p>(IX) other rights conferred by law, administrative regulations, departmental regulations or the Articles of Association.</p>

No.	Original Articles of Association	Articles of Association (Draft)
9	<p>Article 56 Shareholders of the Company shall have the following obligations:</p> <p>(I) to abide by laws, administrative regulations and the Articles of Association;</p> <p>(II) to pay for the shares based on the shares subscribed for and the manners in which they became shareholder;</p> <p>(III) not to withdraw its capital contribution upon the approval of registration by the Company, except as provided in laws and regulations;</p> <p>(IV) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;</p> <p>Where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages.</p> <p>Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.</p>	<p>Article 56 Shareholders of the Company shall have the following obligations:</p> <p>(I) to abide by laws, administrative regulations and the Articles of Association;</p> <p>(II) to pay for the shares based on the shares subscribed for and the manners in which they became shareholder;</p> <p>(III) not to withdraw its capital contribution upon the approval of registration by the Company, except as provided in laws and regulations;</p> <p>(IV) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;</p> <p>Where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages.</p> <p>Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.</p>

No.	Original Articles of Association	Articles of Association (Draft)
	<p>(V) other obligations imposed by laws, administrative regulations and the Articles of Association.</p> <p>Shareholders are not liable for making any further contribution to the share capital other than as agreed as the subscribers of the relevant shares of the Company on subscription.</p>	<p>(V) other obligations imposed by laws, administrative regulations and the Articles of Association.</p> <p>Shareholders are not liable for making any further contribution to the share capital other than as agreed as the subscribers of the relevant shares of the Company on subscription.</p> <p><b><u>If any shareholder holding more than 5% of the voting shares of the Company pledges the said voting shares, the said shareholder shall submit a written report to the Company on the date on which the said pledge is executed.</u></b></p>
10	<p>Article 57 The controlling shareholders of the Company shall not use their affiliation to jeopardize the interests of the Company; otherwise, they shall make compensation for the loss incurred by the Company.</p> <p>In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchanges on which the shares of the Company are listed, a Controlling Shareholder shall not exercise his voting rights in a manner prejudicial to the interests of all or some of the shareholders of the Company in respect of the following matters:</p> <p>(I) to relieve a Director or Supervisor of his duty to act honestly in the best interests of the Company;</p>	<p>Article 57 The controlling shareholders of the Company shall not use their affiliation to jeopardize the interests of the Company; otherwise, they shall make compensation for the loss incurred by the Company.</p> <p>In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchanges on which the shares of the Company are listed, a Controlling Shareholder shall not exercise his voting rights in a manner prejudicial to the interests of all or some of the shareholders of the Company in respect of the following matters:</p> <p>(I) to relieve a Director or Supervisor of his duty to act honestly in the best interests of the Company;</p>

No.	Original Articles of Association	Articles of Association (Draft)
	<p>(II) to approve the expropriations by a Director or Supervisor (for his own benefit or for the benefit of another person) of the Company's assets in any way, including without limitation, opportunities beneficial to the Company;</p> <p>(III) to approve the expropriations by a Director or Supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including without limitation, rights to distributions and voting rights, except pursuant to a restructuring of the Company which has been submitted to the shareholders for approval in a shareholders' general meeting in accordance with the Articles of Association.</p>	<p>(II) to approve the expropriations by a Director or Supervisor (for his own benefit or for the benefit of another person) of the Company's assets in any way, including without limitation, opportunities beneficial to the Company;</p> <p>(III) to approve the expropriations by a Director or Supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including without limitation, rights to distributions and voting rights, except pursuant to a restructuring of the Company which has been submitted to the shareholders for approval in a shareholders' general meeting in accordance with the Articles of Association.</p> <p><b><u>The controlling shareholder(s) and actual controller(s) of the Company shall have an obligation of good faith towards the Company and public shareholders. The controlling</u></b></p>

No.	Original Articles of Association	Articles of Association (Draft)
11	<p>Article 59 The shareholders' general meeting is the authority of the Company and shall exercise the following powers:</p> <p>(I) to decide on the Company's overall operational policies and investment plans;</p> <p>(II) to elect and replace the Directors and to decide on matters relating to the remuneration of Directors;</p> <p>(III) to elect and replace the Supervisors held by shareholder representatives and to decide on matters relating to the remuneration of Supervisors;</p> <p>(IV) to examine and approve reports of the Board;</p> <p>(V) to examine and approve reports of the Supervisory Committee;</p> <p>(VI) to examine and approve the proposed annual financial budget report, final accounts report, balance sheet, profit statement and other financial statements of the Company;</p> <p>(VII) to examine and approve the</p>	

No.	Original Articles of Association	Articles of Association (Draft)
	<p>(X) to decide on merger, division, dissolution, liquidation or change of the form of the Company;</p> <p>(XI) to amend the Articles of Association;</p> <p>(XII) to determine the appointment, dismissal or non-re-appointment of accounting firms by the Company;</p> <p>(XIII) consider the acquisition or disposal of significant assets or provision of a guarantee in an amount exceeding 30% of the audited total assets of the Company in the most recent period, which were carried out by the Company within 1 year;</p> <p>(XIV) consider and implement the share option incentive scheme of the Company;</p> <p>(XV) consider related party transactions which are subject to consideration at the shareholder's general meeting;</p> <p>(XVI) consider and approve external guarantees which are subject to approval at the shareholders' general meeting, the details are as follows:</p> <p>1. Any guarantee which is provided after the total amount of external guarantees of the Company reaches or exceeds thirty percent of the audited total assets for the most recent period;</p> <p>2. Any guarantee which is provided to the principal whose asset-liability ratio exceeds seventy percent;</p>	<p>(X) to decide on merger, division, dissolution, liquidation or change of the form of the Company;</p> <p>(XI) to amend the Articles of Association;</p> <p>(XII) to determine the appointment, dismissal or non-re-appointment of accounting firms by the Company;</p> <p>(XIII) consider the acquisition or disposal of significant assets or provision of a guarantee in an amount exceeding 30% of the audited total assets of the Company in the most recent period, which were carried out by the Company within 1 year;</p> <p>(XIV) consider and implement the share option incentive scheme of the Company;</p> <p>(XV) consider related party transactions which are subject to consideration at the shareholder's general meeting;</p> <p>(XVI) consider and approve external guarantees which are subject to approval at the shareholders' general meeting, the details are as follows:</p> <p>1. Any guarantee which is provided after the total amount of external guarantees of the Company <u>and its holding subsidiaries</u> exceeds <u>50% of the Company's</u> latest audited <u>net assets</u>;</p> <p>2. Any guarantee which is provided to the principal whose asset-liability ratio exceeds seventy percent;</p>

No.	Original Articles of Association	Articles of Association (Draft)
	<p>3. Any guarantee with a single guarantee amount exceeding ten percent of the audited net assets for the most recent period;</p> <p><b>4.</b> Any guarantee provided to shareholders, actual controllers and their related parties;</p> <p><b>5.</b> Other external guarantees which are subject to consideration at the shareholder's general meeting, in accordance with Article 138 hereof, laws and regulations.</p> <p>(XVII) consider proposals of shareholders representing more than 3% (inclusive) of voting shares of the Company;</p> <p>(XVIII) consider other matters which are subject to determination at the shareholder's general meeting in accordance with laws, administrative regulations, departmental rules, the Articles of Association, the listing rules of the stock exchange in the place where Shares of the Company are listed.</p> <p>In the Articles of Association, "external guarantee" means a guarantee provided by the Company to other persons, including guarantee provided by the Company to holding subsidiaries; total amount of external guarantees of the Company and its holding subsidiaries means the sum of the total amount of external guarantees provided by the Company to companies including holding subsidiaries and the total amount of external guarantees provided by holding subsidiaries of the Company.</p>	<p>3. Any guarantee with a single guarantee amount exceeding ten percent of the audited net assets for the most recent period;</p> <p><b>4. Any guarantee with an amount in <u>twelve consecutive months exceeding 30% of the audited total assets for the</u></b></p>



No.	Original Articles of Association	Articles of Association (Draft)
		<p>In the Articles of Association, “external guarantee” means a guarantee provided by the Company to other persons, including guarantee provided by the Company to holding subsidiaries; total amount of external guarantees of the Company and its holding subsidiaries means the sum of the total amount of external guarantees provided by the Company to companies including holding subsidiaries and the total amount of external guarantees provided by holding subsidiaries of the Company.</p>
12	<p>Article 62 The location for convening a shareholders’ general meeting of the Company shall be the domicile of the Company or such other place as notified by the shareholders’ general meeting convener.</p> <p>A venue shall be set for the shareholders’ general meeting which shall be convened on-site. The Company may facilitate shareholders in the shareholders’ general meeting by providing other means recognized or required by the relevant securities regulatory authority. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present.</p>	<p>Article 62 The location for convening a shareholders’ general meeting of the Company shall be the domicile of the Company or such other place as notified by the shareholders’ general meeting convener.</p> <p>A venue shall be set for the shareholders’ general meeting which shall be convened on-site. The Company may facilitate shareholders in the shareholders’ general meeting by providing other means recognized or required by the relevant securities regulatory authority. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present.</p> <p><b><u>When the Company holds a shareholders’ general meeting, a lawyer shall be engaged to present legal opinions on the following matters and make an announcement:</u></b></p> <p><b><u>(I) whether or not the procedures for convening and holding the meeting are in compliance with laws, administrative regulations, and the Articles of Association;</u></b></p>

No.	Original Articles of Association	Articles of Association (Draft)
		<p><u>(II) whether or not the qualifications of the officers present at the meeting, and of the convener are lawful and valid;</u></p> <p><u>(III) whether or not the voting procedures at the meeting and the voting results are lawful and valid;</u></p> <p><u>(IV) legal opinions to be presented on other relevant matters at the request of the Company.</u></p>
13	<p>Article 74 Notice of the shareholders' general meeting shall comply with the following requirements:</p> <p>(I) shall be in written form;</p> <p>(II) shall specify the time, venue and duration of the meeting;</p> <p>(III) matters and proposals that shall be submitted to the meeting for consideration;</p> <p>(IV) shall provide shareholders the detailed information and explanations necessary for the shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and serious explanations about the causes and effects when the Company proposes mergers, repurchase of shares, restructuring of share capital or other restructuring;</p>	<p>Article 74 Notice of the shareholders' general meeting shall comply with the following requirements:</p> <p>(I) shall be in written form;</p> <p>(II) shall specify the time, venue and duration of the meeting;</p> <p>(III) matters and proposals that shall be submitted to the meeting for consideration;</p> <p>(IV) shall provide shareholders the detailed information and explanations necessary for the shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and serious explanations about the causes and effects when the Company proposes mergers, repurchase of shares, restructuring of share capital or other restructuring;</p>

No.	Original Articles of Association	Articles of Association (Draft)
	<p>(V) in the event that any of the Directors, Supervisors, president and other senior management has material interests at stake in matters to be discussed, the nature and extent of the interests at stake shall be disclosed. If the matters to be discussed affect any Director, Supervisor, president and other senior management as a shareholder in a manner different from how they affect the same type of other shareholders, the difference shall be explained;</p> <p>(VI) shall include the full text of any special resolution to be proposed for approval at the meeting;</p> <p>(VII) shall contain a conspicuous statement that a shareholder who is entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote at the meeting on his/her behalf and such proxy needs not to be a Shareholder;</p> <p>(VIII) shall specify the date and place for the delivery of proxy forms for voting;</p> <p>(IX) shall specify the record date for determining the shareholders who are entitled to attend the shareholders' general meeting;</p> <p>(X) shall state the names and telephone numbers of the standing contact persons for the meeting.</p>	<p>(V) in the event that any of the Directors, Supervisors, president and other senior management has material interests at stake in matters to be discussed, the nature and extent of the interests at stake shall be disclosed. If the matters to be discussed affect any Director, Supervisor, president and other senior management as a shareholder in a manner different from how they affect the same type of other shareholders, the difference shall be explained;</p> <p>(VI) shall include the full text of any special resolution to be proposed for approval at the meeting;</p> <p>(VII) shall contain a conspicuous statement that a shareholder who is entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote at the meeting on his/her behalf and such proxy needs not to be a Shareholder;</p> <p>(VIII) shall specify the date and place for the delivery of proxy forms for voting;</p> <p>(IX) shall specify the record date for determining the shareholders who are entitled to attend the shareholders' general meeting;</p> <p>(X) shall state the names and telephone numbers of the standing contact personsfor the meeting.</p>

No.	Original Articles of Association	Articles of Association (Draft)
		<p><u>In the event that the election of Directors and Supervisors is to be discussed at a shareholders' general meeting, the notice of the shareholders' general meeting shall fully disclose details of candidates for the Directors and Supervisors, and shall at least include the following particulars:</u></p> <p><u>(I) their educational background, work experience, part-time jobs and other personal details;</u></p> <p><u>(II) whether or not they have any related relationship with the Company or the Company's controlling shareholder(s) and actual controller(s);</u></p> <p><u>(III) to disclose number of shares of the Company they hold;</u></p> <p><u>(IV) whether or not they have been penalized by the CSRC and other relevant departments, and disciplined by the stock exchange;</u></p> <p><u>(V) other contents required by the securities regulatory rules in the place where the Company's shares are listed.</u></p> <p><u>In addition to adopting the cumulative voting system to elect Directors and Supervisors, a single proposal on each of the candidates for Directors and Supervisors shall be submitted.</u></p>

No.	Original Articles of Association	Articles of Association (Draft)
14	<p>Article 75 The notice of a shareholders' general meeting shall be served on shareholders (regardless of whether they are entitled to vote at the shareholders' general meeting) either by hand or by post in a prepaid mail, addressed to such shareholders at their registered addresses as shown in the register of shareholders. For holders of Domestic Shares, the notice of a shareholders' general meeting may also be given by publishing an announcement. For holders of H Shares, in accordance with relevant process under the Listing Rules of the Stock Exchange and under the permission expressly given by the shareholders, the notice of a shareholders' general meeting, a circular for shareholders and relevant files may also be given by making announcement in the Company's website and the websites of Hong Kong Stock Exchange.</p> <p>The announcement referred to in the preceding paragraph shall be published in <b><u>one or more national newspapers designated by CSRC</u></b>. Once the announcement is published, all holders of Domestic Shares shall be deemed to have received the notice in relation to the shareholders' general meeting. For the notice of a shareholders' general meeting, a circular for shareholders and relevant files issued to holders of H Shares by the Company, the Company may send only the English or the Chinese version of the notice of a shareholders' general meeting and relevant files in accordance with relevant process under the Listing Rules of the Stock Exchange and under the permission expressly given by the shareholders.</p>	<p>Article 75 <b><u>Unless otherwise required by the relevant laws, regulations, the listing rules of the stock exchange where the Company's shares are listed and this Articles of Association</u></b>, the notice of a shareholders' general meeting shall be served on shareholders (regardless of whether they are entitled to vote at the shareholders' general meeting) either by hand or by post in a prepaid mail, addressed to such shareholders at their registered addresses as shown in the register of shareholders. For holders of Domestic Shares, the notice of a shareholders' general meeting may also be given by publishing an announcement. For holders of H Shares, in accordance with relevant process under the Listing Rules of the Stock Exchange and under the permission expressly given by the shareholders, the notice of a shareholders' general meeting, a circular for shareholders and relevant files may also be given by making announcement in the Company's website and the websites of Hong Kong Stock Exchange.</p> <p>The announcement referred to in the preceding paragraph shall be published in <b><u>the website of the stock exchange where the Domestic Shares of the Company are listed and the media meeting the conditions stipulated by the securities regulatory authorities under the State Council</u></b>. Once the announcement is published, all holders of Domestic Shares shall be deemed to have received the notice in relation to the shareholders' general meeting. For the notice of a shareholders' general meeting, a circular for shareholders and relevant files issued to holders of H Shares by the Company, the Company may send only the English or the Chinese version of the notice of a shareholders' general meeting and relevant files in accordance with relevant process under the Listing Rules of the Stock Exchange and under the permission expressly given by the shareholders.</p>

No.	Original Articles of Association	Articles of Association (Draft)
15	Article 87 The convener shall examine the legality of the shareholders' qualifications according to the register of members provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of shares held with voting rights.	Article 87 The convener <b><u>and the lawyer appointed by the Company</u></b> shall examine the legality of the shareholders' qualifications according to the register of members provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of shares held with voting rights.
16	Article 89 <b><u>Directors, Supervisors and senior management shall, upon request of the shareholders' general meeting, attend such meeting for answering queries raised by the shareholders.</u></b>	Article 89 <b><u>All Directors, Supervisors and the secretary to the Board of the Company shall be present at shareholders' general meetings, and the president and other senior management members shall be in attendance at such meetings. The Directors, Supervisors and senior management members shall make explanation and interpretation on the inquiry and suggestions of the shareholders at the shareholders' general meeting.</u></b>  <b><u>At the annual general meeting, the Board and the Supervisory Committee shall make report on their works in the past year at the general meeting. Each independent non-executive Director shall also make work report.</u></b>

No.	Original Articles of Association	Articles of Association (Draft)
17	Article 91 Minutes shall be prepared for shareholders' general meetings by the secretary to the Board. The attending Directors and chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the signature book of shareholders physically present at the meeting and powers of attorney of proxies present.	<p>Article 91 Minutes shall be prepared for shareholders' general meetings by the secretary to the Board. <b><u>The minutes shall state the following contents:</u></b></p> <p><b><u>(I) Time, venue and agenda of the meeting and name of the convener;</u></b></p> <p><b><u>(II) The name of the chairman of the meeting and the names of the Directors, Supervisors, managers and other senior management attending or present at the meeting;</u></b></p> <p><b><u>(III) The numbers of shareholders and proxies attending the meeting, total number of voting shares they represent and the percentages of the voting shares held by them to the total number of shares of the Company;</u></b></p> <p><b><u>(IV) The process of review and discussion, summary of any speech and voting results of each proposal;</u></b></p> <p><b><u>(V) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;</u></b></p> <p><b><u>(VI) Names of the lawyers, the vote-counter and the scrutineer(s);</u></b></p> <p><b><u>(VII) The contents to be included in the minutes as specified in this Articles of Association.</u></b></p> <p>Directors, <b><u>Secretary of the Board of Directors, convener or his representative and</u></b> the chairman of the meeting who attend the meeting shall sign the minutes of the meeting, <b><u>and ensure that the particulars of meeting minutes are true, accurate and complete.</u></b> The minutes of the meeting shall be kept together with <b><u>the valid data on</u></b> the signature book of shareholders physically present at the meeting, powers of attorney of proxies present <b><u>and details of voting on the network and other voting methods for a period of not less than 10 years.</u></b></p>

No.	Original Articles of Association	Articles of Association (Draft)
18	<p>Article 92 The convener shall ensure the shareholders' general meeting can be conducted continuously until final resolutions are made. If the shareholders' general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to resume the meeting or directly terminate that meeting immediately followed by a timely public announcement.</p>	<p>Article 92 The convener shall ensure the shareholders' general meeting can be conducted continuously until final resolutions are made. If the shareholders' general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to resume the meeting or directly terminate that meeting immediately followed by a timely public announcement.  <b><u>Meanwhile, the convener shall report to the CSRC branches and the stock exchange in the place where the Company is domiciled.</u></b></p>
19	<p>Article 94 When shareholders (including their proxies) vote at a shareholders' general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.</p> <p>Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</p> <p>A voting right shall be exercised only by one voting method including on-the-spot voting. If a voting right is exercised repeatedly, only the first exercise of the voting right is recognized.</p> <p>Subject to and conditional upon compliance with applicable laws, regulations and/or requirements of the listing rules of the place(s) in which the shares of the Company are listed, the Board, independent non-executive Directors and other shareholders who qualify with relevant specified conditions <b><u>may solicit for the voting shares from shareholders.</u></b></p>	<p>Article 94 When shareholders (including their proxies) vote at a shareholders' general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.</p> <p><b><u>When the shareholders' general meeting considers matters that could materially affect the interest of middle and small investors, the votes by middle and small investors shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.</u></b></p> <p>Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</p> <p>A voting right shall be exercised only by one voting method including on-the-spot voting. If a voting right is exercised repeatedly, only the first exercise of the voting right is recognized.</p>



No.	Original Articles of Association	Articles of Association (Draft)
	<p>When relevant related party transactions are considered at a shareholders' general meeting, the related shareholders shall not participate in the voting if so specified in applicable laws, regulations or listing rules of the place(s) in which the shares of the Company are listed. His/her shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the general meeting shall fully disclose the voting results of the non-related shareholders. Provisions otherwise provided by applicable laws, administrative regulations, departmental rules or listing rules of the place(s) in which the shares of the Company are listed shall prevail.</p> <p>When the proposal for providing guarantee to the shareholders, actual controllers and its related parties is reviewed by the general meeting, actual controller and its related parties, the relevant shareholder or the shareholders controlled by the actual controller shall not participate in the voting, and this proposal shall be passed by the more than half of the votes of other shareholders present at the meeting.</p> <p>When the Company provides guarantees to the shareholders, actual controllers and its related parties, it must ask the counterparty to provide counter guarantee, and the counter guarantee provider shall have the actual performance capability.</p>	<p>Subject to and conditional upon compliance with applicable laws, regulations and/or requirements of the listing rules of the place(s) in which the shares of the Company are listed, the Board, independent non-executive Directors and other shareholders who qualify with relevant specified conditions <u>or investors protection institutes established in accordance with laws, administrative regulations or rules of the securities regulatory authorities under the State Council</u> may solicit for the voting shares from shareholders, <u>publicly request the shareholders of the Company to attend the shareholders' general meeting on their behalf in person or by appointing securities companies and securities service institutes and exercise the right of submitting proposals, the voting right and other shareholders' rights.</u> <u>Where it solicits for rights of shareholders in accordance with the preceding paragraph, the solicitor shall disclose the soliciting document and the Company shall cooperate.</u> <u>Consideration or defacto consideration for soliciting shareholders' rights is prohibited. Where the public soliciting of shareholders' rights is in violation of laws, administrative regulations or relevant rules of securities regulatory authorities of the State Council and causes damages to the Company or other shareholders, it shall assume liability for compensation.</u></p>

No.	Original Articles of Association	Articles of Association (Draft)
		<p>When relevant related party transactions are considered at a shareholders' general meeting, the related shareholders shall not participate in the voting if so specified in applicable laws, regulations or listing rules of the place(s) in which the shares of the Company are listed. His/her shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the general meeting shall fully disclose the voting results of the non-related shareholders. Provisions otherwise provided by applicable laws, administrative regulations, departmental rules or listing rules of the place(s) in which the shares of the Company are listed shall prevail.</p> <p>When the proposal for providing guarantee to the shareholders, actual controllers and its related parties is reviewed by the general meeting, actual controller and its related parties, the relevant shareholder or the shareholders controlled by the actual controller shall not participate in the voting, and this proposal shall be passed by the more than half of the votes of other shareholders present at the meeting.</p> <p>When the Company provides guarantees to the shareholders, actual controllers and its affiliates, it must ask the counterparty to provide counter guarantee, and the counter guarantee provider shall have the actual performance capability.</p>

No.	Original Articles of Association	Articles of Association (Draft)
20	<p data-bbox="320 289 820 570"><u>Article 95 Matters shall be determined by voting by way of a poll, unless in accordance with the Stock Exchange Listing Rules, or voting at the shareholder's general meeting shall be by a show of hands unless the following persons demand a poll prior to or after a show of hands:</u></p> <p data-bbox="320 612 743 644"><u>(I) the chairman of the meeting;</u></p> <p data-bbox="320 687 820 751"><u>(II) at least two shareholders with voting rights or their proxies;</u></p> <p data-bbox="320 793 820 932"><u>(III) one or more shareholders (including their proxies) individually or collectively holding ten percent or more of voting shares at the meeting.</u></p> <p data-bbox="320 974 820 1293"><u>Unless a poll is demanded, the chairman of the meeting announces whether a proposal is passed according to the results of voting by a show of hands, which is recorded in the meeting minutes as a final evidence, without proving the number or proportion of votes for or against the resolution passed at the meeting.</u></p> <p data-bbox="320 1336 820 1400"><u>A demand for a poll may be withdrawn by the demander.</u></p> <p data-bbox="320 1442 820 1474"><u>The aforesaid voting is by open ballot.</u></p> <p data-bbox="320 1517 820 1936">If a matter required be voted on by way of a poll is the election of the chairman of the meeting or suspension of the meeting, such matter shall be forthwith voted on by way of a poll; for other matters required to be voted on by way of a poll, the time for the voting shall be determined by the chairman of the meeting, and the meeting may be continued to discuss the matters, and the poll results are deemed to be a resolution passed at the meeting.</p>	<p data-bbox="852 289 1351 715"><u>Article 95 Save for resolutions on procedures for the general meeting or administrative matters which can be resolved on by the chairman of the meeting based on the principle of honesty and voted on by a show of hands as required by the Stock Exchange Listing Rules, voting at the general meeting is conducted by open ballot or other ways permitted by the securities regulatory rules of the place where the Company's shares are listed.</u></p> <p data-bbox="852 757 1351 1183">If a matter required be voted on by way of a poll is the election of the chairman of the meeting or suspension of the meeting, such matter shall be forthwith voted on by way of a poll; for other matters required to be voted on by way of a poll, the time for the voting shall be determined by the chairman of the meeting, and the meeting may be continued to discuss the matters, and the poll results are deemed to be a resolution passed at the meeting.</p>

No.	Original Articles of Association	Articles of Association (Draft)
21	<p>Article 97 The following matters shall be passed by way of an ordinary resolution at a shareholders' general meeting:</p> <p>(I) determine the overall management principle and investment plan of the Company;</p> <p>(II) work reports of the Board and the Supervisory Committee;</p> <p>(III) profit distribution plan and loss recovery plan formulated by the Board;</p> <p>(IV) appointment and removal of Directors and shareholder representative Supervisors, and remuneration of Directors and Supervisors and method of payment thereof;</p> <p>(V) annual budgets report and final account report of the Company;</p> <p>(VI) balance sheets, statement of profit and other financial statements of the Company;</p> <p>(VII) appointment, dismissal or refraining from the re-appointment of an accounting firm;</p> <p><b>(VIII)</b> matters other than those requiring the approval by way of special resolutions in accordance with the laws, administrative regulations or the Articles of Association.</p>	<p>Article 97 The following matters shall be passed by way of an ordinary resolution at a shareholders' general meeting:</p> <p>(I) determine the overall management principle and investment plan of the Company;</p> <p>(II) work reports of the Board and the Supervisory Committee;</p> <p>(III) profit distribution plan and loss recovery plan formulated by the Board;</p> <p>(IV) appointment and removal of Directors and shareholder representative Supervisors, and remuneration of Directors and Supervisors and method of payment thereof;</p> <p>(V) annual budgets report and final account report of the Company;</p> <p>(VI) balance sheets, statement of profit and other financial statements of the Company;</p> <p>(VII) appointment, dismissal or refraining from the re-appointment of an accounting firm;</p> <p><b><u>(VIII) annual report of the Company;</u></b></p> <p><b><u>(IX)</u></b> matters other than those requiring the approval by way of special resolutions in accordance with the laws, administrative regulations or the Articles of Association.</p>


No.	Original Articles of Association	Articles of Association (Draft)
23	<p>Article 99 At a shareholders' general meeting, the approach and procedures for nomination of Directors and Supervisors (except for staff representative Supervisors) are as follows:</p> <p>(I) The Board, the Supervisory Committee and shareholders holding, individually or collectively, more than 3% of voting shares of the Company may, by way of a written proposal, put forward to the shareholders' general meeting about the candidates for Directors and Supervisors (not being staff representatives). However, the number of candidates proposed shall comply with the provisions of the Articles of Association, and shall not exceed the number to be elected. The aforesaid proposal put forward by shareholders to the Company should be delivered to the Company at least 7 days before the convening of the shareholders' general meeting.</p> <p>(II) within the number of members as specified by the Articles of Association and based on the number of proposed candidates for election, Directors and Supervisors may propose a list of recommended candidates for Directors and Supervisors, which shall be submitted to the Board of Directors and Supervisory Committee for approval. After the list of candidates for Directors and Supervisors is determined based on the examination by the Board of Directors and Supervisory Committee and the adoption of a resolution, it should be proposed in writing at a general meeting.</p>	<p>Article 99 At a shareholders' general meeting, the approach and procedures for nomination of Directors and Supervisors (except for staff representative Supervisors) are as follows:</p> <p>(I) The Board, the Supervisory Committee and shareholders holding, individually or collectively, more than 3% of voting shares of the Company may, by way of a written proposal, put forward to the shareholders' general meeting about the candidates for Directors and Supervisors (not being staff representatives). However, the number of candidates proposed shall comply with the provisions of the Articles of Association, and shall not exceed the number to be elected. The aforesaid proposal put forward by shareholders to the Company should be delivered to the Company at least 7 days before the convening of the shareholders' general meeting.</p> <p>(II) within the number of members as specified by the Articles of Association and based on the number of proposed candidates for election, Directors and Supervisors may propose a list of recommended candidates for Directors and Supervisors, which shall be submitted to the Board of Directors and Supervisory Committee for approval. After the list of candidates for Directors and Supervisors is determined based on the examination by the Board of Directors and Supervisory Committee and the adoption of a resolution, it should be proposed in writing at a general meeting.</p>

No.	Original Articles of Association	Articles of Association (Draft)
	<p>(III) The candidates nominated for election as Directors and Supervisors shall, before a shareholder's general meeting, make a written undertaking that it agrees to accept the nomination, and that information of the Director candidates publicly disclosed is authentic and complete, and that it will practically perform the duties of a Director upon election.</p> <p>(IV) the written undertakings of the intention to nominate a candidate for election as a Director or a Supervisor (not being staff representative), the acceptance of nomination by such potential candidate, and the relevant written materials of the nominated candidate, shall be given to the Company no less than 7 days prior to the date of convening the shareholders' general meeting (such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which the election shall be conducted and end no later than seven days prior to the shareholders' general meeting). The Board of Directors and Supervisory Committee shall provide shareholders with biographical details and basic information on the candidates for Directors and Supervisors.</p> <p>(V) the period given by the Company to nominate a candidate for election as a Director or a Supervisor and nominees for providing the aforesaid notice and documents shall be no less than 7 days (such period shall commence from the day following the date of serving the notice of convening the shareholders' general meeting).</p> <p>(VI) in the shareholders' general meeting, make a written undertaking that it agrees to accept the nomination, and that information of the Director candidates publicly disclosed is authentic and complete, and that it will practically perform the duties of a Director upon</p>	

No.	Original Articles of Association	Articles of Association (Draft)
	<p>(VII) in the case of ad hoc addition or replacement of any Director or Supervisor, the Board of Directors and Supervisory Committee shall put forward a proposal to the general meeting for such election or replacement.</p>	<p>(VII) in the case of ad hoc addition or replacement of any Director or Supervisor, the Board of Directors and Supervisory Committee shall put forward a proposal to the general meeting for such election or replacement.</p> <p><u>(VIII) When the shareholders' general meeting votes for election of Directors or Supervisors and where a single shareholder and parties acting in concert with him hold equity interests of 30% or above, the cumulative voting system shall be adopted.</u></p> <p><u>(IX) The cumulative voting system as mentioned in the preceding paragraph means that each share shall have the same voting right as the number of Directors or Supervisors to be elected, and the voting right held by the shareholders may be used collectively</u></p>



No.	Original Articles of Association	Articles of Association (Draft)
24	<p>Article 101 No amendment shall be proposed to a motion when it is being considered at a shareholders' general meeting. Otherwise, the relevant amendment shall be regarded as a new motion and shall not be put forward for voting at that shareholders' general meeting.</p>	<p>Article 101 No amendment shall be proposed to a motion when it is being considered at a shareholders' general meeting. Otherwise, the relevant amendment shall be regarded as a new motion and shall not be put forward for voting at that shareholders' general meeting.</p> <p><b><u>The same voting right may only be exercised at either an on-site meeting, on the network or in another voting method. In the event that the same voting right is repeated, the result of the first vote shall prevail.</u></b></p>
25	<p>Article 103 Shareholders who attend the shareholders' general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain.</p> <p>Any unfilled, improperly filled or poorly handwritten votes or votes that are not cast shall be considered as abstentions from voting by the shareholders. Its respective shares shall be counted as "abstentions" in the voting results.</p>	<p>Article 103 Shareholders who attend the shareholders' general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain. <b><u>The securities registration and settlement institutions, being the nominal holders of shares under Stock Connect between the Mainland and Hong Kong, shall make declarations according to the intentions of the beneficial holders.</u></b></p> <p>Any unfilled, improperly filled or poorly handwritten votes or votes that are not cast shall be considered as abstentions from voting by the shareholders. Its respective shares shall be counted as "abstentions" in the voting results.</p>

No.	Original Articles of Association	Articles of Association (Draft)
26	<p>Article 104 <u>The chairman of the meeting shall be held responsible for deciding whether or not a resolution of the shareholders' general meeting has been passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.</u></p>	<p>Article 104 <u>Before voting takes place on a proposal at a shareholders' general meeting, two shareholders' representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder has an interest in a matter to be considered, the relevant shareholder and his proxy shall not participate in the vote counting and scrutinizing.</u></p> <p><u>When voting takes place on a proposal at a shareholders' general meeting, lawyers and representatives of shareholders and Supervisors shall be jointly responsible for vote counting and scrutinizing, and shall announce the voting results on the spot. The voting results of resolutions shall be recorded in the minutes.</u></p> <p><u>Shareholders of the Company or their proxies who cast their votes through the network or by another method shall have the right to inspect their own voting results through an appropriate voting system.</u></p> <p><u>An on-site shareholders' general meeting shall not end earlier than the one held on the network or by another method. The chairman of the meeting shall announce details and results of the voting on each proposal, and announce whether a proposal is passed according to the voting results.</u></p> <p><u>Before the formal announcement of voting results, the Company, vote counters, vote scrutineers, substantial Shareholders, network services providers and other related parties involved at the on-site shareholders' general meeting, on the network and by another voting method shall be under a confidentiality obligation for the details of the voting.</u></p>



No.	Original Articles of Association	Articles of Association (Draft)
28	<p>Article 120 The Directors shall comply with the laws, regulations and the Articles of Association and shall diligently perform their following obligations to the Company:</p> <p>(I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;</p> <p>(II) to treat all shareholders equally and fairly;</p> <p>(III) to understand the operation and management of the Company in a timely manner;</p> <p>(IV) to approve regular reports of the Company and sign written confirmation opinion and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;</p> <p>(V) to provide all relevant information and materials required by the Supervisory Committee and shall not intervene the performance of duties of the Supervisory Committee or Supervisors;</p> <p>(VI) to perform other obligations of diligence stipulated by laws, administrative regulations, departmental rules and the Articles of Association.</p>	<p>Article 120 The Directors shall comply with the laws, regulations and the Articles of Association and shall diligently perform their following obligations to the Company:</p> <p>(I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;</p> <p>(II) to treat all shareholders equally and fairly;</p> <p>(III) to understand the operation and management of the Company in a timely manner;</p> <p>(IV) to approve <b><u>securities issuance documents and</u></b> regular reports of the Company and sign written confirmation opinion and to ensure <b><u>the timely and fair disclosure of information by the Company and</u></b> the integrity, accuracy and completeness of the information disclosed by the Company. <b><u>If it cannot guarantee the integrity, accuracy and completeness of the contents of securities issuance documents and regular reports or has disputes, it shall issue opinions and state reasons in the written confirmation and the Company shall disclose them. Where the Company refuses to disclose, Directors may directly apply for disclosing;</u></b></p>


No.	Original Articles of Association	Articles of Association (Draft)
30	<p>Article 128 The independent non-executive Directors serve the same term as other Directors of the Company. Upon expiration of their terms, Directors may be re-elected and re-appointed, <b><u>provided that if an independent non-executive Director has served for more than 9 years, his/her re-appointment shall be considered and approved by shareholders by way of a separate resolution. Documents attaching to the resolution sent to shareholders shall include the reasons why the Board believes such independent non-executive Director is still independent and should be re-elected.</u></b></p>	<p>Article 128 The independent non-executive Directors serve the same term as other Directors of the Company. Upon expiration of their terms, Directors may be re-elected and re-appointed, <b><u>provided that such term of office shall not be more than six years on an accumulative basis.</u></b></p>
31	<p>Article 133 The Board consists of 9 Directors, including 3 independent non-executive Directors. The Board shall have a chairman and a vice chairman.</p> <p><b><u>The number of senior management officers of the controlling shareholder also holding the office of the chairman or executive Directors of the Company shall not exceed 2.</u></b></p>	<p>Article 133 The Board consists of 9 Directors, including 3 independent non-executive Directors. The Board shall have a chairman and a vice chairman.</p>

No.	Original Articles of Association	Articles of Association (Draft)
32	<p>Article 134 The Board shall perform the following duties:</p> <p>(I) to convene the shareholders' general meetings, make a proposal or propose a resolution at the shareholders' general meeting for approval and report its work to the shareholders' general meetings;</p> <p>(II) to implement the resolutions of shareholders' general meetings;</p> <p>(III) to determine specific business operation plans and investment plans of the Company;</p> <p>(IV) to formulate annual financial budget plans and final accounts plans of the Company;</p> <p>(V) to formulate the profit distribution plans and plans for recovery of losses of the Company;</p> <p>(VI) to formulate proposals for the Company to increase or decrease its registered capital and issue corporate bonds;</p> <p>(VII) to prepare plans for the acquisition and disposal of significant assets of the Company, repurchase of shares of the Company, merger, division, dissolution and transformation of the Company, which are required to be submitted for consideration at the shareholder's general meeting;</p> <p>(VIII) to decide on the establishment of the Company's internal management structure;</p>	<p>Article 134 The Board shall perform the following duties:</p> <p>(I) to convene the shareholders' general meetings, make a proposal or propose a resolution at the shareholders' general meeting for approval and report its work to the shareholders' general meetings;</p> <p>(II) to implement the resolutions of shareholders' general meetings;</p> <p>(III) to determine specific business operation plans and investment plans of the Company;</p> <p>(IV) to formulate annual financial budget plans and final accounts plans of the Company;</p> <p>(V) to formulate the profit distribution plans and plans for recovery of losses of the Company;</p> <p>(VI) to formulate proposals for the Company to increase or decrease its registered capital and issue corporate bonds;</p> <p>(VII) to prepare plans for the acquisition and disposal of significant assets of the Company, repurchase of shares of the Company, merger, division, dissolution and transformation of the Company, which are required to be submitted for consideration at the shareholder's general meeting;</p> <p>(VIII) to decide on the establishment of the Company's internal management structure;</p>

No.	Original Articles of Association	Articles of Association (Draft)
	<p>(IX) to appoint or dismiss the Company's president; based on the nominations of the president, to appoint or dismiss deputy president, secretary to the Board, chief financial officer and other senior management and to determine their remuneration and rewards and penalties;</p> <p>(X) to formulate the basic management system of the Company;</p> <p>(XI) to formulate proposals for any amendments to the Articles of Association;</p> <p>(XII) to propose to shareholders' general meetings the appointment or change of the accounting firm acting as the auditor of the Company;</p> <p>(XIII) determine an equity investment exceeding RMB100 million by the Company (including but not limited to establishment of a new company and joint venture, equity acquisition and participation in capital increase), provided that the total equity investment within 1 year which meets the condition specified in paragraph (XIII) of Article 59 hereof for consideration at the shareholder's general meeting, shall be submitted for consideration at the shareholder's general meeting;</p> <p>(XIV) determine a fixed asset investment exceeding RMB150 million by the Company (including but not limited to construction, technical transformation and asset acquisition projects), provided that the total fixed asset investment within 1 year which meets the condition specified in paragraph (XIII) of Article 59 hereof for consideration at the shareholder's general meeting, shall be submitted for consideration at the shareholder's general meeting;</p>	<p>(IX) to appoint or dismiss the Company's president; based on the nominations of the president, to appoint or dismiss deputy president, secretary to the Board, chief financial officer and other senior management and to determine their remuneration and rewards and penalties;</p> <p>(X) to formulate the basic management system of the Company;</p> <p>(XI) to formulate proposals for any amendments to the Articles of Association;</p> <p>(XII) to propose to shareholders' general meetings the appointment or change of the accounting firm acting as the auditor of the Company;</p> <p>(XIII) determine an equity investment exceeding RMB100 million by the Company (including but not limited to establishment of a new company and joint venture, equity acquisition and participation in capital increase), provided that the total equity investment within 1 year which meets the condition specified in paragraph (XIII) of Article 59 hereof for consideration at the shareholder's general meeting, shall be submitted for consideration at the shareholder's general meeting;</p> <p>(XIV) determine a fixed asset investment exceeding RMB150 million by the Company (including but not limited to construction, technical transformation and asset acquisition projects), provided that the total fixed asset investment within 1 year which meets the condition specified in paragraph (XIII) of Article 59 hereof for consideration at the shareholder's general meeting, shall be submitted for consideration at the shareholder's general meeting;</p>



No.	Original Articles of Association	Articles of Association (Draft)
	<p>(XV) determine investment, acquisition or disposal of assets, financing, connected transactions and other matters, which do not meet the condition specified by laws, regulations and the Articles of Association for consideration at the shareholder's general meeting, or which are required to be determined by the Board, in accordance with the Stock Exchange Listing Rules;</p> <p>(XVI) other matters authorized by laws, administrative regulations, departmental rules or the Articles of Association and the shareholders' general meeting.</p> <p>Resolutions relating to the above, with the exception of paragraphs (VI), (VII) and (XI) above which shall be approved by more than two-thirds of the Directors, shall be approved by more than half of the Directors.</p> <p>All resolutions related to connected transactions proposed by the Board of Directors shall be subject to the endorsement of independent non-executive Directors.</p>	<p>(XV) determine investment, acquisition or disposal of assets, financing, connected transactions and other matters, which do not meet the condition specified by laws, regulations and the Articles of Association for consideration at the shareholder's general meeting, or which are required to be determined by the Board, in accordance with the Stock Exchange Listing Rules;</p> <p>(XVI) other matters authorized by laws, administrative regulations, departmental rules or the Articles of Association and the shareholders' general meeting.</p> <p>Resolutions relating to the above, with the exception of paragraphs (VI), (VII) and (XI) above which shall be approved by more than two-thirds of the Directors, shall be approved by more than half of the Directors.</p> <p><b><u>When the provision of guarantees (including guarantees to subsidiaries) is considered at the meetings of the Board of Directors, it shall be passed by the more than two thirds of the Directors present at the meeting.</u></b></p> <p>All resolutions related to connected transactions proposed by the Board of Directors shall be subject to the endorsement of independent non-executive Directors.</p>

No.	Original Articles of Association	Articles of Association (Draft)
33	<p>Article 136 The Board shall establish special committees in accordance to the <b>relevant</b> requirements under <b>the Stock Exchange Listing Rules</b> and in light of the Company's needs and formulate the working rules of each committee, to ensure the implementation by the Board of the resolutions of shareholders' general meeting, to improve efficiency and to have scientific decision-making. The composition of members of the special committees of the Board shall meet the relevant requirements under <b>the Stock Exchange Listing Rules</b>.</p>	<p>Article 136 The Board shall establish special committees in accordance to the requirements <b>of regulatory authorities of the listing place</b> and in light of the Company's needs and formulate the working rules of each committee, to ensure the implementation by the Board of the resolutions of shareholders' general meeting, to improve efficiency and to have scientific decision-making. The composition of members of the special committees of the Board shall meet the relevant requirements <b>of regulatory authorities of the listing place</b>.</p>
34	<p>Article 154 The Board shall set up an audit committee, a remuneration Committee, a nomination committee and other special committees. All members of the special committees shall be Directors, among which, the audit committee must have at least three members, and all members shall be non-executive Directors, of whom the majority shall be independent non-executive Directors. At least one of these independent non-executive Directors shall be an independent non-executive Director with the proper qualification as required by the Stock Exchange Listing Rules, or appropriate accounting or related financial management expertise. The chairman of the audit committee must be an independent non-executive Director. The majority of the members of the remuneration committee shall be independent non-executive Directors. The chairman of the remuneration committee must be an independent non-executive Director. The majority of the members of the nomination committee shall be independent non-executive Directors. The chairman of the nomination committee must be the chairman of the Board or an independent non-executive Director.</p>	<p>Article 154 The Board shall set up an audit committee, a remuneration committee, a nomination committee and other special committees. All members of the special committees shall be Directors, among which, the audit committee must have at least three members, and all members shall be non-executive Directors, of whom the majority shall be independent non-executive Directors. At least one of these independent non-executive Directors shall be an independent non-executive Director with the proper qualification as required by the Stock Exchange Listing Rules <b>and the ChiNext Market Listing Rules</b>, or appropriate accounting or related financial management expertise. The chairman of the audit committee must be an independent non-executive Director. The majority of the members of the remuneration committee shall be independent non-executive Directors. The chairman of the remuneration committee must be an independent non-executive Director. The majority of the members of the nomination committee shall be independent non-executive Directors. The chairman of the nomination committee must be the chairman of the Board or an independent non-executive Director.</p>

No.	Original Articles of Association	Articles of Association (Draft)
35	<p>Article 155 The main responsibilities of the audit committee include:</p> <p>(I) to make recommendations on appointment or change of the external auditors, approve the remuneration and employment terms of such auditors, handle any issues on resignation or dismissal of such auditors, monitor whether such auditors are independent and objective and the audit procedures are valid or not, discuss the nature and scope of the audit and the relevant reporting responsibilities with such auditors before auditing, and formulate and implement the policies on non-audit service provided by such auditors:</p> <p>(II) to supervise the internal audit system of the Company and its implementation;</p> <p>(III) to be responsible for the communication between internal auditors and external auditors;</p> <p>(IV) to audit the financial information of the Company and its disclosure;</p> <p>(V) to supervise the financial report system, risk management and internal control system of the Company;</p> <p>(VI) to perform other duties provided by the Stock Exchange Listing Rules.</p>	<p>Article 155 The main responsibilities of the audit committee include:</p> <p>(I) to make recommendations on appointment or change of the external auditors, approve the remuneration and employment terms of such auditors, handle any issues on resignation or dismissal of such auditors, monitor whether such auditors are independent and objective and the audit procedures are valid or not, discuss the nature and scope of the audit and the relevant reporting responsibilities with such auditors before auditing, and formulate and implement the policies on non-audit service provided by such auditors:</p> <p>(II) to supervise the internal audit system of the Company and its implementation;</p> <p>(III) to be responsible for the communication between internal auditors and external auditors;</p> <p>(IV) to audit the financial information of the Company and its disclosure;</p> <p>(V) to supervise the financial report system, risk management and internal control system of the Company;</p> <p>(VI) to perform other duties provided by the Stock Exchange Listing Rules <b><u>and the ChiNext Market Listing Rules.</u></b></p>

No.	Original Articles of Association	Articles of Association (Draft)
36	<p>Article 156 The main responsibilities of the remuneration committee include:</p> <p>(I) to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;</p> <p>(II) to review and approve management's remuneration proposal with reference to the Board's corporate goals and objectives;</p> <p>(III) to determine, with delegated responsibility by the Board, the remuneration packages of individual executive Directors and senior management; or make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;</p> <p>(IV) to make recommendations to the Board on the remuneration of non-executive Directors;</p> <p>(V) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions of other positions in the group;</p>	<p>Article 156 The main responsibilities of the remuneration committee include:</p> <p>(I) to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;</p> <p>(II) to review and approve management's remuneration proposal with reference to the Board's corporate goals and objectives;</p> <p>(III) to determine, with delegated responsibility by the Board, the remuneration packages of individual executive Directors and senior management; or make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;</p> <p>(IV) to make recommendations to the Board on the remuneration of non-executive Directors;</p> <p>(V) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions of other positions in the group;</p>

No.	Original Articles of Association	Articles of Association (Draft)
	<p>(VI) to review and approve compensation payable to the executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;</p> <p>(VII) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure they are consistent with contractual terms and are otherwise reasonable and appropriate;</p> <p>(VIII) to ensure that no Director or any of his associates is involved in deciding his own remuneration;</p> <p>(IX) to perform other duties provided by the Stock Exchange Listing Rules.</p>	<p>(VI) to review and approve compensation payable to the executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;</p> <p>(VII) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure they are consistent with contractual terms and are otherwise reasonable and appropriate;</p> <p>(VIII) to ensure that no Director or any of his associates is involved in deciding his own remuneration;</p> <p>(IX) to perform other duties provided by the Stock Exchange Listing Rules <b><u>and the ChiNext Market Listing Rules.</u></b></p>
37	<p>Article 157 The main responsibilities of the nomination committee include:</p> <p>(I) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least once a year and make recommendations regarding any proposed changes in the Board in line with the Company's corporate strategy;</p> <p>(II) to identify individuals suitably qualified to become Directors, select and nominate candidates of Directors or make recommendations to the Board in this regard;</p>	<p>Article 157 The main responsibilities of the nomination committee include:</p> <p>(I) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least once a year and make recommendations regarding any proposed changes in the Board in line with the Company's corporate strategy;</p> <p>(II) to identify individuals suitably qualified to become Directors, select and nominate candidates of Directors or make recommendations to the Board in this regard;</p>

No.	Original Articles of Association	Articles of Association (Draft)
	<p>(III) to assess the independence of independent non-executive Directors;</p> <p>(IV) to make recommendations to the Board on the appointment or reappointment of the Directors and succession plan of the Directors (especially the chairman of the Board and the chief executive officer); and</p> <p>(V) to perform other duties provided by the Stock Exchange Listing Rules.</p>	<p>(III) to assess the independence of independent non-executive Directors;</p> <p>(IV) to make recommendations to the Board on the appointment or reappointment of the Directors and succession plan of the Directors (especially the chairman of the Board and the chief executive officer); and</p> <p>(V) to perform other duties provided by the Stock Exchange Listing Rules <b><u>and the ChiNext Market Listing Rules.</u></b></p>
38	<p>Article 165 The president shall be accountable to the Board and perform the following duties:</p> <p>(I) to be in charge of the Company's production, operation and management, to organize and implement the resolutions of the Board and to report his/her work to the Board;</p> <p>(II) to organize and implement the Company's annual plan and investment scheme;</p> <p>(III) to prepare a plan for establishing internal governing bodies of the Company, and adjust the internal organization structuring of the Company within the scope of authorization by the Board;</p> <p>(IV) to establish the draft for the Company's basic management system;</p> <p>(V) to formulate specific rules and systems of the Company in relation to daily operations and management;</p>	<p>Article 165 The president shall be accountable to the Board and perform the following duties:</p> <p>(I) to be in charge of the Company's production, operation and management, to organize and implement the resolutions of the Board and to report his/her work to the Board;</p> <p>(II) to organize and implement the Company's annual plan and investment scheme;</p> <p>(III) to prepare a plan for establishing internal governing bodies of the Company, and adjust the internal organization structuring of the Company within the scope of authorization by the Board;</p> <p>(IV) to establish the draft for the Company's basic management system;</p> <p>(V) to formulate specific rules and systems of the Company in relation to daily operations and management;</p>

No.	Original Articles of Association	Articles of Association (Draft)
	<p>(VI) to recommend the Board for the appointment or dismissal of vice president and chief financial officer of the Company;</p> <p>(VII) to appoint or remove managers other than those who are subject to appointment or removal by the Board, and determine the remuneration and benefits of the managers;</p> <p>(VIII) to approve any equity investment of less than RMB100 million by the Company (including but not limited to establishment of a new company and joint venture, equity acquisition and participation in capital increase);</p> <p>(IX) to approve any fixed asset investment of less than RMB150 million (including but not limited to construction, technical transformation and asset acquisition projects);</p> <p>(X) to perform other duties granted by the Articles of Association or the Board.</p>	<p>(VI) to recommend the Board for the appointment or dismissal of vice president and chief financial officer of the Company;</p> <p>(VII) to appoint or remove managers other than those who are subject to appointment or removal by the Board, and determine the remuneration and benefits of the managers;</p> <p>(VIII) to approve any equity investment of less than RMB100 million by the Company (including but not limited to establishment of a new company and joint venture, equity acquisition and participation in capital increase);</p> <p>(IX) to approve any fixed asset investment of less than RMB150 million (including but not limited to construction, technical transformation and asset acquisition projects);</p> <p>(X) to perform other duties granted by the Articles of Association or the Board.</p> <p><b><u>The president shall formulate detailed working rules for the president and submit the same to the Board of Directors for approval and, upon such approval, implement such rules.</u></b></p>

No.	Original Articles of Association	Articles of Association (Draft)
39	Article 176 Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.	Article 176 Supervisors shall ensure that <b><u>the Company discloses information in a timely and fair manner and</u></b> the information disclosed by the Company is true, accurate and complete. <b><u>If it cannot guarantee the integrity, accuracy and completeness of the contents of securities issuance documents and regular reports or has disputes, it shall issue opinions and state reasons in the written confirmation and the Company shall disclose them. Where the Company refuses to disclose, Supervisors may directly apply for disclosing.</u></b>
40	<p>Article 181 The Supervisory Committee shall perform the following duties:</p> <p>(I) to review the Company's financial condition;</p> <p>(II) to supervise the conducts of the Directors and senior management in discharge of their duties which are in breach of laws, administrative regulations and the Articles of Association;</p> <p>(III) to demand rectification from the Directors and senior management where their conducts are detrimental to the interests of the Company;</p> <p>(IV) to examine the financial information such as the financial reports, business reports and plans for profit distribution to be submitted by the Board to the shareholders' general meetings, to conduct reviews whenever queries arise, to authorize, in the name of the Company, certified public accountants and practicing auditors to conduct a re-examination;</p>	<p>Article 181 The Supervisory Committee shall perform the following duties:</p> <p>(I) to review the Company's financial condition;</p> <p>(II) to supervise the conducts of the Directors and senior management in discharge of their duties which are in breach of laws, administrative regulations and the Articles of Association;</p> <p>(III) to demand rectification from the Directors and senior management where their conducts are detrimental to the interests of the Company;</p> <p>(IV) to examine the financial information such as the financial reports, business reports and plans for profit distribution to be submitted by the Board to the shareholders' general meetings, to conduct reviews whenever queries arise, to authorize, in the name of the Company, certified public accountants and practicing auditors to conduct a re-examination;</p>



No.	Original Articles of Association	Articles of Association (Draft)
	<p><u>(V)</u> to propose convening of extraordinary general meeting;</p> <p><u>(VI)</u> to represent the Company in negotiating with or in bringing legal action against the Directors;</p> <p><u>(VII)</u> other duties as stipulated by laws, administrative regulations and the Articles of Association or granted at the shareholders' general meetings.</p>	<p><u>(V) to review securities issuance documents and regular reports prepared by the Board of Directors and propose written audit opinions and Supervisors shall sign on the written confirmation opinion;</u></p> <p><u>(VI)</u> to propose convening of extraordinary general meeting;</p> <p><u>(VII)</u> to represent the Company in negotiating with or in bringing legal action against the Directors;</p> <p><u>(VIII)</u> other duties as stipulated by laws, administrative regulations and the Articles of Association or granted at the shareholders' general meetings.</p>
41	<p>Article 219 <u>The Company shall disclose two financial reports in each accounting year, i.e. its interim financial reports within sixty (60) days of the end of the first six months of an accounting year and its annual financial reports within one hundred and twenty (120) days after the end of the accounting year.</u></p>	<p>Article 219 <u>The Company shall, within the timeframe specified in laws, administrative regulations, rules of departments, normative documents and the listing rules of the stock exchange in the place where Shares of the Company are listed, and in accordance with relevant requirements of the CSRC and the stock exchange, disclose regular reports. The annual report should be disclosed within four months after the end of each accounting year; the half-yearly report should be disclosed within two months after the end of the first half of each accounting year; and the quarterly report should be disclosed within one month after the end of each accounting year's third and ninth months. Where the Company foresees a failure to disclose the annual report within two months after the end of the accounting year, it shall disclose a results announcement within two months after the end of the accounting year in accordance with the requirements of the Rules Governing the Listing of Securities on ChiNext Market. The time of publication of the first quarterly report should not be earlier than the time of publication of the annual report for the preceding year.</u></p>

No.	Original Articles of Association	Articles of Association (Draft)
		<p><u>Where the Company foresees a failure to disclose its regular reports within the specific timeframe, it shall report to the stock exchange, in a timely manner, and announce the reasons for such failure, the solution and the extended deadline for disclosure.</u></p> <p><u>The Company shall deliver its annual financial report to the CSRC and the SZSE within 4 months from the ending date of each financial year, shall deliver its half-yearly financial report to the CSRC branches and the SZSE within 2 months from the ending date of the first 6 months of each financial year, and shall deliver its quarterly financial report to the CSRC branches and the SZSE Sq frand</u></p>

No.	Original Articles of Association	Articles of Association (Draft)
		<p><u>In the event that any adjustments or alterations are necessary to be made to the cash dividend distribution policy stated in the Articles of Association as a result of new requirements of national laws and regulations and new provisions promulgated by securities regulatory authorities in relation to profit distribution policy of listed companies, as well as any material changes in external business environment or the Company's own operating conditions, the Board shall submit a proposal to be voted on at a general meeting after the independent non-executive Directors have given their independent opinions thereon. The Company shall give full consideration to minority shareholders' opinions in this regard, and when convening a shareholders' general meeting, shall provide online voting and other channels for minority shareholders to participate in voting at such meeting. Any resolution of the shareholders' general meeting shall be passed by votes representing more than two-thirds of voting rights held by shareholders present at such shareholders' general meeting.</u></p> <p><u>The Board of Directors of the Company shall take various factors into consideration, including its industry features, development stages, business operation model and profitability as well as whether it has any substantial capital expenditure arrangements, and differentiate the following circumstances to propose a differentiated policy for cash dividend distribution pursuant to the procedures stipulated in the Articles of Association:</u></p> <p><u>(I) where the Company is in a developed stage with no substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the profit distribution;</u></p>



No.	Original Articles of Association	Articles of Association (Draft)
		<p><u>The profit distribution plan of the Company shall be submitted to the shareholders' general meeting for approval after being considered and passed by the Board of Directors. Before the cash dividend distribution plan is considered at the shareholders' general meeting, different channels should be used to proactively communicate and interact with Shareholders, in particular, the minority shareholders, and the Company shall fully listen to the opinions and demands of minority shareholders and timely answer the questions raised by minority Shareholders.</u></p> <p><u>The Company shall disclose in details in its annual report the formulation and implementation of the cash dividend policy, and state the following matters with specific explanations:</u></p> <p><u>(I) whether the policy is in compliance with the requirements of the Articles of Association or the resolutions passed at the shareholders' general meeting;</u></p> <p><u>(II) whether the basis and ratio of the distribution of dividends are clear;</u></p> <p><u>(III) whether the relevant decision-making procedures and systems are sound;</u></p> <p><u>(IV) whether the independent non-executive Directors have duly performed their duties;</u></p> <p><u>(V) whether there are enough channels for minority shareholders to express their views and concerns, and whether their legal interests are sufficiently protected, etc..</u></p> <p><u>If the cash dividend policy is to be adjusted or altered, it shall be disclosed in details whether the conditions and procedures of such adjustments or alternation is in compliance and transparent.</u></p>



No.	Original Articles of Association	Articles of Association (Draft)
44	Article 273 The Articles of Association shall <b>take effect from the date</b> when considered and passed by a special resolution at a shareholders' general meeting of the Company.	<p>Article 273 The Articles of Association shall be considered and passed by a special resolution at a shareholders' general meeting of the Company, <b>and shall take effect from the date of the initial public offering of the A Shares of the Company in the People's Republic of China and when they are listed and commence dealings on the ChiNext Market, and shall supersede previous articles of association of the Company filed with competent administration for industry and commerce and its amendments.</b></p> <p><b><u>Appendices to the Articles of Association shall include the Rules of Procedure for the General Meeting, the Rules of Procedure for the Board of Directors and the Rules of Procedure for the Supervisory Committee.</u></b></p>

TABLE OF COMPARISON FOR AMENDMENTS TO THE RULES OF PROCEDURE  
FOR THE GENERAL MEETING

No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
1	<p>Article 1 In order to determine the duties and permissions of a general meeting, regulate their organization and behavior, ensure that a general meeting exercise their powers by law, improve the efficiency of a general meeting, ensure the effectiveness and legality of procedures and resolutions of general meeting, and safeguard the legal rights and interests of all shareholders. The Company formulates these rules of procedure in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Official Reply of the State Council regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders' Meetings by Overseas Listed Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (including relevant appendices, hereinafter referred to as the "Stock Exchange Listing Rules") and other relevant laws, regulations, regulatory documents and the Articles of Association of CIMC Vehicles (Group) Co., Ltd." (hereinafter referred to as the "Articles of Association").</p>	<p>Article 1 In order to determine the duties and permissions of a general meeting, regulate their organization and behavior, ensure that a general meeting exercise their powers by law, improve the efficiency of a general meeting, ensure the effectiveness and legality of procedures and resolutions of general meeting, and safeguard the legal rights and interests of all shareholders. The Company formulates these rules of procedure in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), <b><u>Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law")</u></b>, Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Official Reply of the State Council regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders' Meetings by Overseas Listed Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (including relevant appendices, hereinafter referred to as the "Stock Exchange Listing Rules"), <b><u>the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (hereinafter referred to as the "ChiNext Market Listing Rules")</u></b> and other relevant laws, regulations, regulatory documents and the Articles of Association of CIMC Vehicles (Group) Co., Ltd." (hereinafter referred to as the "Articles of Association").</p>



No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
2	–	<p><b><u>Article 4 When the Company holds a shareholders’ general meeting, a lawyer shall be engaged to present legal opinions on the following matters and make an announcement:</u></b></p> <p><b><u>(I) whether or not the procedures for convening and holding the meeting are in compliance with laws, administrative regulations, and the Articles of Association;</u></b></p> <p><b><u>(II) whether or not the qualifications of the officers present at the meeting, and of the convener are lawful and valid;</u></b></p> <p><b><u>(III) whether or not the voting procedures at the meeting and the voting results are lawful and valid;</u></b></p> <p><b><u>(IV) other legal opinions to be presented on other relevant matters at the request of the Company.</u></b></p>
3	<p>Article <b><u>9</u></b> Shareholders’ general meetings include annual shareholders’ general meetings and extraordinary shareholders’ general meetings.</p> <p>Annual shareholders’ general meetings are required to be held once every year within six (6) months after the end of the previous financial year.</p> <p>Extraordinary shareholders’ general meetings are held from time to time. An extraordinary shareholders’ general meeting is required to be held within two (2) months after the occurrence of the circumstances stipulated in the Articles of Association.</p>	<p>Article <b><u>10</u></b> Shareholders’ general meetings include annual shareholders’ general meetings and extraordinary shareholders’ general meetings.</p> <p>Annual shareholders’ general meetings are required to be held once every year within six (6) months after the end of the previous financial year.</p> <p>Extraordinary shareholders’ general meetings are held from time to time. An extraordinary shareholders’ general meeting is required to be held within two (2) months after the occurrence of the circumstances stipulated in the Articles of Association.</p>

No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
		<u>In case of failing to hold the shareholders' general meeting within the timeframe stated above, the Company shall report to the local office of the CSRC and the stock exchange where the shares of the Company are listed for trading, illustrate the reasons and make an announcement.</u>
4	Article <u>10</u> The Board shall convene a shareholder's general meeting on time within the period specified by Article <u>9</u> of the Rules.	Article <u>11</u> The Board shall convene a shareholder's general meeting on time within the period specified by Article <u>10</u> of the Rules.
5	<p>Article <u>18</u> At a shareholder's general meeting of the Company, the Board, the Supervisory Committee, and shareholders individually or jointly holding more than 3% of the shares of the Company have the right to submit proposals to the Company.</p> <p>The shareholders individually or jointly holding more than 3% of the shares of the Company may submit an interim proposal to the convener in writing 10 days before the date of the shareholder's general meeting. The convener shall, within 2 days following the receipt of the proposal, send a supplemental notice of the shareholder's general meeting, indicating the contents of the interim proposal. If after review, the convener believes that the interim proposal fails to comply with Article <u>17</u> of the Rules, and decides not to include it in the meeting agenda, the convener shall, within 2 days following the receipt of the proposal, publish the notice on the decision, indicating the specific reasons; meanwhile, the convener shall make an explanation at the shareholder's general meeting, and announce the contents of the interim proposal and the explanation of the convener together with the resolutions of the shareholder's general meeting, after the conclusion of the shareholder's general meeting.</p>	<p>Article <u>19</u> At a shareholder's general meeting of the Company, the Board, the Supervisory Committee, and shareholders individually or jointly holding more than 3% of the shares of the Company have the right to submit proposals to the Company.</p> <p>The shareholders individually or jointly holding more than 3% of the shares of the Company may submit an interim proposal to the convener in writing 10 days before the date of the shareholder's general meeting. The convener shall, within 2 days following the receipt of the proposal, send a supplemental notice of the shareholder's general meeting, indicating the contents of the interim proposal. If after review, the convener believes that the interim proposal fails to comply with Article <u>18</u> of the Rules, and decides not to include it in the meeting agenda, the convener shall, within 2 days following the receipt of the proposal, publish the notice on the decision, indicating the specific reasons; meanwhile, the convener shall make an explanation at the shareholder's general meeting, and announce the contents of the interim proposal and the explanation of the convener together with the resolutions of the shareholder's general meeting, after the conclusion of the shareholder's general meeting.</p>

No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
	Except for the circumstances specified in the preceding paragraph, the convener shall not amend the proposals listed in the notice of the shareholder's general meeting or add new proposals, after sending the notice of the shareholder's general meeting. The list of Director and Supervisor candidates shall be submitted at the shareholder's general meeting for voting, by way of proposal.	Except for the circumstances specified in the preceding paragraph, the convener shall not amend the proposals listed in the notice of the shareholder's general meeting or add new proposals, after sending the notice of the shareholder's general meeting. The list of Director and Supervisor candidates shall be submitted at the shareholder's general meeting for voting, by way of proposal.
6	Article <b>19</b> A shareholder's general meeting shall not vote on or make a decision on proposals which are not indicated in the notice of the shareholder's general meeting or fail to comply with Article <b>17</b> of the Rules.	Article <b>20</b> A shareholder's general meeting shall not vote on or make a decision on proposals which are not indicated in the notice of the shareholder's general meeting or fail to comply with Article <b>18</b> of the Rules.
7	Article <b>24</b> The notice of a shareholders' general meeting shall be served on shareholders (regardless of whether they are entitled to vote at the shareholders' general meeting) either by hand or by post in a prepaid mail, addressed to such shareholders at their registered addresses as shown in the register of shareholders. For holders of Domestic Shares, the notice of a shareholders' general meeting may also be given by publishing an announcement. For holders of H Shares, in accordance with relevant process under the Listing Rules of the Stock Exchange and under the permission expressly given by the shareholders, the notice of a shareholders' general meeting, a circular for shareholders and relevant files may also be given by making announcement in the Company's website or the websites of Hong Kong Stock Exchange.	Article <b>25</b> <u><b>Unless otherwise required by the relevant laws, regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association,</b></u> the notice of a shareholders' general meeting shall be served on shareholders (regardless of whether they are entitled to vote at the shareholders' general meeting) either by hand or by post in a prepaid mail, addressed to such shareholders at their registered addresses as shown in the register of shareholders. For holders of Domestic Shares, the notice of a shareholders' general meeting may also be given by publishing an announcement. For holders of H Shares, in accordance with relevant process under the Listing Rules of the Stock Exchange and under the permission expressly given by the shareholders, the notice of a shareholders' general meeting, a circular for shareholders and relevant files may also be given by making announcement in the Company's website or the websites of Hong Kong Stock Exchange.

No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
	<p>The announcement referred to in the preceding paragraph shall be published in <b><u>one or more national newspapers designated by CSRC</u></b>. Once the announcement is published, all holders of Domestic Shares shall be deemed to have received the notice in relation to the shareholders' general meeting. For the notice of a shareholders' general meeting, a circular for shareholders and relevant files issued to holders of H Shares by the Company, the Company may send only the English or the Chinese version of the notice of a shareholders' general meeting and relevant files in accordance with relevant process under the Listing Rules of the Stock Exchange and under the permission expressly given by the shareholders.</p>	<p>The announcement referred to in the preceding paragraph shall be published in <b><u>the website of the stock exchange where the Domestic Shares of the Company are listed and the media meeting the conditions stipulated by the securities regulatory authorities under the State Council</u></b>. Once the announcement is published, all holders of Domestic Shares shall be deemed to have received the notice in relation to the shareholders' general meeting. For the notice of a shareholders' general meeting, a circular for shareholders and relevant files issued to holders of H Shares by the Company, the Company may send only the English or the Chinese version of the notice of a shareholders' general meeting and relevant files in accordance with relevant process under the Listing Rules of the Stock Exchange and under the permission expressly given by the shareholders.</p>
8	<p>Article <b>37</b> The convener shall examine the legality of the shareholders' qualifications according to the register of members provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the shares held with voting rights.</p>	<p>Article <b>38</b> The convener <b><u>and the legal advisers appointed by the Company</u></b> shall examine the legality of the shareholders' qualifications according to the register of members provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the shares held with voting rights.</p>

No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
9	<p>Article <u>42</u> <u>Directors, Supervisors and senior management of the Company shall, upon request of the shareholders' general meeting, attend such meeting for answering queries raised by the shareholders.</u></p>	<p>Article <u>43</u> <u>All Directors, Supervisors and the secretary to the Board shall be present at shareholders' general meetings, and the president and other senior management members shall be in attendance at such meetings. The Directors, Supervisors and senior management members shall make explanation and interpretation on the inquiry and suggestions of the shareholders at the shareholders' general meeting.</u></p> <p><u>At the annual general meeting, the Board and the Supervisory Committee shall make report on their works in the past year at the general meeting. Each independent non-executive Director shall also make work report.</u></p>
10	<p>Article <u>52</u> When shareholders (including their proxies) shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.</p> <p>Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</p>	<p>Article <u>53</u> When shareholders (including their proxies) shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.</p> <p><u>When the shareholders' general meeting considers matters that could materially affect the interest of middle and small investors, the votes by middle and small investors shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.</u></p> <p>Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.</p>

No.		

No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
12	Article 54 The vote at the general meeting shall be conducted by open ballot or other methods <u>permitted by the applicable provisions of the Stock Exchange Listing Rules</u> . If a voting right is exercised repeatedly, only the first exercise of the voting right is recognized.	Article 55 <u>Save for resolutions on procedures for the general meeting or administrative matters which can be resolved on by the chairman of the meeting based on the principle of honesty and voted on by a show of hands as required by the Stock Exchange Listing Rules</u> , voting at the general meeting is conducted by open ballot or other ways <u>permitted by the securities regulatory rules of the place where the Company's shares are listed</u> . If a voting right is exercised repeatedly, only the first exercise of the voting right is recognized.
13	Article 56 Save for resolutions on procedures for the general meeting or administrative matters which can be resolved on by the chairman of the meeting based on the principle of honesty and voted on by a show of hands, voting at the general meeting is conducted by open ballot.	<u>(Deleting this Article, and the subsequent Articles shall be renumbered accordingly)</u>
14	–	<u>(Adding a Article as Article 61, and the subsequent Articles shall be renumbered accordingly)</u>  <u>Article 61 The list of candidates for Directors and Supervisors shall be proposed in writing at a general meeting for voting.</u>  <u>When the general meeting votes for election of Directors or Supervisors and where a single shareholder and parties acting in concert with him hold equity interests of 30% or above, the cumulative voting system shall be adopted.</u>  <u>The cumulative voting system as mentioned in the preceding paragraph means that each share shall have the same voting right as the number of Directors or Supervisors to be elected, and the voting right held by the shareholders may be used collectively when the Directors or Supervisors are elected at the general meeting.</u>

No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
		<u>If Directors will be elected by cumulative voting at the shareholders' general meeting, the voting of independent non-executive Directors and non-executive Directors shall be conducted separately.</u>
15	<p>Article <u>67</u> Before voting takes place on a proposal at a shareholders' general meeting, two shareholders' representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder has an interest in a matter to be considered, the relevant shareholder and his proxy shall not participate in the vote counting and scrutinizing.</p> <p>When voting takes place on a proposal at a shareholders' general meeting, shareholders' representative, Supervisors <b><u>and other relevant persons appointed according to the Hong Kong Listing Rules</u></b> shall be jointly responsible for vote counting and scrutinizing, announce the voting results on the spot, and determine whether a resolution has been passed pursuant to the voting results. The voting results of resolutions shall be recorded in the minutes.</p>	<p>Article <u>68</u> Before voting takes place on a proposal at a shareholders' general meeting, two shareholders' representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder has an interest in a matter to be considered, the relevant shareholder and his proxy shall not participate in the vote counting and scrutinizing.</p> <p>When voting takes place on a proposal at a shareholders' general meeting, <b><u>lawyers,</u></b> representatives of shareholders <b><u>and</u></b> Supervisors shall be jointly responsible for vote counting and scrutinizing, and shall announce the voting results on the spot. The voting results of resolutions shall be recorded in the minutes.</p>



No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
		<p><b><u>Shareholders of the Company or their proxies who cast their votes through the network or by another method shall have the right to inspect their own voting results through an appropriate voting system.</u></b></p>
16	<p>Article <b><u>76</u></b> Resolutions of the shareholders' general meeting shall be announced at a timely manner. The announcement shall specify the content as required under the <b><u>Stock Exchange Listing Rules</u></b>, including but not limited to the total number of shares of holders eligible for attending and voting in respect of the resolutions at the meeting, the total number of shares of holders eligible for attending the meeting but required to abstain from voting for the resolutions, the total number of shares of holders required to abstain from voting and the total number of shares of holders actually voting for and against the resolutions.</p>	<p>Article <b><u>77</u></b> Resolutions of the shareholders' general meeting shall be announced at a timely manner. The announcement shall specify the content as required under the <b><u>laws, regulations and regulatory rules of the place where the shares of the Company are listed,</u></b> including but not limited to the total number of shares of holders eligible for attending and voting in respect of the</p>

No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
18	<p>Article <b>79</b> The minutes of shareholders' general meeting shall state the following contents:</p> <p>(I) Time, venue and agenda of the meeting and name or title of the convener;</p> <p>(II) The name of the chairman of the meeting and the names of the Directors, Supervisors, the secretary to the Board, president and other senior management attending or present at the meeting;</p> <p>(III) The numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of the voting shares held by them to the total number of shares of the Company;</p> <p>(IV) The process of review and discussion, summary of any speech and voting results of each proposal;</p> <p>(V) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;</p> <p>(VI) Names of the vote-counter and the scrutineer(s);</p> <p>The contents to be included as specified in this Articles of Association.</p>	<p>Article <b>80</b> The minutes of shareholders' general meeting shall state the following contents:</p> <p>(I) Time, venue and agenda of the meeting and name or title of the convener;</p> <p>(II) The name of the chairman of the meeting and the names of the Directors, Supervisors, the secretary to the Board, president and other senior management attending or present at the meeting;</p> <p>(III) The numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of the voting shares held by them to the total number of shares of the Company;</p> <p>(IV) The process of review and discussion, summary of any speech and voting results of each proposal;</p> <p>(V) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;</p> <p>(VI) Names of <b>the lawyers and</b> the vote-counter and the scrutineer(s);</p> <p>The contents to be included as specified in this Articles of Association.</p>

No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
19	Article <u>80</u> The minutes shall be kept together with the registration record of attending shareholders and authorization letters of proxies, the valid information on the voting.	Article <u>81</u> <b><u>The convener shall warrant that the contents of the minutes are true, accurate and complete. The Directors, Supervisors, secretary of the Board, convener or their representatives and the chairman of the meeting shall sign the minutes.</u></b> The minutes shall be kept together with the <b><u>signature register of shareholders attending the meeting in person and proxy forms and valid materials relating to voting through internet or otherwise for a period of not less than 10 years.</u></b>
20	Article <u>85</u> Resolutions of a Class Meeting are subject to vote by the shareholders present at the meeting who hold over two-thirds of voting shares, in accordance with Article <u>86</u> .	Article <u>86</u> Resolutions of a Class Meeting are subject to vote by the shareholders present at the meeting who hold over two-thirds of voting shares, in accordance with Article <u>87</u> .
21	Article <u>86</u> For convening a Class Meeting of the Company, a written notice indicating the matters to be considered at the meeting, the date and place of the meeting shall be given to all registered shareholders of the class, pursuant to the notice period requirements specified in Article <u>20</u> of the Rules in relation to convening a shareholder's general meeting.	Article <u>87</u> For convening a Class Meeting of the Company, a written notice indicating the matters to be considered at the meeting, the date and place of the meeting shall be given to all registered shareholders of the class, pursuant to the notice period requirements specified in Article <u>21</u> of the Rules in relation to convening a shareholder's general meeting.
22	Article <u>92</u> Where a proposal on election of Directors or Supervisors is passed at the shareholder's general meeting, the term of office of a new Director or Supervisor shall commence on the date on which resolutions of the shareholders' general meeting are approved.	Article <u>93</u> Where a proposal on election of Directors or Supervisors is passed at the shareholder's general meeting, <b><u>unless otherwise required by the laws, regulations and regulatory rules applicable to the place where the Company's shares are listed and the Articles of Association,</u></b> the term of office of a new Director or Supervisor shall commence on the date on which resolutions of the shareholders' general meeting are approved.

No.	Existing Articles of the Rules of Procedure for the General Meeting	Amended Articles of the Rules of Procedure for the General Meeting
23	<p>Article 98 Except for the matters specified in Articles 96 and 97 of the Rules, the authorization granted by the shareholder's general meeting to the Board shall comply with the following principles:</p> <p>(I) the authorization shall be made by way of resolution of the shareholder's general meeting;</p> <p>(II) authorizations, authorities and contents shall be defined, specific and feasible;</p> <p>(III) the Board shall not be authorized to determine its term of reference or scope of authority.</p>	<p>Article 99 Except for the matters specified in Articles 97 and 98 of the Rules, the authorization granted by the shareholder's general meeting to the Board shall comply with the following principles:</p> <p>(I) the authorization shall be made by way of resolution of the shareholder's general meeting;</p> <p>(II) authorizations, authorities and contents shall be defined, specific and feasible;</p> <p>(III) the Board shall not be authorized to determine its term of reference or scope of authority.</p>
24	<p>Article 100 The Rules shall <b>take effect from the date</b> when it is considered and passed at a shareholders' general meeting of the Company.</p>	<p>Article 101 The Rules shall take effect from the date <b><u>of the initial public offering of the A Shares of the Company in the People's Republic of China and when they are listed and commence dealings on the ChiNext Market of Shenzhen Stock Exchange</u></b> when it is considered and passed at a shareholders' general meeting of the Company.</p>

TABLE OF COMPARISON FOR AMENDMENTS TO THE RULES OF PROCEDURE  
FOR THE BOARD OF DIRECTORS

No.	Existing Articles of the Rules of Procedure for the Board of Directors	Amended Articles of the Rules of Procedure for the Board of Directors
1	<p>Article 1 In order to further regulate the discussion methods and decision-making procedures of the Company, facilitate the Directors and the Board to effectively perform their duties and improve the standard operation and scientific decision-making level of the Board, the Company formulates these rules of procedure in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (including relevant appendices, hereinafter referred to as the "Stock Exchange Listing Rules") and other relevant laws, regulations, regulatory documents and the Articles of Association of CIMC Vehicles (Group) Co., Ltd." (which will be applicable after the listing of H Shares, hereinafter referred to as the "Articles of Association").</p>	<p>Article 1 In order to further regulate the discussion methods and decision-making procedures of the Company, facilitate the Directors and the Board to effectively perform their duties and improve the standard operation and scientific decision-making level of the Board, the Company formulates these rules of procedure in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), <b><u>Securities Law of the People's Republic of China (the "Securities Law")</u></b>, Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (including relevant appendices, hereinafter referred to as the "Stock Exchange Listing Rules"), <b><u>the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (the "ChiNext Market Listing Rules")</u></b> and other relevant laws, regulations, regulatory documents and the Articles of Association of CIMC Vehicles (Group) Co., Ltd." (which will be applicable after the listing of H Shares, hereinafter referred to as the "Articles of Association").</p>
2	<p>Article 2 The Board shall abide by national laws, regulations, normative documents as well as the Stock Exchange Listing Rules, the Articles of Association and the Rules in decision-making; equally treat all shareholders, follow the code of conduct on safeguarding the legitimate interests of the Company and all shareholders and honestly and diligently perform their own duties.</p>	<p>Article 2 The Board shall abide by national laws, regulations, normative documents as well as the Stock Exchange Listing Rules, <b><u>the ChiNext Market Listing Rules</u></b>, the Articles of Association and the Rules in decision-making; equally treat all shareholders, follow the code of conduct on safeguarding the legitimate interests of the Company and all shareholders and honestly and diligently perform their own duties.</p>

No.	Existing Articles of the Rules of Procedure for the Board of Directors	Amended Articles of the Rules of Procedure for the Board of Directors
3	<p>Article 9 The Board shall set up an audit committee, a remuneration committee, a nomination committee and other special committees. All members of the special committees shall be Directors, among which, the audit committee must have at least three members, and all members shall be non-executive Directors, of whom the majority shall be independent non-executive Directors. At least one of these independent non-executive Directors shall be an independent non-executive Director with the proper qualification as required by the Stock Exchange Listing Rules, or appropriate accounting or related financial management expertise. The chairman of the audit committee must be an independent non-executive Director. The majority of the members of the remuneration committee shall be independent non-executive Directors. The chairman of the remuneration committee must be an independent non-executive Director. The majority of the members of the nomination committee shall be independent non-executive Directors. The chairman of the nomination committee must be the chairman of the Board or an independent non-executive Director.</p>	<p>Article 9 The Board shall set up an audit committee, a remuneration committee, a nomination committee and other special committees. All members of the special committees shall be Directors, among which, the audit committee must have at least three members, and all members shall be non-executive Directors, of whom the majority shall be independent non-executive Directors. At least one of these independent non-executive Directors shall be an independent non-executive Director with the proper qualification as required by the Stock Exchange Listing Rules, <b><u>the ChiNext Market Listing Rules</u></b>, or appropriate accounting or related financial management expertise. The chairman of the audit committee must be an independent non-executive Director. The majority of the members of the remuneration committee shall be independent non-executive Directors. The chairman of the remuneration committee must be an independent non-executive Director. The majority of the members of the nomination committee shall be independent non-executive Directors. The chairman of the nomination committee must be the chairman of the Board or an independent non-executive Director.</p>

No.	Existing Articles of the Rules of Procedure for the Board of Directors	Amended Articles of the Rules of Procedure for the Board of Directors
4	<p>Article 25 If any Director has connection with the entity involved in the resolution of a meeting of the Board, or the resolution has connection with the contract, arrangement or any other suggestions in which the Director or any of his/her <b>associates</b> (as defined in the Stock Exchange Listing Rule) are substantially interested, such Director shall abstain from voting on the resolution and shall not vote on behalf of other Directors. When determining whether the quorum is reached, such Directors shall not be counted. The meeting of the Board may be held when more than half of the attending Directors have no connection with the entity.</p>	<p>Article 25 If any Director has connection with the entity involved in the resolution of a meeting of the Board, or the resolution has connection with the contract, arrangement or any other suggestions in which the Director or any of his/her <b>parties</b> (“<b>associates</b>” as defined in the Stock Exchange Listing Rule <b>or “related parties” as defined in the ChiNext Market Listing Rules</b>) are substantially interested, such Director shall abstain from voting on the resolution and shall not vote on behalf of other Directors. When determining whether the quorum is reached, such Directors shall not be counted. The meeting of the Board may be held when more than half of the non-connected Directors attend the meeting.</p>
5	<p>Article 33 When each proposal is fully discussed, the chairman shall propose to the attending Directors to vote in due course.</p> <p>Each Director shall have one vote at the meeting <b><u>and the resolution shall be voted openly in writing.</u></b></p> <p>Three options in form of for, against and abstaining are available for the Directors to show their voting intentions. The attending Directors shall choose one of them. The host of the meeting shall ask relevant Directors who fail to choose or choose two or more options at the same time to make their choices again, and refusal to do so shall be regarded as abstaining from voting. Any Director who refuses to choose or fail to return after leaving the meeting without making any choice shall be regarded as abstaining from voting.</p>	<p>Article 33 When each proposal is fully discussed, the chairman shall propose to the attending Directors to vote in due course.</p> <p>Each Director shall have one vote at the meeting. Three options in form of for, against and abstaining are available for the Directors to show their voting intentions. The attending Directors shall choose one of them. The host of the meeting shall ask relevant Directors who fail to choose or choose two or more options at the same time to make their choices again, and refusal to do so shall be regarded as abstaining from voting. Any Director who refuses to choose or fail to return after leaving the meeting without making any choice shall be regarded as abstaining from voting.</p>





No.	Existing Articles of the Rules of Procedure for the Board of Directors	Amended Articles of the Rules of Procedure for the Board of Directors
8	<p>Article 48 The announcement on the resolutions of the Board shall cover the following information:</p> <p>(I) The time and form of delivery of the meeting notice;</p> <p>(II) The time, venue and form of convening of the meeting, and an explanation on compliance with laws, administrative regulations, departmental rules, the Stock Exchange Listing Rules and the rules of the Company;</p> <p>(III) Number and names of the Directors appointing proxies and those absent, and the reasons for absence and the names of Directors appointed as proxies;</p> <p>(IV) Number of votes for and against each proposal and the number of abstentions, and the reasons for Directors' objections or abstentions;</p> <p>(V) Where a resolution relates to a related party transaction, providing the name of any Director who must abstain from voting as well as the reason for the abstaining and abstaining particulars;</p> <p>(VI) Where a prior approval or an independent opinion is required from independent Directors or sponsors, providing particulars of the prior approval or the opinion issued;</p> <p>(VII) Details of the matters considered and the resolutions adopted at the meeting.</p>	<p>Article 48 The announcement on the resolutions of the Board shall cover the following information:</p> <p>(I) The time and form of delivery of the meeting notice;</p> <p>(II) The time, venue and form of convening of the meeting, and an explanation on compliance with laws, administrative regulations, departmental rules, the Stock Exchange Listing Rules, <b><u>the ChiNext Market Listing Rules</u></b> and the rules of the Company;</p> <p>(III) Number and names of the Directors appointing proxies and those absent, and the reasons for absence and the names of Directors appointed as proxies;</p> <p>(IV) Number of votes for and against each proposal and the number of abstentions, and the reasons for Directors' objections or abstentions;</p> <p>(V) Where a resolution relates to a related party transaction, providing the name of any Director who must abstain from voting as well as the reason for the abstaining and abstaining particulars;</p> <p>(VI) Where a prior approval or an independent opinion is required from independent Directors or sponsors, providing particulars of the prior approval or the opinion issued;</p> <p>(VII) Details of the matters considered and the resolutions adopted at the meeting.</p>

No.	Existing Articles of the Rules of Procedure for the Board of Directors	Amended Articles of the Rules of Procedure for the Board of Directors
9	<p>Article 49 In case of one of the following situations, the Board shall amend the Rules in a timely manner:</p> <p>(I) The matters regulated in the Rules are inconsistent with relevant laws, administrative regulations, or normative documents which are revised, or new laws, administrative regulations or normative documents are formulated and issued;</p> <p>(II) After amendments have been made to the Stock Exchange Listing Rules, the matters stipulated in these Rules conflict with the Stock Exchange Listing Rules;</p> <p>(III) After amendments have been made to the Articles of Association, the matters stipulated in these Rules conflict with the Articles of Association;</p> <p>(IV) When the shareholders' general meeting determines to amend the Rules.</p> <p>The amendments of the Rules which fall to be the information required to be disclosed pursuant to laws, administrative regulations or normative documents and the Stock Exchange Listing Rules shall be so disclosed accordingly.</p>	<p>Article 49 In case of one of the following situations, the Board shall amend these Rules in a timely manner:</p> <p>(I) The matters regulated in the Rules are inconsistent with relevant laws, administrative regulations, or normative documents which are revised, or new laws, administrative regulations or normative documents are formulated and issued;</p> <p>(II) After amendments have been made to the Stock Exchange Listing Rules <b><u>and the ChiNext Market Listing Rules</u></b>, the matters stipulated in these Rules conflict with the Stock Exchange Listing Rules <b><u>and the ChiNext Market Listing Rules</u></b>;</p> <p>(III) After amendments have been made to the Articles of Association, the matters stipulated in these Rules conflict with the Articles of Association;</p> <p>(IV) When the shareholders' general meeting determines to amend the Rules.</p> <p>The amendments of the Rules which fall to be the information required to be disclosed pursuant to laws, administrative regulations or normative documents, the Stock Exchange Listing Rules <b><u>and the ChiNext Market Listing Rules</u></b> shall be so disclosed accordingly.</p>
10	<p>Article 51 The Rules <b><u>shall be approved</u></b> at the shareholders' general meeting and shall take effect from the date <b><u>when the H Shares issued by the Company</u></b> are listed and traded <b><u>on the Hong Kong Stock Exchange</u></b>.</p>	<p>Article 51 <b><u>After being considered and approved</u></b> at the general meeting <b><u>of the Company</u></b>, the Rules shall take effect from the date <b><u>of the initial public offering of the A Shares of the Company in the People's Republic of China</u></b> and <b><u>when they are listed and traded on the ChiNext Market of Shenzhen Stock Exchange</u></b>.</p>

TABLE OF COMPARISON FOR AMENDMENTS TO THE RULES OF PROCEDURE  
FOR THE SUPERVISORY COMMITTEE

No.	Existing Articles of the Rules of Procedure for the Supervisory Committee	Amended Articles of the Rules of Procedure for the Supervisory Committee
1	<p>Article 1 These rules of procedure are formulated pursuant to the provisions of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the Rules governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (including relevant appendices, hereinafter referred to as the “Stock Exchange Listing Rules”) and other laws, regulations and regulatory documents, as well as the Articles of Association of CIMC Vehicles (Group) Co., Ltd. (hereinafter referred to as the “Articles of Association”), for the purpose of regulating the discussion methods and voting procedures of the Supervisory Committee of CIMC Vehicles (Group) Co., Ltd. (hereinafter referred to as the “Company”), procuring Supervisors and the Supervisory Committee to perform their supervision duties effectively, and improving the corporate governance structure of the Company.</p>	<p>Article 1 These rules of procedure are formulated pursuant to the provisions of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), <u>Securities Law of the People’s Republic of China (the “Securities Law”)</u>, the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the Rules governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (including relevant appendices, hereinafter referred to as the “Stock Exchange Listing Rules”), <u>the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (the “ChiNext Market Listing Rules”)</u> and other laws, regulations and regulatory documents, as well as the Articles of Association of CIMC Vehicles (Group) Co., Ltd. (hereinafter referred to as the “Articles of Association”), for the purpose of regulating the discussion methods and voting procedures of the Supervisory Committee of CIMC Vehicles (Group) Co., Ltd. (hereinafter referred to as the “Company”), procuring Supervisors and the Supervisory Committee to perform their supervision duties effectively, and improving the corporate governance structure of the Company.</p>



No.	Existing Articles of the Rules of Procedure for the Supervisory Committee	Amended Articles of the Rules of Procedure for the Supervisory Committee
5	Article 27 After being considered and approved at the general meeting, these rules of procedure shall take effect from the date <u>when the H Shares issued by the Company</u> are listed and traded <u>on the Hong Kong Stock Exchange</u> .	Article 27 After being considered and approved at the general meeting <u>of the Company</u> , these rules of procedure shall take effect from the date of <u>the initial public offering of the A Shares of the Company in the People's Republic of China and when they</u> are listed and traded <u>on the ChiNext Market of Shenzhen Stock Exchange</u> .

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to determine the duties and permissions of a shareholders' general meeting, regulate their organization and behavior, ensure that a shareholders' general meeting exercise their powers by law, improve the efficiency of a shareholders' general meeting, ensure the effectiveness and legality of procedures and resolutions of a shareholders' general meeting, and safeguard the legal rights and interests of all shareholders, the Company formulates these rules of procedure (the "Rules of Procedure") in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), Securities Law of the People's Republic of China (the "Securities Law"), Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Official Reply of the State Council regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders' Meetings by Overseas Listed Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (including relevant appendices, hereinafter referred to as the "Stock Exchange Listing Rules"), the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (the "ChiNext Market Listing Rules"), and other relevant laws, regulations, normative documents and the Articles of Association of CIMC Vehicles (Group) Co., Ltd. (hereinafter referred to as the "Articles of Association").

**Article 2** The Company shall convene the shareholders' general meetings in strict accordance with relevant provisions of the laws, administrative regulations, normative documents, the Articles of Association and these Rules to ensure the shareholders can exercise their rights according to the law.

**Article 3** The Board of the Company shall perform its duties with due diligence and shall organize the shareholders' general meetings in a serious and timely manner. All the Directors of the Company shall be diligent and responsible to ensure the normal convening of a general meeting and lawful exercise of functions and powers.

**Article 4** When the Company holds a shareholders' general meeting, a lawyer shall be engaged to present legal opinions on the following matters and make an announcement:

- (I) whether or not the procedures for convening and holding the meeting are in compliance with laws, administrative regulations, and the Articles of Association;
- (II) whether or not the qualifications of the attendees and the convener are lawful and valid;
- (III) whether or not the voting procedures at the meeting and the voting results are lawful and valid;
- (IV) other legal opinions to be presented on other relevant matters at the request of the Company.

## **CHAPTER 2 NATURE AND POWERS OF THE SHAREHOLDERS' GENERAL MEETING**

**Article 5** The shareholders' general meeting is the authority of the Company and shall exercise its functions and powers in accordance with the provisions of the Company Law, the Articles of Association and the Rules of Procedure hereto.

**Article 6** The shareholders' general meeting consists of all shareholders of the Company. When the Company convenes a shareholders' general meeting, distributes dividend, executes liquidation or engages in other conducts that need to identify the shareholdings, the Board or the convener of the shareholders' general meeting shall determine the date of record. The shareholders included in the register of shareholders on the shareholding record date shall be the entitled to relevant rights and interests of the Company.

The shareholders shall exercise their voting right at the shareholders' general meeting according to the number of shares they hold on the shareholding record date of the shareholders' general meeting.

**Article 7** The shareholders' general meeting shall exercise its powers within the scope specified in the Company Law, the Articles of Association and these Rules, and shall not interfere with the shareholder's disposal of his/her own rights.

**Article 8** The shareholders' general meeting shall exercise its powers to the extent as provided by the Articles of Association according to law.

**Article 9** Where the Company intends to provide guarantee for its shareholder, de facto controller and related parties, the proposal must be resolved at the shareholders' general meeting.

The shareholder specified in the preceding paragraph or the shareholder controlled by the de facto controller specified in the preceding paragraph shall not participate in the voting for the matter involved, and this proposal shall be passed by more than half of the votes of other shareholders present at the meeting.

**CHAPTER 3 THE CONVENING OF GENERAL MEETINGS**

**Article 10** Shareholders' general meetings include annual shareholders' general meetings and extraordinary shareholders' general meetings.

Annual shareholders' general meetings are required to be held once every year within six (6) months after the end of the previous financial year.

Extraordinary shareholders' general meetings are held from time to time. An extraordinary shareholders' general meeting is required to be held within two (2) months after the occurrence of the circumstances stipulated in the Articles of Association.

In case of failing to hold the shareholders' general meeting within the timeframe stated above, the Company shall report to the local office of the CSRC and the stock exchange where the shares of the Company are listed for trading, illustrate the reasons and make an announcement.

**Article 11** The shareholders' general meetings shall be convened by the Board of Directors within the period stipulated in the Articles 10 of these Rules.

**Article 12** Two or more independent non-executive Directors shall have the rights to propose to the Board of Directors to convene an extraordinary general meeting. Regarding the proposal requesting to convene an extraordinary general meeting by the independent non-executive Directors, the Board of Directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 days after receiving the proposal in accordance with the laws, administrative regulations and the Articles of Association.

If the Board of Directors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the Board of Directors. If the Board of Directors refuses to convene an extraordinary general meeting, an explanation and relevant announcement shall be made.

**Article 13** The Supervisory Committee shall have the rights to propose to the Board of Directors to convene an extraordinary general meeting, and such proposal shall be submitted in writing. The Board of Directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 days after receiving the proposal in accordance with the laws, administrative regulations and the Articles of Association.

If the Board of Directors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the Board of Directors and any changes to the original proposal contained in the notice shall be subject to the approval of the Supervisory Committee.



If the Board of Directors disagrees to convene the extraordinary general meeting or does not give any written reply within 10 days after receiving the proposal, the Board of Directors shall be deemed as failing to perform the duty of convening a shareholders' general meeting. In such case, the Supervisory Committee may convene and preside over the meeting.

**Article 14** Shareholders individually or jointly holding more than 10% of Shares of the Company are entitled to request the Board of Directors in writing to convene an extraordinary general meeting. The Board of Directors shall, in accordance with the requirements of laws, administrative regulations and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the request.

If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the shareholders' general meeting within 5 days upon after the date of the resolution of the Board of Directors. Any changes made to the original proposal in the notice shall be agreed by the relevant shareholders.

If the Board of Directors disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, shareholders individually or jointly holding more than 10% of the Shares of the Company are entitled to request the Supervisory Committee in writing to convene an extraordinary general meeting.

If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall issue a notice of convening the shareholders' general meeting within 5 days upon receipt of the proposal. Any changes made to the original proposals in the notice shall be agreed by the relevant shareholders.

If the Supervisory Committee does not issue the notice of general meeting within the prescribed period, it shall be deemed as the Supervisory Committee not convening and not holding the shareholders' general meeting. Then the shareholders individually or jointly holding more than 10% of the Shares of the Company for more than 90 consecutive days are entitled to convene and hold the meeting by themselves.

**Article 15** Where the Supervisory Committee or shareholders decide to convene a shareholders' general meeting by themselves, a written notice shall be submitted to the Board of Directors and filed with the relevant securities regulatory authorities and stock exchange in the place where the Company is domiciled according to the applicable provisions.

Before making an announcement on the resolution(s) of the shareholders' general meeting, the shareholders convening the meeting shall hold no less than 10% of the Shares.

**Article 16** Where the Supervisory Committee or shareholders convene a shareholders' general meeting by themselves, the Board of Directors and the secretary to the Board of Directors shall cooperate. The Board of Directors shall provide the register of shareholders on the shareholding record date. If the Board of Directors fails to provide the register of

shareholders, the convener may carry relevant announcement on the notice of convening general meeting to apply with the securities registration and clearing institutions. The convener shall not use the register of shareholders for purposes other than convening a shareholders' general meeting.

**Article 17** Where the Supervisory Committee or shareholders convene and hold a shareholders' general meeting by themselves as a result of the failure of the Board of Directors to hold a shareholders' general meeting according to the as aforesaid requirements, the expenses necessarily accrued therefrom shall be borne by the Company and be deducted from the amounts due for payment to the Directors as a result of their negligence.

#### **CHAPTER 4 PROPOSALS OF GENERAL MEETING**

**Article 18** The contents of the proposals to be raised shall be within the scope of duties of the shareholders' general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations, Stock Exchange Listing Rules and the Articles of Association.

**Article 19** When a shareholders' general meeting is convened by the Company, the Board of Directors, the Supervisory Committee or shareholders individually or jointly holding 3% or more of the Shares of the Company are entitled to propose resolutions to the Company.

Shareholders individually or jointly holding 3% or more of the Shares of the Company may submit ad hoc proposals in writing to the convener of the shareholders' general meeting 10 days before the convening of the shareholders' general meeting. The convener shall issue a supplemental notice of the shareholders' general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals. If the ad hoc proposal does not comply with Article 18 herein according to the view of the convener after his/her reviewing and the convener decide not to include this ad hoc proposal into the agenda, the convener shall issue a notice for not including this ad hoc proposal into the agenda within 2 days and specify the reason; and at the same time, the convener shall make explanation at this shareholders' general meeting, and make announcement on the content of ad hoc proposal and the explanation of the convener and as well as the resolutions of shareholders' general meetings after the shareholders' general meeting.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice and announcement of the shareholders' general meeting, shall neither revise the proposals stated in the notice of general meetings nor add new proposals. The candidate list of Directors and Supervisors shall be submitted to the shareholders' general meetings as a proposal for consideration.

**Article 20** If a notice of general meeting does not specify the proposed resolutions or does not comply with Article 18 herein, no voting for resolutions shall be carried out at the shareholders' general meeting.

**CHAPTER 5 NOTICE OF THE SHAREHOLDERS' GENERAL MEETING**

**Article 21** A written notice convening an annual shareholders' general meeting shall be sent at least 20 clear business days in advance and a written notice convening an extraordinary general meeting shall be sent at least 10 clear business days or 15 days (whichever is longer) in advance to shareholders whose names appear on the register of shareholders, specifying the matters proposed to be considered and the date and place of the meeting.

The Company shall not include the date of issue of the notice and the date of the meeting when calculating the starting period. The "business day" mentioned in these Rules refers to the dates that The Stock Exchange of Hong Kong Limited opens for trading.

Where laws and regulations and other normative documents are otherwise stipulated, these provisions shall apply.

**Article 22** Shareholders' general meeting shall not decide on matters that have not been stated in the notice of the meeting.

**Article 23** Notice of the shareholders' general meeting shall comply with the Articles of Association.

**Article 24** In the event that the election of Directors and Supervisors is to be discussed at a shareholders' general meeting, the notice of the shareholders' general meeting shall fully disclose details of candidates for the Directors and Supervisors, and shall at least include the following particulars:

- (I) Personal information such as education background, work experience, part-time jobs, etc., especially work experience in the Company's shareholders and de facto controller;
- (II) Whether the candidate is related to the Company, its controlling shareholder and de facto controller, shareholders holding more than 5% of the Company, other Directors, Supervisors and senior management of the Company;
- (III) to disclose number of shares of the Company they hold;
- (IV) whether or not they have been penalized by the CSRC and other relevant departments, and disciplined by the stock exchange;
- (V) Whether any circumstances as stipulated in the Company Law and other laws and regulations or as stipulated by the regulatory bodies under which the candidate may not be appointed as Director or Supervisor exists;
- (VI) Other information on election and re-election of Directors or Supervisors to be disclosed in accordance with the Stock Exchange Listing Rules.

In addition to adopting the cumulative voting system to elect Directors and Supervisors, a single proposal on each of the candidates for Directors and Supervisors shall be submitted.

**Article 25** Unless otherwise required by the relevant laws, regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association, the notice of a shareholders' general meeting shall be served to shareholders (regardless of whether they are entitled to vote at the shareholders' general meeting) either by hand or by post in a prepaid mail, addressed to such shareholders at their registered addresses as shown in the register of shareholders. For holders of Domestic Shares, the notice of a shareholders' general meeting may also be given by publishing an announcement. For holders of H Shares, in accordance with relevant process under the Listing Rules of the Stock Exchange and under the permission expressly given by the shareholders, the notice of a shareholders' general meeting, a circular for shareholders and relevant files may also be given by making announcement in the Company's website or the websites of Hong Kong Stock Exchange.

The announcement referred to in the preceding paragraph shall be published on the website of the stock exchange where the Domestic Shares of the Company are listed and the media meeting the conditions stipulated by the securities regulatory authorities under the State Council. Once the announcement is published, all holders of Domestic Shares shall be deemed to have received the notice in relation to the shareholders' general meeting. For the notice of a shareholders' general meeting, a circular for shareholders and relevant files issued to holders of H Shares by the Company, the Company may send only the English or the Chinese version of the notice of a shareholders' general meeting and relevant files in accordance with relevant process under the Stock Exchange Listing Rules and under the permission expressly given by the shareholders.

**Article 26** After issuance of the notice for shareholders' general meeting, the shareholders' general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall make an announcement giving reasons at least 2 working days before the original date when the meeting is convened. If there are any other requirements on the above matters under listing rules of the place where the Shares of the Company are listed, such requirements shall prevail.

**Article 27** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice, shall not invalidate the meeting and the resolutions passed at the meeting.

**CHAPTER 6 IDENTIFICATION AND REGISTRATION OF THE SHAREHOLDERS  
PRESENT AT THE SHAREHOLDERS' GENERAL MEETING**

**Article 28** All the shareholders listed in the register of shareholders on the shareholding record date or their proxies are entitled to attend the shareholders' general meeting, and exercise the voting rights according to relevant laws, regulations, normative documents, Stock Exchange Listing Rules and the Articles of Association. Neither the Company nor the convener may refuse it for any reason.

Shareholders may attend a shareholders' general meeting in person, or may entrust other persons as his proxies to attend and vote on his behalf.

**Article 29** An individual shareholder who attends the shareholders' general meeting in person shall present valid proof which can confirm his/her shareholder's identity. If a proxy is appointed to attend the meeting, in addition to presenting the proxy's identity card, the proxy shall also present the shareholder's identity proof together with the authorization letter from the shareholder.

If a shareholders' meeting of the Company is attended on behalf of a corporate shareholder by its legal representative or a person authorized by a resolution of its Board or other decision-making bodies, the Company has the right to request the representative to produce identity documents of the corporate shareholder and the representative, copies of the resolution or form of proxy of the Board or other governing bodies of the corporate shareholder to appoint such representative which are notarized, or certified and recognized by the Company.

If a shareholder is a recognized clearing house or its agent within the meaning of the relevant regulations imposed in Hong Kong from time to time, it may authorize one or more proxy(ies) as it thinks fit to act as its proxy(ies) at any shareholders' general meeting or class meeting of shareholders. However, if more than one proxy is appointed, the proxy form shall specify the number and class of shares represented by each of such proxies under the authorization, and signed by authorized proxies of recognized clearing house. Such authorized proxies may attend meeting on behalf of the recognized clearing house or its agent (without presentation of evidence of its shareholding, notarized authorization and/or any further proof demonstrating the duly granting of the same) and exercise the right of the recognized clearing house or their agent, as if they are the individual shareholders of the Company.

**Article 30** Any shareholder entitled to attend and vote at a shareholders' general meeting shall have the right to appoint one or more persons (such persons may not be shareholders) as his proxies to attend and vote on his behalf, and the proxies so appointed may exercise the following rights as specified in the Articles of Association.

**Article 31** The instrument appointing a proxy shall be in writing and signed by of the principal or his/her attorney authorized in writing; if the principal is a legal person, the document shall be affixed with the seal of the legal person or signed by its legal representative or the proxy authorized by a resolution of its Board or other decision-making bodies.

The instrument issued by a shareholder to authorize another person to attend the shareholders' general meeting shall include the contents as required in the Articles of Association.

**Article 32** The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting before 24 hours prior to the meeting at which the proxy is authorized to vote or before 24 hours prior to the specified time of the voting. Where the instrument is signed by another person authorized by the entrusting party, the authorization letter or other document authorizing the signatory shall be notarized. The notarized authorization letter or other authorizing document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting. The proxy attending a shareholder's general meeting on behalf of a shareholder shall produce his/her identity document and the form of proxy signed by the principal or its legal representative with the issue date.

**Article 33** Any form issued by the Board of the Company to its shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favor of or against each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting. The proxy form shall state that if the shareholder does not give specific instructions, the proxy shall vote at his/her own discretion.

**Article 34** Where the principal has deceased, incapacitated to act, withdrawn the appointment, withdrawn the authorisation to sign the appointment prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of instrument of proxy shall remain valid as long as the Company did not receive a written notice of the event before commencement of the relevant meeting.

**Article 35** The eligibility of the persons to attend the meeting shall be deemed invalid if relevant identity documents submitted by them are found of any of the following circumstances:

- (I) The identity documents of the principal or persons present at the meeting are forged, expired or altered;
- (II) The identity documents submitted by the principal or persons present at the meeting are unidentifiable;
- (III) When the same shareholder entrusts more than one person to attend the meeting, the specimen signature of the powers of attorney is obviously inconsistent;
- (IV) The power of attorney is not signed or stamped by the principal;
- (V) Relevant identity documents submitted by the principal or the persons present at the meeting on his/her behalf obviously violate relevant provisions of the laws, regulations and the Articles of Association.

**Article 36** The principal or his/her proxy shall assume corresponding legal consequences for the principal's or his/her proxy's ineligibility to attend the meeting because the principal authorizes unclearly or the certificate submitted by his or her proxy to prove the principal's legal identity or the entrustment relationship and other relevant documents fail to meet the provisions of the laws, regulations and the Articles of Association.

**Article 37** A registration record for attendants at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of attendants (or names of organizations), identity card numbers, residential addresses, the number of shares held or representing the voting rights and names (or name of organizations) of the proxies.

**Article 38** The convener and the lawyer engaged by the Company shall examine the legality of the shareholders' qualifications according to the register of members provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the shares held with voting rights.

## **CHAPTER 7 CONVENING OF THE SHAREHOLDERS' GENERAL MEETING**

**Article 39** A meeting venue shall be set for the shareholders' general meeting, which shall be convened by way of on-site meetings. The Company will provide conveniences for shareholders to attend the shareholders' general meeting online or by other means recognized or required by relevant regulatory bodies. A shareholder attending a shareholders' general meeting by the aforesaid means shall be deemed to have been present at the meeting.

**Article 40** If a shareholders' general meeting of the Company adopts the online method or other means, the voting time and voting procedures for the online meeting or other means of meeting shall be specified clearly in the notice of the shareholders' general meeting.

**Article 41** During the period when the shareholders' general meeting is held, the secretary to the Board shall be responsible for organizing the meeting, preparing documents and other matters related to the shareholders' general meeting.

**Article 42** The Board and any other convener shall take necessary steps to ensure the proper order of the shareholders' general meeting. Except for the shareholders (or their proxies) attending the meeting, Directors, Supervisors, senior management and persons invited by the Board, the Company has the right to refuse the admission of other persons according to law. The Company shall take steps to stop any act disturbing the shareholders' general meeting, seeking trouble or infringing upon the legitimate rights of shareholders, and shall report such act to relevant departments for investigation and treatment.



---

---

The chairman of the meeting may require the following persons to leave the meeting venue:

- (I) Those ineligible to attend the meeting;
- (II) Those who violate laws, regulations and the Articles of Association, disturb the normal order of the meeting venue and still do so even after dissuasion.

If the above-mentioned persons refuse to obey the order, the chairman of the meeting may ask the staff member to compel them to leave the meeting venue, and if necessary, he may ask the public security organ for help.

**Article 43** All Directors, Supervisors and the secretary to the Board shall be present at shareholders' general meetings, and the president and other senior management members shall be in attendance at such meetings. The Directors, Supervisors and senior management members shall make explanation and interpretation on the inquiry and suggestions of the shareholders at the shareholders' general meeting.

At the annual general meeting, the Board and the Supervisory Committee shall make report on their works in the past year at the general meeting. Each independent non-executive Director shall also make work report.

**Article 44** The shareholder's general meeting shall be chaired by the chairman of the Board. If the chairman is unable to or refuses to perform its duties, the vice chairman shall serve as the chairman of the meeting. If both the chairman and the vice chairman are unable to attend the meeting, a Director shall be elected as the chairman of the meeting by a majority of Directors. If the Board fails to elect a chairman of the meeting, a person may be elected as the chairman of the meeting by shareholders present at the meeting; if shareholders are unable to elect the chairman for any reason, the shareholder (including its proxy) with the largest number of shares shall serve as the chairman of the meeting.

If a shareholders' general meeting is convened by the Supervisory Committee itself, the chairman of the Supervisory Committee shall preside over the meeting. If the chairman of the Supervisory Committee is unable to or fails to discharge his/her duty, the meeting shall be presided over by a Supervisor elected by more than one half of the Supervisors.

If a shareholders' general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.



**Article 45** At a shareholders' general meeting, if the chairman of the meeting contravenes the Rules of Procedure set forth herein, making the meeting impossible to proceed, with consent from more than one half of the attending shareholders with voting rights, the shareholders may nominate one person to serve as the chairman and continue with the meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

**Article 46** The chairman of the meeting shall, prior to voting, declare the number of attending shareholders and their proxies as well as the total number of their voting shares, and the number of attending shareholders and their proxies and the total number of their voting shares shall be subject to registration of the shareholders' general meeting.

### **CHAPTER 8 DELIBERATION OF MATTERS AT THE MEETING**

**Article 47** As presided over by the chairman of the meeting, matters and proposals listed in the agenda shall be deliberated in sequence item by item. When necessary, relevant proposals may be discussed together. As for contents listed in the agenda of the meeting, the chairman of the meeting may adopt the methods of first reporting, centralized deliberation, cumulative voting according to actual circumstances, or may use the method of reporting, deliberating and voting item by item for the complicated matters. Reasonable time shall be given to each matter at the shareholders' general meeting.

**Article 48** At the annual shareholders' general meeting, the Board of Directors and the Supervisory Committee shall make a report on their work in the past year to the shareholders' general meeting.

**Article 49** The chairman of the meeting or the staff he dispatches shall make necessary instructions to various matters to be discussed or distribute necessary documents.

**Article 50** When deliberating any matters at the meeting, a shareholder or his/her proxy shall make a concise statement of his or her point of view, and raise inquiries concerning the problem which is not clearly described by the reporter and which therefore affects his/her judgment and voting. In that case, the shareholder may require the reporter make corresponding explanations and instructions.

**Article 51** The Directors, Supervisors and senior management shall make explanation and interpretation on the inquiries of the shareholders. There are no limited time and frequency for the shareholder inquiries. In any of the following circumstances, the chairman of the meeting may refuse to respond to the inquiries, but shall explain reasons to the inquirer:

- (I) The inquiry has nothing to do with the matter to be discussed;
- (II) The response to the inquiry will reveal the Company's business secrets or significantly damage the common interests of the Company or shareholders;
- (III) Other important reasons.

**Article 52** When a proposal is being discussed at the shareholders' general meeting of the Company, the chairman of the meeting may decide to terminate the discussion as the case may be.

## **CHAPTER 9 VOTING AT SHAREHOLDERS' GENERAL MEETINGS**

**Article 53** Shareholders (including their proxies) shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.

When the shareholders' general meeting considers matters that could materially affect the interest of middle and small investors, the votes by middle and small investors shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.

Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.

**Article 54** Subject to and conditional upon compliance with applicable laws, regulations and/or requirements of the listing rules of the place(s) in which the shares of the Company are listed, the Board, independent non-executive Directors and other shareholders who qualify with relevant specified conditions or investors protection institutes established in accordance with laws, administrative regulations or rules of the securities regulatory authorities under the State Council may solicit for the voting shares from shareholders, publicly request the shareholders of the Company to appoint him/her as their proxies to attend the shareholders' general meeting and to exercise the right of submitting proposals, the voting right and other shareholders' rights on their behalf by himself/herself or by appointing securities companies and securities service institutes. Where it solicits for rights of shareholders in accordance with the preceding

**Article 56** When relevant related party transactions are considered at a shareholders' general meeting, the related shareholders shall not participate in the voting if so specified in applicable laws, regulations or listing rules of the place(s) in which the shares of the Company are listed. His/her shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the general meeting shall fully disclose the voting results of the non-related shareholders. Provisions otherwise provided by applicable laws, administrative regulations, departmental rules or listing rules of the place(s) in which the shares of the Company are listed shall prevail.

Before any related party transaction is considered at a shareholders' general meeting, the secretary to the Board shall determine the scope of related shareholders in accordance with relevant laws, regulations, Stock Exchange Listing Rules and normative documents. When it is difficult to judge whether they belong to related shareholders or not, the secretary to the Board shall consult with the professional intermediary agency retained by the Company for confirmation. The secretary to the Board shall send the list of related shareholders to the chairman of the meeting prior to the meeting, while the chairman of the meeting shall announce the related shareholders abstaining from voting when discussing the related party transactions.

Related shareholders or their authorized representatives may attend the shareholders' general meeting, and may clarify their points of view to the attending shareholders in accordance with procedures of the meeting, but they shall take the initiative to abstain from voting; if the related shareholders don't take the initiative to abstain from voting, other shareholders present at the meeting or the chairman of the meeting shall have the right to require them abstain from voting. After the related shareholders abstain from voting, other shareholders shall vote according to the voting rights they hold.

Abstaining and voting procedures of the related shareholders shall be recorded in the minutes.

**Article 57** Resolutions on procedures for the shareholders' general meeting or administrative matters shall be voted on by a show of hands at the shareholders' general meeting, unless otherwise stipulated by the Stock Exchange Listing Rules or unless as required

**Article 58** A voting right can only be exercised by either on-site voting, online voting or other voting method. If a voting right is exercised repeatedly, only the first exercise of the voting right is recognized.

**Article 59** In case of voting by ballot, a shareholder (including his/her proxy) entitled to two or more votes needs not to cast all votes for or against a resolution in the same way.

**Article 60** When the number of votes for and against a resolution is equal, regardless of voting by a show of hands or by ballot, the chairman of the meeting shall be entitled to one additional vote.

**Article 61** The list of candidates for Directors and Supervisors shall be proposed in writing at a general meeting for voting.

When the general meeting votes for election of Directors or Supervisors and where a single shareholder and parties acting in concert with him hold equity interests of 30% or above, the cumulative voting system shall be adopted.

The cumulative voting system as mentioned in the preceding paragraph means that each share shall have the same voting right as the number of Directors or Supervisors to be elected, and the voting right held by the shareholders may be used collectively when the Directors or Supervisors are elected at the general meeting.

If Directors will be elected by cumulative voting at the shareholders' general meeting, the voting of independent non-executive Directors and non-executive Directors shall be conducted separately.

**Article 62** Except for the cumulative voting mechanism, all resolutions shall be voted at the shareholders' general meeting item by item, and shall be voted in the sequence according to the time of proposal when various proposals are put forward concerning the same issue. Except under special circumstances such as force majeure which leads to the suspension or inability to pass resolutions at a shareholders' general meeting, proposals shall not be set aside or rejected for voting at the shareholders' general meeting.

**Article 63** No amendment shall be proposed to a proposal when it is being considered at a shareholders' general meeting. Otherwise, the relevant amendment shall be regarded as a new proposal and shall not be put forward for voting at that shareholders' general meeting.

**Article 64** Where any shareholder is, under the Stock Exchange Listing Rules, required to abstain from voting for any resolution or restricted to voting only for or only against it, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted in the total number of voting shares.

**Article 65** Shareholders who attend the shareholders' general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain.

Any unfilled, improperly filled or poorly handwritten votes or votes that are not cast shall be considered as abstentions from voting by the shareholders. Its respective shares shall be counted as "abstentions" in the voting results.

**Article 66** When the shareholders are ordered to leave the meeting venue due to their violation of relevant laws, regulations, normative documents, the Articles of Association and disciplines of the shareholders' general meeting as stipulated in these Rules, the shares with voting rights which they hold shall not be counted in the total number of valid votes for this meeting.

**Article 67** The shareholder's rights (including but not limited to voting rights) exercised by those that are not legally and validly eligible to attend the meeting shall be deemed invalid, and the shares with voting rights which they hold or represent shall not be counted in the total number of valid votes for this meeting.

**Article 68** Before voting takes place on a proposal at a shareholders' general meeting, two shareholders' representatives shall be elected to participate in vote counting and scrutinizing. In the event that a shareholder has an interest in a matter to be considered, the relevant shareholder and his proxy shall not participate in the vote counting and scrutinizing.

When voting takes place on a proposal at a shareholders' general meeting, lawyers and representatives of shareholders and Supervisors shall be jointly responsible for vote counting and scrutinizing, and shall announce the voting results on the spot. The voting results of resolutions shall be recorded in the minutes.

Shareholders of the Company or their proxies who cast their votes through the network or by other methods shall have the right to inspect their own voting results through an appropriate voting system.

**Article 69** The voting result, upon completion of statistics, shall be reported to the chairman of the meeting. If the chairman of the meeting has any doubt about the voting result of a resolution, he may arrange the recounting of the votes; If the chairman of the meeting does not arrange the votes counting, a shareholder or proxy attending the meeting who dissents from the result announced by the chairman of the meeting shall be entitled to request the votes counting immediately after the announcement of the voting result, in which case the chairman of the meeting shall immediately arrange the votes counting.

**Article 70** The Board of the Company shall make explanations to the shareholders' general meeting on the nonstandard audit opinions of certified public accountants for the financial statements of the Company.

**CHAPTER 10 RESOLUTIONS OF THE SHAREHOLDERS' GENERAL MEETING**

**Article 71** Resolutions of shareholders' general meetings shall take the form of ordinary resolutions or special resolutions.

**Article 72** An ordinary resolution at a shareholders' general meeting shall be passed by more than half of the voting rights held by shareholders (including their proxies) attending the shareholders' general meeting.

A special resolution at a shareholders' general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the shareholders' general meeting.

**Article 73** Resolutions on related party transactions made at the shareholders' general meeting shall be valid only after being passed by more than half of the voting rights held by the non-related shareholders present at the shareholders' general meeting. However, if the related party transaction involves any issue that needs to be adopted by a special resolution in accordance with the Articles of Association, the resolution at the shareholders' general meeting shall be valid only after being passed by more than two-thirds of the voting rights held by the non-related shareholders present at the shareholders' general meeting.

**Article 74** Matters to be resolved shall be passed by ordinary resolutions or special resolutions at the shareholders' general meeting according to the classification in the Articles of Association.

**Article 75** An on-site shareholders' general meeting shall not end earlier than the one held online or by other methods. The chairman of the meeting shall announce details and results of the voting on each proposal, and announce whether a proposal is passed according to the voting results.

Before the formal announcement of voting results, the Company, vote counter, vote scrutineer, substantial shareholders and other related parties involved shall be under a confidentiality obligation for the details of the voting.

**Article 76** A resolution of the shareholders' general meeting will be formed after a proposal is passed. The contents of the resolutions shall comply with relevant provisions of the laws, regulations and the Articles of Association. Directors attending the meetings shall ensure the truthfulness, accuracy, and completeness of the contents of the resolutions, and must not use statements that are likely to cause ambiguity.

**Article 77** Resolutions of the shareholders' general meeting shall be announced at a timely manner. The announcement shall specify the content as required under the laws, regulations and regulatory rules of the place where the shares of the Company are listed, including but not limited to the total number of shares of holders eligible for attending and voting in respect of the resolutions at the meeting, the total number of shares of holders eligible

for attending the meeting but required to abstain from voting for the resolutions, the total number of shares of holders required to abstain from voting and the total number of shares of holders actually voting for and against the resolutions.

**Article 78** The convener shall ensure the shareholders' general meeting can be conducted continuously until final resolutions are made. If the shareholders' general meeting is suspended or resolutions cannot be made because of force majeure or other special circumstances, the convener shall take necessary measures to resume the meeting or directly terminate that meeting immediately followed by a timely public announcement. Meanwhile, the convener shall report to the CSRC branches in the place where the Company is domiciled and the Shenzhen Stock Exchange.

#### **CHAPTER 11 MINUTES OF THE SHAREHOLDERS' GENERAL MEETING**

**Article 79** Minutes shall be kept at the shareholders' general meeting. The secretary to the Board shall be responsible for the minutes. The Directors present at the meeting and the chairman of the meeting shall sign the minutes of the meeting.

**Article 80** The minutes of the shareholders' general meeting shall state the following contents:

- (I) Time, venue and agenda of the meeting and name or title of the convener;
- (II) The name of the chairman of the meeting and the names of the Directors, Supervisors, the secretary to the Board, president and other senior management attending or present at the meeting;
- (III) The number of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of the voting shares held by them to the total number of shares of the Company;
- (IV) The process of review and discussion, summary of any speech and voting results of each proposal;
- (V) Shareholders' inquiries, opinions or suggestions and corresponding answers or explanations;
- (VI) Name of the lawyers and the vote counter and scrutineer(s);
- (VII) Other contents to be included as specified in the Articles of Association.

**Article 81** The convener shall warrant that the contents of the minutes are true, accurate and complete. The Directors, Supervisors, secretary of the Board, convener or their representatives and the chairman of the meeting shall sign the minutes. The minutes shall be kept together with the signature register of shareholders attending the meeting in person and proxy forms and valid materials relating to voting through internet or otherwise for a period of not less than 10 years.

## **CHAPTER 12 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS**

**Article 82** Shareholders who hold different classes of shares shall be class shareholders.

Class shareholders shall enjoy rights and undertake obligations in accordance with the laws, administrative regulations and the Articles of Association.

Where the Company issues preferred shares, it shall ensure holders of preferred shares have sufficient voting rights.

Where the share capital of the Company includes shares which do not carry voting rights, the words “no voting rights” must appear in the designation of such shares.

Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words “restricted voting rights” or “limited voting rights”.

**Article 83** The Company shall not proceed to change or abrogate the class shareholders’ rights unless such change or abrogation has been approved by way of a special resolution at the shareholders’ general meeting and at a separate shareholders’ general meeting by the class shareholders so affected in accordance with the Articles of Association.

**Article 84** The conditions in which the rights of shareholders of a certain class shall be deemed to have been changed or abrogated are set out in relevant requirements under the Articles of Association.

**Article 85** In accordance with relevant requirements under the Articles of Association, class shareholders so affected, whether or not having the right to vote at the shareholders’ general meeting, shall have the rights to vote at class shareholders’ meetings, except that interested shareholders do not have rights to vote at class shareholders’ meetings.

The meanings of the term “interested shareholders” in the preceding paragraph are set out in relevant requirements under the Articles of Association.

**Article 86** Resolutions of a class shareholders’ meeting may be passed only by shareholders attending the class shareholders’ meetings who represent more than two-thirds of the voting rights in accordance with Article 85.



The quorum required for any class shareholders' meeting (excluding the adjournment thereof) to be convened for the purposes of changing or revoking the rights of any class shareholders must be at least one third of the holders of the issued shares of such class.

**Article 87** For convening a class shareholders' meeting of the Company, a written notice indicating the matters to be considered at the meeting, the date and place of the meeting shall be given to all registered shareholders of such class, pursuant to the notice period requirements specified in Article 21 of the Rules in relation to convening a shareholder's general meeting.

**Article 88** The notice of the class shareholders' meeting shall be delivered only to the shareholders entitled to voting thereat.

The procedures of a class shareholders' meeting shall, to the extent possible, be identical with the procedures of a shareholders' general meeting. The provisions of the Articles of Association in relation to the procedures for the holding of a shareholders' general meeting shall be applicable to a class shareholders' meeting.

**Article 89** In addition to the holders of other classes of shares, holders of Domestic Shares are deemed to be different class shareholders with holders of overseas-listed foreign shares.

The special procedures for voting of class shareholders shall not apply under the following circumstances: (I) where the Company issues Domestic Shares and overseas-listed foreign shares, upon approval in the form of a special resolution by its shareholders at a shareholders' general meeting, either separately or concurrently, once every 12 months and the number of each of the Domestic Shares and overseas-listed foreign shares to be issued is not more than 20% of the respective issued shares of such class; (II) where the Company's plan to issue Domestic Shares and overseas-listed foreign shares upon its incorporation is implemented within 15 months from the date of approval by the CSRC; (III) upon approval by the CSRC, unlisted shares of the Company may be converted into foreign shares for listing and trading on an overseas stock exchange.

### CHAPTER 13 ADJOURNMENT AND TERMINATION

**Article 90** The chairman of the meeting is entitled to announce the adjournment of the meeting according to the agenda and time schedule. The chairman of the meeting may also announce the adjournment of the meeting when deemed necessary.

**Article 91** The chairman of the meeting shall announce the voting result of all proposals at the shareholders' general meeting and may announce termination of the meeting only when no shareholder has any objection.

**CHAPTER 14 IMPLEMENTATION OF RESOLUTIONS OF THE SHAREHOLDERS' GENERAL MEETING**

**Article 92** The Board shall be responsible for implementing the resolutions adopted at a shareholders' general meeting, and according to the content of resolutions, the president of the Company will organize relevant staff to take charge of specific implementation thereof; where any matter needs to be handled by the Supervisory Committee as required by the resolution of the shareholders' general meeting, the Supervisory Committee shall directly organize their implementation.

**Article 93** Where a proposal on election of Directors or Supervisors is passed at the shareholder's general meeting, unless otherwise required by the laws, regulations and regulatory rules applicable to the place where the Company's shares are listed and the Articles of Association, the term of office of a new Director or Supervisor shall commence on the date on which resolutions of the shareholders' general meeting are approved.

**Article 94** If a shareholders' general meeting approves any proposal for distribution of cash or stock dividends, or capitalization of capital reserves, the Company shall implement a specific plan within two months after the conclusion of the shareholders' general meeting.

**Article 95** Any content of a resolution approved at the shareholders' general meeting of the Company will be invalid if it violates the laws and administrative regulations.

If the procedures for convening a shareholders' general meeting or the voting methods violate the laws, administrative regulations and the Articles of Association or the contents of any resolution violate the Articles of Association, the shareholders may request the competent people's court to withdraw it within 60 days from the date when such resolution is made.

**Article 96** The president shall report the implementation progress of the resolutions of the shareholders' general meeting to the Board, and the Board will further report it to the next shareholders' general meeting; for matters involving the implementation of the Supervisory Committee, the Supervisory Committee shall report directly to the shareholders' general meeting, and the Supervisory Committee may also inform the Board first if deemed necessary.

**CHAPTER 15 AUTHORIZATION OF THE SHAREHOLDERS' GENERAL MEETING TO THE BOARD**

**Article 97** The Board shall establish strict review and decision-making procedures for non-daily business operations and transactions such as foreign investment, purchase and sale of assets (excluding the purchase or sale of assets related to daily operations), entrusted financial management, asset mortgage, etc.; the Board shall organize relevant experts and professionals to evaluate any major investment projects and report to the shareholders' general meeting for approval.

**Article 98** Except for those guarantees that should be submitted to the shareholders' general meeting for consideration as stipulated in these Rules, other external guarantees of the Company shall be approved by the Board as authorized by the shareholders' general meeting.

**Article 99** Except for the matters specified in Articles 97 and Article 98 of the Rules, the authorization granted by the shareholder's general meeting to the Board shall comply with the following principles:

- (I) The authorization shall be made by way of resolution of the shareholder's general meeting;
- (II) Authorizations, permissions and contents shall be defined, specific and feasible;
- (III) The Board shall not be authorized to determine its term of reference or scope of authority.

#### **CHAPTER 16 SUPPLEMENTARY PROVISIONS**

**Article 100** The terms "above" and "within" as mentioned in these Rules are inclusive while "over", "exceeding" and "more than" are exclusive.

**Article 101** The Rules shall take effect from the date of the initial public offering of the A Shares of the Company in the People's Republic of China and when they are listed and commence dealings on the ChiNext Market of Shenzhen Stock Exchange when it is considered and passed at a shareholders' general meeting of the Company.

**Article 102** These Rules shall be interpreted by the Board.

**Article 103** Should there be discrepancy between any matters uncovered in these Rules and relevant laws and regulations, relevant provisions of regulatory bodies and the Articles of Association, relevant laws and regulations, relevant provisions of regulatory bodies and the Articles of Association shall prevail.

CIMC Vehicles (Group) Co., Ltd.

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to further regulate the discussion methods and decision-making procedures of the Company, facilitate the Directors and the Board of Directors to effectively perform their duties and improve the standard operation and scientific decision-making level of the Board, the Company formulates these rules of procedure in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies Listed Overseas, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (including relevant appendices, hereinafter referred to as the "Stock Exchange Listing Rules"), the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (hereinafter referred to as the "ChiNext Market Listing Rules") and other relevant laws, regulations, regulatory documents and the Articles of Association of CIMC Vehicles (Group) Co., Ltd. (which will be applicable after the listing of H Shares, hereinafter referred to as the "Articles of Association").

**Article 2** The Board shall abide by the national laws, regulations, normative documents as well as the Stock Exchange Listing Rules, the ChiNext Market Listing Rules, the Articles of Association and the Rules in decision-making; equally treat all shareholders, follow the code of conduct on safeguarding the legitimate interests of the Company and all shareholders, and honestly and diligently perform their own duties.

**Article 3** A Director must not use the inside information learned from his work or decision-making activities to seek benefits for himself or others. The participants of the Board meeting shall abide by the principle of confidentiality, and no one shall disclose any confidential content of the Board meeting before the resolution of the Board is publicly disclosed according to law. The announcement and implementation of the resolution of the Board shall follow the prescribed procedures.

**Article 4** The Board of the Company is responsible to the shareholders' general meeting and shall exercise its powers in accordance with the Company Law and the Articles of Association and within the authority granted by the shareholders' general meeting.

**CHAPTER 2 COMPOSITION AND POWERS OF THE BOARD**

**Article 5** The Board consists of 9 Directors, including 3 independent non-executive Directors, accounting for no less than 1/3 of the quorum. The Board shall have a chairman and a vice chairman.

**Article 6** The Board shall exercise its powers to the extent as provided by the Articles of Association according to law.

**Article 7** The Board shall establish strict review and decision-making procedures for foreign investment, purchase and sale of assets, asset mortgage, external guarantee, entrusted financial management and related transactions; the Board shall organize relevant experts and professionals to evaluate any major events and report to the shareholders' general meeting for approval.

**CHAPTER 3 ORGANIZATIONAL STRUCTURE OF THE BOARD**

**Article 8** The Board of Directors shall have the office of the Board to handle the daily affairs of the Board. The Company shall have a secretary to the Board, responsible for making preparations for the shareholders' general meeting and the Board meeting of the Company, keeping the documents and managing the shareholders' materials of the Company. The secretary to the Board shall hold a concurrent post as head of the office of the Board and keep the seals of the Board and the office of the Board. The secretary to the Board may appoint relevant personnel to help him deal with the daily affairs.

**Article 9** The Board shall set up an audit committee, a remuneration committee, a nomination committee and other special committees. All members of the committees shall be Directors, among which, the audit committee must have at least three members, and all members shall be non-executive Directors, of whom the majority shall be independent non-executive Directors. At least one of these independent non-executive Directors shall be an independent non-executive Director with the proper qualification as required by the Stock Exchange Listing Rules, the ChiNext Market Listing Rules, or appropriate accounting or related financial management expertise. The chairman of the audit committee must be an independent non-executive Director. The majority of the members of the remuneration committee shall be independent non-executive Directors. The chairman of the remuneration committee must be an independent non-executive Director. The majority of the members of the nomination committee shall be independent non-executive Directors. The chairman of the nomination committee must be the chairman of the Board or an independent non-executive Director.

**Article 10** The Board may have a strategy and investment committee, which is mainly responsible for analyzing long-term development strategies and significant investment decisions of the Company, and providing suggestions.

**Article 11** The audit committee, remuneration committee and nomination committee shall exercise their respective powers to the extent as provided by the Articles of Association according to law.

**Article 12** Each special committee may engage intermediary agency to provide professional advices at the expense of the Company.

**Article 13** The Board formulates the rules of procedure for the aforesaid special committees. Each special committee shall be a specialized working mechanism of the Board. Each special committee shall be responsible to the Board and the proposals of each special committee shall be submitted to the Board for review and approval.

#### CHAPTER 4 CONVENING OF THE MEETINGS OF THE BOARD

**Article 14** Board meetings shall be in the form of either regular meetings or extraordinary meetings.

**Article 15** Meetings of the Board shall be convened by the chairman at least four (4) times a year at an interval of approximately once a quarter. A written notice of the meeting of the Board shall be delivered to all Directors and Supervisors 14 days prior to the meeting. Before issuing a notice to convene regular meetings of the Board, the office of the Board shall solicit the views of all Directors adequately to form an initial meeting proposal to be submitted to the chairman for preparation.

In preparing proposals, the chairman shall, if necessary, seek the views of the president and other senior management members.

The chairman of the Board, the Directors who have been consulted for advices, the president and other senior management shall strictly perform their confidentiality obligations for inside information.

**Article 16** Under the circumstances stipulated in the Articles of Association, the chairman of the Board shall convene and preside over extraordinary meetings within 10 days.

**Article 17** If an extraordinary meeting is to be held in accordance with the proposals in the preceding article, a written proposal signed (or sealed) by the proposer shall be submitted to the chairman directly or through the office of the Board. Such written proposal shall contain the following items:

- (I) the name of the proposer;
- (II) the reasons or the objective matters such proposal is based on;
- (III) the time or time limit, place and manner of the proposed meeting;

(IV) specific and detailed proposals;

(V) the contact information of the proposer and the proposed date, etc..

The content of the proposal shall be the matters within the terms of reference of the Board as provided in the Articles of Association. Related materials should be submitted together with the proposal.

The office of the Board shall forward the written proposal and related materials to the chairman at the same date upon the receipt. If the chairman believes that the proposal is not specific, detailed or related materials are not sufficient, the chairman may request the proposer's modification or supplement.

The chairman shall, within 10 days after receiving the proposal or the requirement from the securities regulatory administration, convene and preside over the meeting of the Board.

**Article 18** The meetings of the Board shall be convened and presided over by the chairman. In case the chairman of the Board cannot or fails to perform his duties, the vice chairman of the Board can be appointed by the chairman of the Board to perform his duties on behalf; in case both of the chairman and the vice chairman of the Board cannot or fails to perform its duties, one Director may be elected jointly by over half Directors to perform the duties of the chairman of the Board on behalf.

#### CHAPTER 5 NOTICE OF THE BOARD MEETING

**Article 19** For convening the regular meetings and extraordinary meetings, the office of the Board shall send, 14 days and 3 days in advance respectively, the written notices of meetings affixed with the seal of the office of the Board to all Directors, Supervisors, the president and the secretary to the Board by personal delivery, registered mail or fax. The notices which are not delivered by special person shall be confirmed additionally by telephone.

If the situation is urgent so that an extraordinary meeting of the Board needs to be convened as soon as possible, a notice of the meeting may be sent at any time by telephone or by other oral means.

**Article 20** The written notice of the meeting shall consist of at least the following:

- (I) date and venue of the meeting (including the manner of holding the meeting);
- (II) period of the meeting;
- (III) causes and issues of discussion;
- (IV) date of issuance of notice.

The oral notice of a Board meeting shall, at least, include item (I) and (III) in the preceding paragraph and an explanation as to the necessity for holding as soon as possible an extraordinary Board meeting.

**Article 21** After issuing the written notice of the regular meetings of the Board, if there is any need to change the time, venue or other matters of the meeting, or to add, change or cancel a meeting proposal, a written notice of such change should be issued 3 days prior to the date of the original meeting to explain the situation and the contents of the new proposal and related materials. If less than 3 days are left, the meeting shall be postponed accordingly or be convened as scheduled with approval from all the participating Directors.

After issuing the notice of an extraordinary meeting of the Board, if there is any need to change the time, place or other matters of the meeting or to add, change, cancel a meeting proposal, a prior written consent of all the participating Directors shall be obtained and well documented.

**Article 22** All the agendas and documents of the regular meetings of the Board shall be submitted to all Directors timely, and shall be sent out at least three days (or other time as agreed) before the date of the scheduled meeting of the Board or its special committees. All other meetings of the Board shall also adopt the above arrangements where feasible.

**Article 23** All Directors shall have the right to review the documents and related information of the Board. The form and quality of such documents and related information shall be sufficient to enable the Board to make informed and well-founded decisions on matters submitted to the Board for discussion. The Company must respond as quickly and comprehensively as possible to the questions raised by the Directors.

## **CHAPTER 6 CONVENING OF AND THE VOTING AT THE MEETINGS OF THE BOARD**

**Article 24** Unless otherwise provided by the Articles of Association, the Board meeting shall not be held unless more than one half of the Directors are present. Each Director shall have one vote.

When the number of votes cast for and against a resolution equals, the chairman of the Board shall have a casting vote.

Supervisors may be present at the Board meetings. If the president and the secretary to the Board do not concurrently serve as Directors, they shall also be present at the meeting. If the chairman of the meeting considers necessary, he/she may notify other relevant persons to be present at the meeting.

**Article 25** If any Director has connection with the entity involved in the resolution of a meeting of the Board, or the resolution has connection with the contract, arrangement or any other suggestions in which the Director or any of his/her parties (“associates” as defined in the



Stock Exchange Listing Rule or “related parties” as defined in the ChiNext Market Listing Rules) are substantially interested, such Director shall abstain from voting on the resolution and shall not vote on behalf of other Directors. When determining whether the quorum is reached, such Directors shall not be counted. The meeting of the Board may be held when more than half of the non-connected Directors attend the meeting.

**Article 26** Resolutions at the Broad meetings may be voted on by a show of hands or by open ballot.

On the premise of ensuring the Directors to fully express their opinions, resolutions at the extraordinary meetings of the Board may be voted on and adopted by means of communication, which shall be signed by the participating Directors. Directors voting by means of communication shall add their signatures afterwards and indicate the date of such signing.

**Article 27** The Directors shall attend the Board meetings personally. If the Directors fail to or are unable to attend a meeting for certain reasons, they may entrust other Directors in writing to attend the meeting on their behalf. The power of attorney shall specify the name of the proxy, matters to be entrusted, scope of authority and duration of validity, which shall be signed or sealed by the principal.

**Article 28** If other Directors are entrusted to sign a written confirmation for periodic reports as the representative, special authorization shall be contained in the power of attorney.

The entrusted Directors shall submit the written power of attorney to the chairman of the meeting and state the entrusted attendance on the attendance book of the meeting.

The appointed Director who attends the meeting shall exercise a Director’s duties as authorized. If a Director fails to attend a meeting of the Board in person and fails to appoint a representative to attend the meeting, he shall be deemed to have waived his/her voting rights at the meeting.

**Article 29** Attendance of a meeting of the Board by proxies shall be compliance with the following principles:

- (I) In considering the connected transactions, unconnected Directors shall not entrust connected Directors to attend the meeting on behalf of them and the connected Directors shall not accept such entrustment;
- (II) Directors shall not grant full authorization to and entrust other Directors to attend the meeting without explaining their views and voting intention on the proposal and such other Directors shall not accept such full authorisation and unclear entrustment;
- (III) A Director shall not accept the entrustment of more than two Directors, and a Director shall also not entrust any Director who has already accepted the entrustment of two other Directors.

**Article 30** The Board meetings shall follow the principle of on-site convening. On the premise of ensuring the Directors to fully express their opinions, the Board meetings may, if necessary, be convened by voting via video, telephone, fax or e-mail with the consent of the convener (chairman of the meeting) or the proposer. The Board meetings may also be held by the on-site method and by other means at the same time.

If a meeting is not convened on site, the number of participating Directors shall be calculated according to the Directors on site as shown in the video, the Directors expressing opinions at the teleconference, the valid votes actually received by fax or e-mail within the prescribed time limit, or the written confirmation letters of having attended the meeting as submitted by the Directors afterwards.

**Article 31** The chairman of the meeting shall advise the Directors attending the meeting to express clear opinions on each proposal.

A Director who hinders the normal process of the meeting or affects the speech by other Directors shall be promptly stopped by the chairman of the meeting.

Unless the unanimous consent of all Directors attending the meeting is obtained, the meeting of the Board shall not vote on proposals not included in the notice of the meeting. The Directors who are entrusted by other Directors to attend the meeting on their behalf shall not vote on proposals not included in the notice of the meeting on behalf of such other Directors.

**Article 32** The Directors shall read relevant meeting materials carefully and express their opinions independently and prudently on the basis of knowing the circumstances well.

The Directors may access the information for decision-making from the office of the Board, the meeting convener, the president and other senior management, the special committees, the accounting firm, the law firm and other relevant personnel and agencies before the meeting and may also advise the chairman of the meeting to invite the above personnel and agencies to attend the meeting and explain related circumstances during the meeting.

**Article 33** When each proposal is fully discussed, the chairman shall propose to the attending Directors to vote in due course.

Each Director shall have one vote at the meeting. Three options in form of for, against and

**Article 34** After the participating Directors finish voting, relevant personnel of the office of the Board shall collect the vote tickets of the Directors timely and submit them to the secretary to the Board for statistics under the supervision of a Supervisor.

The chairman of the meeting shall announce the statistic result on the spot for on-site meetings. Under other circumstances, the chairman of the meeting shall ask the secretary to the Board to inform the Directors of the voting result before next workday after the end of specified time limit of voting.

The votes by the Directors after the chairman of the meeting announces the voting result or after the end of specified time limit of voting shall not be considered for statistics.

**Article 35** Unless it is otherwise provided in the Rules, adoption of or resolution on any proposal shall be subject to approval of more than half of all the Directors. Where the relevant laws, administrative regulations, the Stock Exchange Listing Rules, the ChiNext Market Listing Rules and the Articles of Association have any provisions on approval of more Directors, such provisions shall apply.

Any resolution made by the Board on any guarantee within its scope of authority shall be subject to the approval of more than two thirds of all the Directors.

The contradictory contents and meanings of different resolutions shall be subject to the ones adopted later.

**Article 36** In any of the following circumstances, the Directors shall abstain from voting on the relevant proposals:

- (I) Where the Stock Exchange Listing Rules and the ChiNext Market Listing Rules provide that the Directors shall abstain from voting;
- (II) Where the Directors themselves consider that they shall abstain from voting;
- (III) Where the Articles of Association provide that the Directors shall abstain from voting as a result of their connected relationship with the enterprises involved in the proposals.

Where any Director is required to abstain from voting, the relevant meeting of the Board may be held when more than half of the uninterested Directors attend the meeting, and the resolutions formed shall be passed by more than half of the uninterested Directors. If the number of uninterested attending Directors is less than 3, the relevant proposal shall not be voted on but shall be submitted to the shareholders' general meeting for deliberation.

**Article 37** The Board shall act in strict accordance with the authorizations by the shareholders' general meeting and the Articles of Association and shall be forbidden to form resolutions by ultra vires.

**Article 38** For the unapproved proposal, the Board meetings shall not review the proposal with the same contents within one month again without the occurrence of material changes in relevant conditions and factors.

**Article 39** If more than half of the participating Directors deem that the proposal is unclear and unspecific or they are unable to judge related matters due to inadequate meeting materials and other reasons, the chairman of the meeting shall require the meeting to postpone the voting on such proposal.

The Director who advises postponing the voting shall put forward clear requirements on the conditions for resubmitting such proposal for review.

### **CHAPTER 7 MINUTES OF THE BOARD MEETING AND ANNOUNCEMENT OF RESOLUTIONS**

**Article 40** Full voice recording may be made optionally for the on-site meetings of the Board and the meetings convened in the forms of video, telephone and so on.

**Article 41** The Board shall keep minutes of the matters discussed in the meeting. The attending Directors and the person taking the minutes shall sign the minutes of the meeting. The attending Directors are entitled to request that an explanatory record of their comments made at the meetings be noted in the minutes. Minutes of meeting of the Board shall be maintained as company files by the secretary of the Board.

**Article 42** The secretary to the Board shall arrange the office staff of the Board to keep minutes for the Board meetings. The meeting minutes should include the information stipulated in the Articles of Association.

In terms of the meeting minutes of the Board and the committees under the Board, sufficient and detailed records shall be kept for matters considered and decisions made at the meeting, which shall include any doubt raised by the Directors or any dissenting opinion expressed by the Directors. The first draft and final draft of the minutes shall be sent to all Directors within a reasonable period of time after the meeting, where the first draft shall be used by the Directors for their comments and the final draft for their record.

The Directors shall sign and be responsible for the resolutions of the Board. Where a resolution of the Board is in violation of laws, regulations, or the Articles of Association, thereby causing losses to the Company, the Directors who took part in the resolution shall be liable to the Company for damages. However, where a Director can prove that he/she expressed his/her opposition to such resolution when such resolution was put to the vote, and that such opposition was recorded in the minutes of the meeting, the Director shall be relieved from such liability.

**Article 43** Besides the minutes of meeting, the secretary to the Board may also arrange the office staff of the Board to make a brief meeting summary according to the convening of the meeting and make the separate minutes for the resolutions adopted according to the statistic result of voting.

**Article 44** The participating Directors shall confirm the minutes of meeting and the minutes of resolution by signature on behalf of themselves and those Directors who have entrusted them to attend the meeting as their representatives. The Director may explain in writing when signing, for any dissenting opinion on the minutes of meeting or the minutes of resolution.

In case that the Director neither confirms by signature according to the preceding paragraph nor explains his dissenting opinion in writing or reports to the regulatory authorities or makes public statements, he shall be regarded as being in full agreement with the contents of the minutes of meeting and the minutes of resolution.

**Article 45** The matters in a Board resolution that are required to be announced shall be dealt with by the secretary to the Board in accordance with the relevant provisions. Prior to the disclosure of the announcement of resolutions, the participating Directors and other attendees, recorders and service personnel are liable for the confidentiality of the content of the resolutions.

**Article 46** The chairman of the Board shall supervise and urge relevant personnel to implement the resolutions of the Board, check the implementation of the resolutions, and report the implementation progress of the adopted resolution on the subsequent Board meetings.

**Article 47** Files of the Board meeting, including meeting notices, meeting materials, attendance book, power of attorney for the Directors to attend as representative, meeting recording materials, vote tickets, the minutes, meeting summary, minutes of resolution and resolution announcements confirmed by the signatures of the participating Directors, shall be kept by the secretary to the Board.

In case that any Director sends a reasonable notice, relevant minutes shall be made available for his/her review within a reasonable period of time.

**Article 48** The announcement on the resolutions of the Board shall cover the following information:

- (I) The time and form of delivery of the meeting notice;
- (II) The time, venue and form of convening of the meeting, and an explanation on compliance with laws, administrative regulations, departmental rules, the Stock Exchange Listing Rules, the ChiNext Market Listing Rules and the rules of the Company;

- (III) Number and names of the Directors appointing proxies and those absent, and the reasons for absence and the names of Directors appointed as proxies;
- (IV) Number of votes for and against each proposal and the number of abstentions, and the reasons for Directors' objections or abstentions;
- (V) Where a resolution relates to a connected transaction, providing the name of any Director who must abstain from voting as well as the reason for the abstaining and abstaining particulars;
- (VI) Where a prior approval or an independent opinion is required from independent Directors or sponsors, providing particulars of the prior approval or the opinion issued;
- (VII) Details of the matters considered and the resolutions adopted at the meeting.

## CHAPTER 8 SUPPLEMENTARY PROVISIONS

**Article 49** In case of one of the following situations, the Board shall amend these Rules in a timely manner:

- (I) The matters regulated in the Rules are inconsistent with relevant national laws, administrative regulations, or normative documents which are revised, or new laws, administrative regulations or normative documents are formulated and issued;
- (II) After amendments have been made to the Stock Exchange Listing Rules and the ChiNext Market Listing Rules, the matters stipulated in these Rules conflict with the Stock Exchange Listing Rules and the ChiNext Market Listing Rules;
- (III) After amendments have been made to the Articles of Association, the matters stipulated in these Rules conflict with the Articles of Association;
- (IV) When the shareholders' general meeting determines to amend the Rules.

The amendments of the Rules which fall to be the information required to be disclosed pursuant to laws, administrative regulations or normative documents, the Stock Exchange Listing Rules and the ChiNext Market Listing Rules shall be so disclosed accordingly.

**Article 50** The terms "above", "below" and "within" as mentioned in these Rules are inclusive, while "less than", "other than", "lower than" and "more than" are exclusive.

**Article 51** After being considered and approved at the general meeting of the Company, these Rules shall take effect from the date of the initial public offering of the A Shares of the Company in the People's Republic of China and when they are listed and commence dealings on the ChiNext Market.

**Article 52** These Rules shall be interpreted by the Board.

**Article 53** Should there be any discrepancy between these Rules and relevant laws and regulations, relevant provisions of regulatory bodies and the Articles of Association, relevant laws and regulations, relevant provisions of regulatory bodies and the Articles of Association shall prevail.

CIMC Vehicles (Group) Co., Ltd.

## **CHAPTER 1 GENERAL PROVISIONS**

**Article 1** These rules of procedure are formulated pursuant to the provisions of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Mandatory Provisions for Articles of Association of Companies Listed Overseas, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (including relevant appendices, hereinafter referred to as the “Stock Exchange Listing Rules”), the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (the “ChiNext Market Listing Rules”) and other laws, regulations and regulatory documents, as well as the Articles of Association of CIMC Vehicles (Group) Co., Ltd. (which will be applicable after the listing of H Shares, hereinafter referred to as the “Articles of Association”), for the purpose of further regulating the discussion methods and voting procedures of the Supervisory Committee of CIMC Vehicles (Group) Co., Ltd. (hereinafter referred to as the “Company”), procuring Supervisors and the Supervisory Committee to perform their supervision duties effectively, and improving the corporate governance structure of the Company.

**Article 2** The Supervisory Committee of the Company is responsible to the shareholders’ general meeting and shall exercise the right of supervision within the authority granted by the Company Law, the Stock Exchange Listing Rules, the ChiNext Market Listing Rules, the Articles of Association and the shareholders’ general meeting.

**Article 3** The Supervisory Committee of the Company shall exercise its right of supervision according to law to safeguard the rights and interests of shareholders, the interests of the Company and the legitimate rights and interests of employees.

## **CHAPTER 2 COMPOSITION AND DUTIES OF THE SUPERVISORY COMMITTEE**

**Article 4** The Company shall have a Supervisory Committee. The Supervisory Committee shall consist of three Supervisors and have one chairman of the Supervisory Committee and may have a vice chairman. The Supervisors shall serve for a term of 3 years and may serve consecutive terms if re-elected.

The Supervisory Committee shall consist of shareholder representatives and an appropriate proportion of employee representatives of the Company and the percentage of employee representatives shall not be less than one-third. The shareholder representatives in the Supervisory Committee are elected and removed by the shareholders’ general meeting, and employee representatives are elected by the Company’s employees at the employee representatives’ meeting, employee meeting or otherwise democratically.



The removal of the chairman of the Supervisory Committee shall be subject to voting by more than two-thirds of the members of the Supervisory Committee.

**Article 5** The Supervisory Committee shall perform the duties as stipulated by the Articles of Association according to law.

**Article 6** Supervisors have the right to access operation information of the Company and shall keep the information confidential. When Supervisory Committee perform duties, if necessary, they can engage professional institutions such as law firms and accounting firms to assist in their work with expenses to be borne by the Company.

### **CHAPTER 3 CONVENING AND NOTICE OF THE MEETING OF THE SUPERVISORY COMMITTEE**

**Article 7** Meetings of the Supervisory Committee shall be convened at least every 6 months. The written notice of any meeting shall be given to all Supervisors 10 days before the meeting.

Interim meetings of the Supervisory Committee can be convened by the Supervisors. The written notice of any interim meeting shall be given to all Supervisors 3 days before the meeting.

**Article 8** Before sending the notice of regular meeting of the Supervisory Committee, the office of the Supervisory Committee shall collect proposals from all the Supervisors and shall spend at least two days seeking opinions from the staff of the Company. In collecting proposals and seeking opinions, the office of the Supervisory Committee shall state that the Supervisory Committee focuses on supervising the operations of the Company and the conduct of the directors and senior executives, not on making decisions on the operations and management of the Company.

**Article 9** Any proposal of any Supervisor for convening a provisional meeting of the Supervisory Committee shall be made in written form, affixed with the signature of the said Supervisor and submitted via the office of the Supervisory Committee or to the chairman of the Supervisory Committee directly. A written proposal shall specify:

- (I) the name of the proposing Supervisor;
- (II) the reason or objective circumstance for the proposal;
- (III) the time or time limit, venue or form of the meeting proposed;
- (IV) the well-defined and specific motions;
- (V) the means to contact the proposing Supervisor, date of proposal, etc.

Within 3 days after the office of the Supervisory Committee or the chairman of the Supervisory Committee receives a written proposal from the Supervisor(s), the office of the Supervisory Committee shall send a notice of holding an interim meeting of the Supervisory Committee.

If the office of the Supervisory Committee fails to send the notice of the meeting, the proposing Supervisors shall urge the office to do so.

**Article 10** The office of the Supervisory Committee shall send the written notice of meeting affixed with the seal of the Supervisory Committee to all the Supervisors by direct delivery in person, registered mail, fax or other writing means in 10 days and 3 days before a regular meeting and an interim meeting of the Supervisory Committee respectively. Where the notice is not served by direct delivery in person, telephone acknowledgement and relevant records shall be made.

Where an interim meeting of the Supervisory Committee needs to be convened in emergency, the notice of meeting may be sent by verbal or by other telephone means, but the convener shall make explanations at the meeting.

**Article 11** A written notice of meeting shall at least include:

- (I) the time, venue (including the form of the meeting) and duration of the meeting;
- (II) the reasons and topics for discussion;
- (III) the date on which the notice is sent.

A verbal notice of meeting shall at least include (I) and (II) above, and explanation for an interim meeting of the Supervisory Committee in emergency.

#### **CHAPTER 4 CONVENING AND VOTING OF THE MEETING OF THE SUPERVISORY COMMITTEE**

**Article 12** Meetings of the Supervisory Committee shall be held onsite.

On the premise of ensuring that the Supervisors fully express their opinions, the Supervisory Committee meetings may, if necessary, be convened by video, telephone, fax or e-mail voting with the consent of the convener (chairman of the meeting) or the proposer. The Supervisory Committee meetings may also be held by the on-site method and by other means at the same time.

If a meeting is not convened on site, the number of Supervisors present at the meeting shall be calculated according to the Supervisors present as shown in the video, the Supervisors expressing opinions at the teleconference, the valid notes actually received by fax or e-mail within the prescribed time limit, or the written confirmation letters of having attended the meeting as submitted by the Supervisors afterwards.

**Article 13** The chairman of the Supervisory Committee shall convene and preside over the Supervisory Committee meetings. In the event that the chairman of the Supervisory Committee is incapable of performing or not performing his duties, the vice chairman of the Supervisory Committee shall convene and preside over the meetings. If the vice chairman of the Supervisory Committee is incapable of performing or not performing his duties, a Supervisor nominated by more than half of the Supervisors shall convene and preside over the meetings.

**Article 14** Meeting of the Supervisory Committee shall not be held unless it is attended by not less than two Supervisors. Each Supervisor shall have one vote. Resolutions of the Supervisory Committee shall be passed by two-thirds or more of all Supervisors and signed by the Supervisors attending the meeting.

Where any relevant Supervisor refuses or fails to attend the meeting so that the number of attendees falls short of the quorum required for convening the meeting, other Supervisors shall urge him to attend.

**Article 15** A Supervisor shall attend the meetings of the Supervisory Committee in

The voting intent of a Supervisor may be pro, con or abstention. Every attending Supervisor shall choose one out of the aforesaid intents. Where any Supervisor does not make any option or makes two or more options, the presider shall require the said Supervisor to make an option again, otherwise the said Supervisor shall be deemed as having abstained from voting; any Supervisor who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting.

**Article 19** In respect of a meeting of the Supervisory Committee, audio record may be made, if necessary, for the whole meeting.

**Article 20** Office clerks of the Supervisory Committee shall keep minutes of onsite meetings. The minutes shall include the following information:

- (I) the number of session, time, venue and form of the meeting;
- (II) the sending status of the notice of meeting;
- (III) the convener and presider of the meeting;
- (IV) the attendance of the meeting;
- (V) the proposals considered at the meeting, the gist of every Supervisor's speaking and main opinions in respect of relevant matters and voting intentions for the proposals;
- (VI) the voting method and result for each proposal (the voting result shall set out the respective numbers of pros, cons and abstentions);
- (VII) other issues that the attending Supervisors think should be included into the minutes.

For a meeting of Supervisory Committee held by correspondence, the office of the Supervisory Committee shall sort out the meeting minutes as per the preceding provision.

**Article 21** Meetings minutes shall be signed and confirmed by the attending Supervisors. Where a Supervisor holds different opinions on the minutes, written explanation may be attached upon signing.

Where a Supervisor neither confirms with signature as stipulated by the preceding paragraph nor provides written explanation for his different opinions or reports to regulatory authorities or gives public statement, the said Supervisor shall be deemed as agreeing with what was in the minutes of the meeting.

**CHAPTER 5 IMPLEMENTATION AND ANNOUNCEMENT OF RESOLUTIONS OF  
THE SUPERVISORY COMMITTEE**

**Article 22** Upon the listing of the Company on the Stock Exchange of Hong Kong Limited and Shenzhen Stock Exchange, announcement of resolutions of the Supervisory Committee shall be made by the secretary to the Board pursuant to the relevant provisions of the Stock Exchange Listing Rules and the ChiNext Market Listing Rules.

**Article 23** The Supervisors shall urge relevant staff to execute the resolutions of the Supervisory Committee and the chairman of the Supervisory Committee shall report at future meetings of the Supervisory Committee how the resolutions are executed.

**Article 24** Archives of meetings of the Supervisory Committee including notices of meeting, meeting documents, attendance book, meeting recordings, votes, meeting minutes signed by the attending Supervisors and announcements of the resolutions, etc., shall be kept by a person designated by the chairman of the Supervisory Committee.

**CHAPTER 6 SUPPLEMENTARY ARTICLES**

**Article 25** Matters not covered herein shall be handled with reference to related provisions of the Articles of Association.

**Article 26** The terms “above”, “within” and “below” as mentioned in these Rules are inclusive, while “other than”, “lower than”, “over” and “exceeding” are exclusive.

**Article 27** After being considered and approved at the shareholders’ general meeting of the Company, these Rules will take effect from the date of the Company’s IPO of A shares in the People’s Republic of China and from the date of their listing and trading on the ChiNext Market.

**Article 28** These Rules shall be interpreted by the Supervisory Committee.

**Article 29** Should there be any discrepancy between these Rules and relevant laws and regulations, relevant provisions of regulatory bodies and the Articles of Association, relevant laws and regulations, relevant provisions of regulatory bodies and the Articles of Association shall prevail.

CIMC Vehicles (Group) Co., Ltd.

## **CHAPTER 1 GENERAL PROVISIONS**

**Article 1** In order to enhance the connected transaction management work of CIMC Vehicles (Group) Co., Ltd. (hereinafter referred to as the “Company”), regulate connected transactions, effectively prevent and control operational risks, ensure the legality, fairness and rationality of connected transactions, and safeguard the legitimate rights and interests of the Company and all shareholders of the Company, the Rules has been formulated in accordance with the Company Law of the People’s Republic of China, the Administrative Measures for Information Disclosure by Listed Companies (China Securities Regulatory Commission (hereinafter referred to as “CSRC”) Order No.40), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Listing Rules”), the Rules Governing the Listing of Shares on the ChiNext of Shenzhen Stock Exchange (hereinafter referred to as “ChiNext Listing Rules”) and other laws, regulations, rules, normative documents, and the Articles of Association of CIMC Vehicles (Group) Co., Ltd. (hereinafter referred to as “Articles of Association”).

**Article 2** The Rules applies to the Company and its subsidiaries included in the

**Article 7** The shareholders, Directors, Supervisors and senior management of the Company shall not damage the interests of the Company by using their connected relationships, otherwise they shall be liable for compensation.

## **CHAPTER 2 IDENTIFICATION OF CONNECTED PERSONS AND CONNECTED TRANSACTIONS**

**Article 8** Connected persons of the Company include connected natural persons, connected legal persons and other organizations.

**Article 9** The related party defined by domestic securities regulatory authorities means the related party defined in the Administrative Measures for Information Disclosure by Listed Companies and the ChiNext Listing Rules.

The connected person defined by the Hong Kong Stock Exchange means the connected person defined in the Hong Kong Listing Rules.

**Article 10** For the purpose of the Rules, “connected transaction” means the transfer of resources or obligations between the Company or its subsidiaries and its related parties, including but not limited to provision of products, guarantees and financial assistance, issuance of shares, provision of services or sharing of services, establishment of joint arrangements and other transactions.

**Article 11** Connected transactions include one-off connected transactions and continuing connected transactions.

One-off connected transactions are connected transactions other than the following continuing connected transaction.

Continuing connected transactions are connected transactions involving the provision of goods or services or financial assistance, which are carried out on a continuing or recurring basis and are expected to extend over a period of time. They are usually transactions in the ordinary and usual course of business of the Company.

## **CHAPTER 3 CONNECTED TRANSACTION MANAGEMENT**

**Article 12** The shareholders’ general meeting of the Company is responsible for the review and approval of connected transactions on which it shall make a decision in accordance with laws, regulations and requirements of regulatory authorities.

The Board of Directors of the Company is responsible for the review and approval of connected transactions which shall be subject to review and approval by the Board of Directors, other than those specified in the preceding sentence, and the review and approval of other connected transactions as specified by securities regulatory authorities.

The audit committee of the Board of Directors of the Company is responsible for the confirmation of the list of connected persons of the Company, the overall audit of connected transactions of the Company and the overall regular review of connected transactions of the Company, including the audit of the decision-making on and implementation of connected transactions of the Company within 10 days after the end of each half year, and the overall review of connected transactions of the Company within 30 days after the end of each year, and reporting to the Board of Directors and the Supervisory Committee of the Company after forming review opinions.

The Supervisory Committee of the Company is responsible for supervising the consideration, voting, disclosure and implementation of connected transactions.

The president of the Company is responsible for considering connected transactions within the scope of its decision-making authority.

**Article 13** The office of the Board of Directors is responsible for the management of connected persons, the consolidation and dynamic maintenance of the lists of connected persons, the organization of the decision-making procedures of the shareholders' general meeting and the Board of Directors of the Company for connected transactions, the information disclosure of connected transactions and the application for exemption from disclosure, etc.

The financial management department is responsible for the recording, accounting, reporting and statistical analysis of connected transactions, and quarterly reporting on the same to the office of the Board of Directors for the record.

The legal affairs department is responsible for the identification and review of connected persons and connected transactions, and verification of connected transaction agreements, and quarterly reporting on the same to the office of the Board of Directors for the record.

Relevant functional departments of the Company are responsible for preparing connected transaction proposals, signing connected transaction agreements, supervising and reporting for the record, the progress of connected transactions within the scope of their duties.

**Article 14** Relevant functional departments of the Company shall report on the transaction to the office of the Board of Directors before the transaction, and the office of the Board of Directors shall organize the following departments to review and countersign contracts for the transaction:

- (I) the legal affairs department, responsible for reviewing the background of the counterparty to the transaction, confirming whether the transaction is a connected transaction, and revealing each connected relationship between the connected person and the Company;



- (II) the financial management department, responsible for checking the transaction-related data and calculating the percentage ratios;
- (III) the office of the Board of Directors, responsible for checking the list of connected persons, judging whether the counterparty to the transaction falls in the list, whether there are potential connected persons and needs to update the list of connected persons, and judging whether the transaction is required to be disclosed.

The audit results of connected transactions shall be reported to the office of the Board of Directors for the record, and the decision-making procedures for connected transactions shall be organized and implemented by the office of the Board of Directors. Before the decision-making procedures are completed, no connected transaction agreements shall be signed, and no transactions shall be conducted, without authorization.

**Article 15** Subsidiaries of the Company is responsible for overall management of the Company's connected transactions, and carrying out the audit process of connected transactions in accordance with relevant rules of the Company, and reporting on the audit results of connected transactions to the office of the Board of Directors of the Company.

**Article 16** Functional departments of the Company shall designate persons to be in charge of the management of connected persons and connected transactions, and subsidiaries of the Company shall designate departments and persons to be in charge of the management of connected persons and connected transactions, and report on the same to the office of the Board of Directors for the record.

#### **CHAPTER 4 REPORTING FOR THE RECORD AS TO CONNECTED PERSONS**

**Article 17** Basic connected persons of the Company shall inform the office of the Board of Directors of the Company of the existence of their connected relationships with the Company, as well as any change in information on them if any, in a timely manner.

Departments and subsidiaries of the Company shall submit to the office of the Board of Directors in a timely manner, the information on connected persons of the Company arising out of transactions directly conducted by them, as well as any change in information on relevant connected persons if any.

**Article 18** The office of the Board of Directors of the Company will send to basic connected persons of the Company, the letters of confirmation as to the change of connected persons every year, and carry out consolidation and update (if necessary), and submit the consolidated and updated list of connected persons to the audit committee of the Board of Directors of the Company for review, and to all departments and subsidiaries of the Company for reference. The audit committee of the Board of Directors of the Company shall report to the Board of Directors and the Supervisory Committee of the Company in a timely manner after confirming the list of connected persons of the Company.

**Article 19** Information on connected persons of the Company which shall be recorded includes:

- (I) the name and organization code in the case of a legal person, and the name and identity card number in the case of a natural person;
- (II) explanation for the connected relationships with the Company.

## **CHAPTER 5 DECISION-MAKING AND DISCLOSURE PROCEDURES FOR CONNECTED TRANSACTIONS**

**Article 20** Proposed connected transactions between the Company or its subsidiary and a connected person are subject to the decision-making procedures in accordance with this Chapter.

A connected transaction proposal submitted to a meeting for decision-making shall specify the contents, pricing policy, necessity and feasibility of the transaction and its impact on the interests of the Company and the shareholders.

**Article 21** In accordance with the ChiNext Listing Rules, the following connected transactions between the Company and related parties shall be disclosed as required and subject to corresponding consideration procedures:

- (I) A connected transaction between the Company and a connected natural person with the transaction amount exceeding RMB0.3 million (inclusive) (other than those in respect of which the Company provides a guarantee) or between the Company and a connected legal person with the transaction amount exceeding RMB1 million (inclusive) and accounting for over 0.5% (inclusive) of the absolute value of the latest audited net assets of the Company (other than those in respect of which the Company provides a guarantee) shall be disclosed in a timely manner after consideration by the Board of Directors. The Company shall not provide loans to its Directors, Supervisors or senior management directly or through subsidiaries;
- (II) Connected transactions between the Company and its Directors, Supervisors, senior management or their spouses shall be submitted to the shareholders' general meeting of the Company for consideration after public disclosure;
- (III) A connected transaction between the Company and a connected person with the transaction amount exceeding RMB10 million (inclusive) and accounting for over 5% (inclusive) of the absolute value of the latest audited net assets of the Company (other than those in respect of which the Company obtains cash assets as a gift and provides a guarantee) shall be disclosed in a timely manner, and an intermediary with the qualification to carry out businesses related to securities and futures shall be engaged to evaluate or audit the subject matter of such transaction, and the

transaction shall be submitted to the shareholders' general meeting for consideration. The subject matter of such connected transaction in relation to daily operations as specified in the System may not be audited or evaluated;

- (IV) Provision of a guarantee by the Company for a connected person regardless of the amount shall be submitted to the shareholders' general meeting for consideration, after consideration and approval by the Board of Directors;
- (V) If a connected transaction between the Company and a related party involves "provision of financial assistance (including entrusted loans)", "provision of guarantees (including guarantees for subsidiaries)" and "entrusted wealth management" and other matters, the amounts incurred shall be used for calculation of the transaction amount, and the total amount for 12 consecutive months shall be calculated according to the transaction types, and if the total amount reaches the amount specified in Paragraph (I) or (III), Paragraph (I) or (III) of this article shall apply. If relevant obligations are completed in accordance with Paragraph (I) or (III) of this article, the transactions will not be included in the calculation of the total amount;
- (VI) With regard to the following connected transactions, the principle of 12 consecutive months aggregate calculation and Paragraph (I) or (III) of this article shall apply: (a) transactions with the same related party; and (b) relevant transactions with different related parties for the same subject matter. The same related party above includes any other person which is under common control with, controls or is controlled by the related party. If relevant obligations are completed in accordance with Paragraph (I) or (III) of this article, the transactions will not be included in the calculation of the total amount.

**Article 22** In accordance with the ChiNext Listing Rules, a transaction in relation to daily operations between the Company and a connected person (which means the purchase of raw materials, fuel and power; sale of products and commodities; provision or receipt of labor services; sale by other persons engaged by the Company or sale by the Company engaged by other persons) shall be disclosed according to the following provisions and subject to corresponding consideration procedures:

- (I) With regard to a daily connected transaction conducted for the first time, the Company shall enter into a written agreement with the connected person and disclose the transaction in a timely manner, and submit the transaction to the Board of Directors or the shareholders' general meeting for consideration, according to the

- (II) With regard to a daily connected transaction agreement which is considered and approved by the Board of Directors or the shareholders' general meeting of the Company and is being performed, if no material changes in principal terms take place during the agreement term, the Company shall disclose the actual performance of the agreement as required and explain whether the agreement is complied with, in its periodic reports; if there are material changes in the principal terms of the agreement during the agreement term or there is a need to renew the agreement upon the expiry of the agreement, the Company shall submit to the Board of Directors or the shareholders' general meeting for consideration, the daily connected transaction agreement which is amended or renewed, according to the transaction amount involved in the agreement; if no transaction amounts are specified in the agreement, the agreement shall be submitted to the shareholders' general meeting for consideration;
- (III) With regard to a large number of daily connected transactions taking place each year, if it is difficult to submit each agreement to the Board of Directors or the shareholders' general meeting for consideration in accordance with Paragraph (I) of this article due to the need to frequently enter into new daily connected transaction agreements, the Company may reasonably estimate the total amount of daily connected transactions which will take place in the year, prior to the publication of the annual report for the previous year, and submit the transactions to the Board of Directors or the shareholders' general meeting for consideration and disclose the transactions, according to the estimate; the Company shall disclose in its annual report and semi-annual report, daily connected transactions which fall within the estimated scope. If the amount of a daily connected transaction exceeds the estimated total amount during the implementation, the Company shall further re-submit the transaction to the Board of Directors or the shareholders' general meeting for consideration and disclose the transaction, according to the excess.

**Article 23** If the term of a daily connected transaction agreement between the Company and a connected person exceeds three years, the Company shall re-perform the consideration procedure and the disclosure obligation every three years, in accordance with the System.

**Article 24** In accordance with the Hong Kong Listing Rules, any proposed connected transaction of the Company meeting any of the following conditions shall be subject to consideration and approval by the president of the Company; any proposed connected transaction of a subsidiary meeting any of the following conditions is subject to consideration and approval by the subsidiary in accordance with relevant decision-making procedures; upon completion of the above decision-making procedures, the transactions shall be reported to the office of the Board of Directors for the record:

- (I) the transaction is the issuance or repurchase of securities which complies with the Hong Kong Listing Rules;

- (II) the transaction is a service contract between the Company or a subsidiary of the Company and its directors;
- (III) the transaction is a dealing in consumer goods or services or sharing of administrative services that complies with the requirements of the Hong Kong Listing Rules;
- (IV) the maximum percentage ratio under the Hong Kong Listing Rules with regard to the transaction is less than (1) 0.1%; or (2) 1% but the transaction constitutes a connected transaction solely due to the sole relationship or connection between the connected person involved in the transaction and the subsidiary of the Company; or (3) 5% and the total transaction price is less than HK\$3 million;
- (V) the transaction is a transaction with a connected person at the subsidiary level which

the Company; proposed connected transactions of a subsidiary other than transactions specified in Articles 22 and 23 (namely transactions in respect of which the maximum percentage ratio exceeds 5%) shall be submitted by the president of the Company to the Board of Directors of the Company for consideration and approval after the performance by the subsidiary of relevant decision-making procedures, and shall be submitted to the shareholders' general meeting for consideration and approval thereafter; upon completion of the above decision-making procedures, the transactions shall be reported to the office of the Board of Directors for the record; and the connected transactions shall be disclosed in an announcement or circular in a timely manner after the consideration and approval by the Board of Directors.

**Article 27** In accordance with the Hong Kong Listing Rules, proposed connected transactions of the Company or a subsidiary which are subject to consideration and approval by the shareholders' general meeting of the Company shall be submitted to the Board of Directors of the Company for consideration after the prior approval by the independent non-executive Directors of the Company. The independent non-executive Directors may

Connected transactions in respect of which the decision-making procedures of the shareholders' general meeting are completed according to the principle of the aggregate calculation cease to be included in the scope of aggregate calculation.

**Article 29** During the consideration of connected transactions by the Board of Directors of the Company, the connected Directors shall be excluded from voting and shall not exercise any voting right on behalf of other Directors.

The quorum of the meeting of the Board of Directors shall be a majority of unconnected Directors present at the meeting. A resolution of the meeting of the Board of Directors requires a majority of unconnected Directors to vote in favour in order for it to be passed. If the number of unconnected Directors present at the meeting of the Board of Directors is less than 3, the transactions shall be submitted to the shareholders' general meeting of the Company for consideration.

Connected Directors include Directors who:

- (I) are counterparties;
- (II) have direct or indirect control over counterparties;
- (III) work for counterparties, or for legal persons or other organizations which control or are controlled by counterparties directly or indirectly;
- (IV) are close family members of counterparties or direct or indirect controllers of counterparties;
- (V) are close family members of Directors, Supervisors or senior management of counterparties or direct or indirect controllers of counterparties;
- (VI) are such persons whose independent business judgment may be affected due to other reasons as identified by CSRC or the Shenzhen Stock Exchange ("SZSE") and the Company.

**Article 30** During the consideration of connected transactions by the shareholders' general meeting of the Company, the connected shareholders shall be excluded from voting and shall not exercise any voting right on behalf of other shareholders. The number of voting shares represented by connected shareholders shall be excluded from the total number of voting shares to be counted for relevant resolutions.

Connected shareholders include shareholders who:

- (I) are counterparties;
- (II) have direct or indirect control over counterparties;

- (III) are directly or indirectly controlled by counterparties;
- (IV) are under common control with counterparties of counterparties by the same legal or natural person;
- (V) are close family members of counterparties or direct or indirect controllers of counterparties; or
- (VI) work for counterparties, or for legal entities which control or are controlled by counterparties directly or indirectly (if the shareholders are natural persons);
- (VII) have its voting rights restricted or affected due to the existence of outstanding equity interest transfer agreements or other agreements with counterparties or their connected persons;
- (VIII) are such legal or natural persons towards whom the Company has a bias, as identified by CSRC or SZSE.

**Article 31** With regard to connected transactions that meet conditions for the exemption, the Board of Directors of the Company may apply to the Hong Kong Stock Exchange for exemption from disclosure in accordance with the Hong Kong Listing Rules and/or to SZSE for exemption from consideration by the shareholders' general meeting in accordance with the ChiNext Listing Rules.

**Article 32** In accordance with the ChiNext Listing Rules, in the case of the following connected transactions between the Company and a connected person, the Company is exempt from relevant obligations under rules on connected transactions:

- (I) cash subscription by a party for the shares, corporate bonds, convertible corporate bonds or other derivatives publicly issued by the other party;
- (II) underwriting, by a party as a member of an underwriting group, of the shares, corporate bonds, convertible corporate bonds or other derivatives publicly issued by the other party;
- (III) receipt of dividends, bonuses or remunerations by a party according to a resolution of the shareholders' general meeting of the other party;
- (IV) other circumstances identified by SZSE.

**Article 33** For connected transactions which shall be disclosed in accordance with the Hong Kong Listing Rules and the ChiNext Listing Rules, the Company shall disclose the conclusion, amendment, termination and performance of connected transaction agreements in accordance with relevant requirements.



**Article 34** In accordance with the ChiNext Listing Rules, a connected transaction announcement made by the Company shall include:

- (I) overview of the transaction and the basic information on the subject matter of the transaction;
- (II) the prior approval of independent non-executive Directors and the independent opinions expressed by independent non-executive Directors and the sponsor;
- (III) voting of the Board of Directors (if applicable);
- (IV) description of the connected relationships between parties to the transaction and basic information on the connected persons;
- (V) the pricing policy and basis of the transaction, including the relations between the transaction price and the carrying value, the appraised value or the clear and fair market price of the subject matter of the transaction, and other specific pricing-related matters that need to be explained due to the particularity of the subject matter of the transaction;

If there is significant difference between the transaction price and the carrying value, the appraised value or the market price, the reasons shall be explained. If the transaction is unfair, the transfer of interests arising out of the connected transaction shall be also disclosed;

- (VI) the main contents of the transaction agreement, including the transaction price, the transaction settlement method, the nature and proportion of the rights and interests of the connected persons in the transaction, the conditions for the entry into force of the agreement, effective date, the agreement term;
- (VII) the purpose of the transaction and its impact on the Company, including the necessity and real purpose of the connected transaction, the impact on the current and future financial position and results of operations (the accounting firm responsible for auditing the Company shall be consulted when necessary), the source of payment or use of proceeds;
- (VIII) the total amount of various connected transactions with the connected person that take place between the beginning of the year and the disclosure date;
- (IX) other contents specified by the ChiNext Listing Rules;
- (X) other contents required by CSRC and SZSE which help explain the substance of the transaction.

**Article 35** In accordance with the Hong Kong Listing Rules, information which is required to be disclosed in the announcement on a connected transaction mainly includes:

- (I) overview of the connected transaction;
- (II) transaction date;
- (III) name and principal business of the counterparty and description of its relationship with the Company;
- (IV) transaction price and basis for determination;
- (V) payment date and method;
- (VI) reasons and benefits of the transaction;
- (VII) opinions of the Board of Directors;
- (VIII) whether there is any connected Director who is required to abstain from voting at the meeting of the Board of Directors;
- (IX) in the case of a continuing connected transaction, the contract term, the total transaction volume for each year, determination basis, actual amounts of connected transactions of the same type for the past three years, among others;
- (X) other contents required by the Hong Kong Listing Rules.

**Article 36** In accordance with the Hong Kong Listing Rules, information which is required to be disclosed in the circular on a connected transaction mainly includes:

- (I) all contents disclosed in the corresponding connected transaction announcement;
- (II) whether there is any connected shareholder who is required to abstain from voting at the shareholders' general meeting;
- (III) written opinions of independent non-executive Directors;
- (IV) written opinions of independent financial advisers;
- (V) basic information of the Company;
- (VI) other contents required by the Hong Kong Listing Rules.

**Article 37** During the negotiation for a connected transaction, if there are significant fluctuations in the share price of the Company due to rumours or coverage of the connected transaction in the market, the Company shall make a clarification announcement in accordance with relevant requirements.

## **CHAPTER 6 SPECIAL RULES ON CONTINUING CONNECTED TRANSACTIONS**

**Article 38** In accordance with the Hong Kong Listing Rules, continuing connected transaction between the Company or its subsidiary and a connected person are subject to the decision-making procedures and the disclosure obligations which shall be performed in accordance with this Chapter:

- (I) With regard to a continuing connected transaction conducted for the first time, the Company shall enter into a written agreement with the connected person, and submit the transaction to the Board of Directors or the shareholders' general meeting for consideration, according to the annual total transaction amount involved in the agreement, and disclose the details of the transaction in a timely manner; if the amount of the transaction exceeds the estimated total amount during the actual implementation by the Company, the Company shall re-submit the transaction to the Board of Directors or the shareholders' general meeting for consideration and disclose the transaction, according to the excess;
- (II) With regard to a continuing connected transaction agreement which is considered and approved by the shareholders' general meeting or the Board of Directors of the Company and is being performed, if no material changes in principal terms take place during the agreement term, the Company shall disclose the actual performance of the agreement as required and explain whether the agreement is complied with, in its annual reports; if there are material changes in the principal terms of the agreement during the agreement term or there is a need to renew the agreement upon the expiry of the agreement, the Company shall re-submit to the Board of Directors or the shareholders' general meeting of the Company for consideration, the continuing connected transaction agreement which is amended or renewed, according to the annual total transaction amount involved in the agreement;
- (III) For each continuing connected transaction, the relevant functional department in charge of the transaction and the Financial Management Department shall estimate the annual total transaction amount;
- (IV) At the beginning of each financial year, the office of the Board of Directors of the Company shall carry out calculation for continuing connected transactions, so as to confirm the caps for various continuing connected transactions in the year, and notify relevant functional departments in a timely manner;

- (V) If after calculation, the office of the Board of Directors expects that the annual amount of a continuing connected transaction will exceed the pre-approved annual cap, the office of the Board of Directors shall carry out summarization rapidly, and organize corresponding decision-making procedures according to the new annual cap, and disclose the details of the transaction in a timely manner;
- (VI) Any connected transaction with the transaction amount exceeding the pre-approved cap in respect of which the decision-making procedures are not performed as required shall not be implemented.

**Article 39** In accordance with the Hong Kong Listing Rules, a continuing connected transaction agreement between the Company and a connected person shall include:

- (I) pricing policy and basis;
- (II) transaction price;
- (III) total transaction volume for each year and determination basis;
- (IV) payment date and method;
- (V) principal terms which are required to be disclosed.

**Article 40** In accordance with the Hong Kong Listing Rules, the term of a continuing connected transaction between the Company and a connected person is three years or less generally; with regard to the continuing connected transaction agreement with a term of three years or less, the Company shall re-perform relevant decision-making procedures and disclosure obligations as required, every three years, if the term exceeds three years.

**Article 41** In accordance with the Hong Kong Listing Rules, the independent non-executive Directors of the Company shall review continuing connected transactions every year and express their opinions on the continuing connected transactions of the Company and its subsidiaries in its annual report.

**Article 42** In accordance with the Hong Kong Listing Rules, the external auditor of the Company shall issue a letter to the Board of Directors of the Company every year, expressing opinions on the continuing connected transactions of the Company and its subsidiaries. The Company shall allow the external auditor to audit relevant accounts so that the external auditor can express relevant opinions.

**Article 43** In accordance with the Hong Kong Listing Rules, the Company shall disclose in its annual report, the details of continuing connected transactions for each year, including transaction dates, parties to the transactions, contents, purposes, amounts and principal terms of transactions, as well as the nature and extent of the interests of connected persons in the transactions.

## CHAPTER 7 ACCOUNTABILITY

**Article 44** Connected persons of the Company shall not damage the interests of the Company by using their connected relationships. The connected person who causes damage to the Company by violation is liable for compensation.

**Article 45** If a connected person misappropriates the Company's assets and damages the interests of the Company and shareholders, the Company has the right to take effective measures to require the connected person to stop the misappropriation, and has the right to apply to the people's court for judicial freezing of the Company's assets misappropriated and shares (if any) held by the connected person.

**Article 46** If the Directors, Supervisors and senior management of the Company support or condone the misappropriation of the Company's assets or damage to the interests of the Company by a connected person in violation of laws and regulations and the System, the Board of Directors of the Company may, depending on the seriousness of the case, punish the person directly responsible and dismiss the Directors, Supervisors and senior management who are significantly liable for the case, and have the right to make an appropriate claim against them for compensation according to the extent of losses suffered by the Company; if the case constitutes a crime, the case will be remitted to judiciary authorities.

**Article 47** If the Company is affected or suffers losses due to dereliction of duty or malfeasance of connected transaction management bodies and relevant personnel of the Company at all levels in handling connected transactions, the Company has the right to criticize, give a warning to and even dismiss the person directly responsible, according to the seriousness of the case.

**Article 48** If shareholders of the Company takes a civil action for compensation by law as a result of their financial losses arising out of any act of connected persons that damages the interests of the Company and other shareholders, the Company has the obligation to provide relevant information and other support, subject to laws, regulations and the Articles of Association.

## CHAPTER 8 SUPPLEMENTARY PROVISIONS

**Article 49** "Connected person", "related party", "connected transaction", "connected Director" and "connected shareholder" as used herein have the same meanings ascribed to them in the ChiNext Listing Rules.

**Article 50** For the purpose of the Rules:

(I) an "associate" of a basic connected person who is a natural person includes:

(1) his spouse or a person cohabiting with him as a spouse;

- (2) natural or adopted child of the person or his spouse specified in Item (1), under the age of 18 years;

(any of the persons specified in Items (1) and (2) is hereinafter referred to as an “immediate family member”)

- (3) the trustees, acting in their capacity as trustees, of any trust of which he or any of his immediate family members is a beneficiary or, in the case of a discretionary trust, is (to its knowledge) a discretionary object (the “trustees”);

- (4) parent, stepparent, brother, sister, step-brother or step-sister;

- (5) any of the following family members who may be deemed to be an associate by the Hong Kong Stock Exchange: father in-law, mother-in-law, son-in-law and daughter-in-law; grandparents; grandson (granddaughter); uncle and aunt and his/her spouse; brother-in-law and sister-in-law; and nephew and niece;

(any of the persons specified in Items (4) and (5) is hereinafter referred to as a “relative”)

- (6) any company in the equity capital of which he, his immediate family member and/or relative taken together are directly or indirectly interested so as to exercise or control the exercise of 50% or more of the voting power at general meetings, or to control the composition of a majority of the Board of Directors (in determining whether the majority control is held, the interests of the individual and the persons will be aggregated);

- (7) any company in the equity capital of which he, his immediate family member and/or any of the trustees, taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or any other amount specified from time to time in the Codes on Takeovers and Mergers and Share Buy-backs (hereinafter referred to as the “Takeovers Code”) as the level for triggering a mandatory general offer) or more of the voting power at general meetings of the issuer, or to control the composition of a majority of the Board of Directors of the issuer;

- (8) subsidiary of the company specified in Item (7); and

- (9) any joint venture partner of a cooperative or contractual joint venture where the person (being an individual), his immediate family members and/or the trustees together directly or indirectly hold 30% (or an amount that would trigger a mandatory general offer or establish legal or management control over a business enterprise under the PRC law) or more in the joint venture’s capital or assets contributions, or the contractual share of its profits or other income.

(II) an “associate” of a basic connected person which is a legal person includes:

- (1) its subsidiary or holding company, or a fellow subsidiary of the holding company;
- (2) the trustees, acting in their capacity as trustees of any trust of which the company is a beneficiary or, in the case of a discretionary trust, is (to the company’s knowledge) a discretionary object (hereinafter referred to as the “trustees”);
- (3) any other company in the equity capital of which the company, its subsidiary or holding company or a fellow subsidiary of its holding company referred to in Items (1) and (2) above, taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or any other amount specified from time to time in the Takeovers Code as the level for triggering a mandatory general offer) or more of the voting power at general meetings of the issuer, or to control the composition of a majority of the Board of Directors;
- (4) subsidiary of the company specified in Item (4); and
- (5) any joint venture partner of a cooperative or contractual joint venture where the person (being a company), any company which is its subsidiary or holding company or a fellow subsidiary of the holding company, and/or the trustees, together directly or indirectly hold 30% (or an amount that would trigger a mandatory general offer or establish legal or management control over a business enterprise under the PRC law) or more in the joint venture’s capital or assets contributions, or the contractual share of its profits or other income.

(III) Other natural and legal persons other than those specified above that are identified as an associate in accordance with the Hong Kong Listing Rules.

**Article 51** For the purpose of the Rules, an “insignificant subsidiary” is a subsidiary that fulfill one of the following conditions:

- (I) 10% under the percentage ratios for each of the latest three financial years (or if less than three years and the period since the incorporation or establishment of the subsidiary);
- (II) 5% under the percentage ratios of the total value of assets, income and profit for the latest financial year.

**Article 52** For the purpose of the Rules, “percentage ratios” include:

- (I) total asset test: namely the total assets involved in relevant transactions divided by the latest audited or unaudited total assets of a company which are disclosed;

- (II) revenue test: namely the revenue attributable to assets involved in relevant transactions (excluding revenue or income generated occasionally) divided by the latest audited revenue of a company which is disclosed;
- (III) profit test: namely the profit attributable to assets involved in relevant transactions (after deducting all charges except taxation and before noncontrolling interests) divided by the latest audited revenue of a company which is disclosed;
- (IV) consideration test: namely the transaction consideration divided by the total market capitalisation of a listed company (calculated as the average closing price of the shares of the company as quoted on the Hong Kong Stock Exchange for 5 trading days prior to the date of the transaction agreement times the total number of the shares of the company); and
- (V) share capital test: the nominal value of the consideration shares in the transaction divided by the nominal value of the total issued share capital of the company prior to the transaction if the consideration is in shares.

**Article 53** Matters not covered by the Rules shall be handled in accordance with relevant national laws, regulations, rules and normative documents, the Hong Kong Listing Rules, the ChiNext Listing Rules and the Articles of Association. In case of any inconsistency between the Rules and relevant national laws, regulations, rules and normative documents, the Hong Kong Listing Rules, the ChiNext Listing Rules or the Articles of Association, the latter shall prevail.

**Article 54** Unless otherwise stated, terms used herein shall have the same meanings ascribed to them in the Articles of Association, the Hong Kong Listing Rules or the ChiNext Listing Rules.

**Article 55** The power of interpretation of the Rules shall be vested in the Board of Directors of the Company.

**Article 56** After the consideration and approval by the shareholders' general meeting of the Company, the Rules comes into force on the date of the initial public offering of A shares by the Company in China, listing and trading on the ChiNext Market.



**CIMC Vehicles (Group) Co., Ltd.**  
**中集車輛(集團)股份有限公司**

(  
(Stock Code: 1839)  
)

**SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

**Reference is made** to the notice of the annual general meeting (“**AGM**”) of CIMC Vehicles (Group) Co., Ltd. (the “**Company**”) dated 28 April 2020 (“**Notice**”). The AGM of the Company will be held at No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the People’s Republic of China (the “**PRC**”) at 2:30 p.m. on Monday, 22 June 2020.

The board of directors (the “**Board**” or “**Board of Directors**”) of the Company had approved the relevant proposal in relation to the A share offering and listing (“**A Share Offering**” or “**A Share Offering and Listing**”) on the ChiNext Market of the Shenzhen Stock Exchange (“**ChiNext Market**”) on 6 May 2020 and 15 May 2020. On 15 May 2020, the Board received the Letter in Relation to Submitting the Interim Proposals to the General Meeting and Class Meetings of the Company from its shareholder Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) (holding approximately 4.3% of the total issued share capital of the Company), who, as a shareholder individually holding more than 3% of the shares of the Company, proposed the additional submission of the following interim proposals at the AGM: (1) the proposal on the plan for the A Share Offering and Listing on the ChiNext Market; (2) the proposal on the use of proceeds from A Share Offering and feasibility analysis on projects funded therefrom; (3) the proposal on grant of authorization by the general meeting for the Board to handle matters in relation to the A Share Offering and Listing on the ChiNext Market; (4) the proposal on the plan of distribution of accumulated profits prior to A Share Offering; (5) the proposal on the engagement of intermediaries for the A Share Offering and Listing on the ChiNext Market; (6) the proposal on the profit distribution policy and shareholder return plan for the next three years following the A Share Offering and Listing on the ChiNext Market; (7) the proposal on the plan of stabilization of the A Share price within three years following the A Share Offering and Listing on the ChiNext Market; (8) the proposal on dilution of current return as a result of A Share Offering and remedial measures; (9) the proposal on undertakings as to the A Share Offering and Listing on the ChiNext Market and restriction measures; (10) the proposal on the formulation of the Articles of Association (Draft) and appendixes thereto to be effective upon the A Share Offering and Listing on the ChiNext Market; (11) the proposal on amendments to the Connected Transaction Management Rules; and (12) the proposal on the proposed appointment of a non-executive director. The Board believes that the above interim proposals comply with the requirements of relevant laws, regulations and the Articles of Association, and agrees to submit it at the AGM for consideration.

---

## SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

---

**SUPPLEMENTAL NOTICE IS HEREBY GIVEN** that the AGM will be held as scheduled, at which the abovementioned additional resolutions will be considered, and if thought fit, approved, in addition to the proposals set out in the Notice. The details are as follows. Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as defined in the circular of the Company dated 28 April 2020 and the supplemental circular dated 3 June 2020.

### ORDINARY RESOLUTIONS

1. To consider and approve the Company's final financial accounts for the year ended 31 December 2019;
2. To consider and approve the Company's report for financial budget for the year ended 31 December 2020;
3. To consider and approve the Company's proposal of investment budget for the year ended 31 December 2020;
4. To consider and, if thought fit, to approve the profit distribution proposal of the Company, namely, the proposal for distribution of a final dividend of RMB0.45 per share (tax inclusive) in an aggregate amount of approximately RMB794.3 million for the year ended 31 December 2019;
5. To consider and approve the re-appointment of PricewaterhouseCoopers Zhong Tian LLP as the Company's domestic auditor and PricewaterhouseCoopers as the Company's overseas auditor with a term until the next annual general meeting of the Company to be held in 2021, and to authorize the Board of Directors of the Company to determine their remuneration;
6. To consider and approve the report of the Board of Directors of the Company for the year ended 31 December 2019;
7. To consider and approve the report of the Supervisory Committee of the Company for the year ended 31 December 2019;
8. To approve, confirm and ratify the continuing connected transaction contemplated under the Deposit Service Framework Agreement and the proposed annual caps for the years ended 31 December 2020 and 2021; and that any of the directors of the Company be and is hereby authorized to make any amendment to the Deposit Service Framework Agreement as he/she thinks desirable or necessary and to do all such further acts, execute such further documents and take all such steps which in his/her opinion may be necessary, desirable or appropriate to implement and/or give effect to the terms of such transactions;
9. To consider and approve the proposal on the engagement of intermediaries for the A Share Offering and Listing on the ChiNext Market:
  - 9.1 Proposed engagement of Haitong Securities Co., Ltd. as sponsor and lead underwriter for the A Share Offering and Listing of the Company;

---

## SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

---

- 9.2 Proposed engagement of PricewaterhouseCoopers Zhong Tian LLP as auditor for the A Share Offering and Listing of the Company;
  - 9.3 Proposed engagement of Shu Jin Law Firm as the PRC lawyer of the issuer for the A Share Offering and Listing of the Company; and
  - 9.4 Proposed engagement of Jia Yuan Law Office as the PRC lawyer of the sponsor (lead underwriter) for the A Share Offering and Listing of the Company.
- 10. To consider and approve the proposal on undertakings as to the A Share Offering and Listing on the ChiNext Market and restriction measures;
  - 11. To consider and approve the proposal on amendments to the Connected Transaction Management Rules of CIMC Vehicles (Group) Co., Ltd.;
  - 12. To consider and approve the proposed appointment of Mr. Huang Haicheng as the non-executive director of the Company.

### SPECIAL RESOLUTIONS

- 13. To consider and approve the external guarantee scheme of the Company for 2020;
- 14. To consider and, if thought fit, to approve the amendments to the Articles of Association as specified in the circular of the Company dated 28 April 2020;
- 15. To consider and, if thought fit, to approve the amendments to the Rules of Procedure for the General Meeting as specified in the circular of the Company dated 28 April 2020;
- 16. To consider and, if thought fit, to approve the grant of a general mandate to the Board to allot or issue, either separately or concurrently, (1) additional Domestic Shares not exceeding 20% of the aggregate number of the Domestic Shares in issue on the date of passing this resolution; and (2) additional H Shares not exceeding 20% of the aggregate number of the H Shares in issue on the date of passing this resolution, and to authorize the Board to make such corresponding amendments the provisions of the Articles of Association as it think fit so as to reflect the new share capital structure upon the allotment or issue of the Shares:

### “THAT

- A. (i) subject to paragraph 16(A)(ii) of this resolution and in accordance with the relevant requirements of the Listing Rules, the Articles of Association and the applicable laws and regulations of the PRC, the exercise by the Board during the Relevant Period (defined as below) of all the powers of the Company to allot or issue, generally and unconditionally either separately or concurrently, additional Domestic Shares and H Shares of the Company;

---

## SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

---

- (ii) each of the aggregate number of Domestic Shares and H Shares allotted or issued by the Board pursuant to the approval granted in paragraph 16(A)(i) of this resolution shall not exceed 20% of each of the aggregate number of Domestic Shares and/or H Shares, respectively, in issue on the date of passing this resolution; and

for the purposes of this resolution:

“Relevant Period” means the period from the date of passing this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiry of the 12-month period from the date of passing of this resolution by way of a special resolution at the AGM;
- (c) the revocation or variation of the authority given to the Board under this resolution by passing of a special resolution of the Company in a general meeting.

- B. Contingent on the Board’s resolving to issue shares pursuant to 16(A)(i) of this resolution, the Board be authorized to 1) depending on the actual market conditions, determine the method of issuance, the target for issuance as well as the amount and proportion of issuance to such target, pricing mechanism and/or issue price (including price range), the opening and closing time of the issuance, the listing time, use of proceeds and others; 2) engage necessary professional agencies and sign relevant engagement agreements or contracts; 3) sign the underwriting agreement, sponsors agreement, listing agreement and all other documents as considered necessary for executing the general mandate to issue shares on behalf of the Company; 4) handle the issues on registration of change in registered share capital and equity registration in a timely manner in accordance with the method, class and number of issued shares and the actual share capital structure of the Company upon completion of the share issuance; 5) apply for approval, registration, filing and other procedures in connection with the share issuance and listing of such shares to relevant authorities on behalf of the Company; 6) determine and pay up the issuance and listing fee or application fee; 7) amend the Articles of Association of the Company in a timely manner according to the method, class and number of the issued shares and the actual capital structure of the Company upon completion of the share issuance and arrange necessary registration and filing process, and register shares with the relevant registration authorities in accordance with relevant domestic and overseas laws, regulations and normative documents; 8) all other procedures and issues as the Board may consider necessary in connection with the general mandate to issue shares.

---

## SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

---

17. To consider and approve the proposal on the plan for the A Share Offering and Listing on the ChiNext Market:
  - 17.1 Class of shares;
  - 17.2 Nominal value of share;
  - 17.3 Offering size;
  - 17.4 Target subscribers;
  - 17.5 Offering price;
  - 17.6 Method of offering;
  - 17.7 Method of underwriting;
  - 17.8 Timing of the offering and listing;
  - 17.9 Proposed place of listing;
  - 17.10 Validity period of the resolution; and
  - 17.11 Rights of the shareholders of A Share.
18. To consider and approve the proposal on the use of proceeds from A Share Offering and feasibility analysis on projects funded therefrom;
19. To consider and approve the proposal on grant of authorization by the general meeting for the Board to handle matters in relation to the A Share Offering and Listing on the ChiNext Market;
20. To consider and approve the proposal on the plan of distribution of accumulated profits prior to the A Share Offering;
21. To consider and approve the proposal on the profit distribution policy and shareholder return plan for the next three years following the A Share Offering and Listing on the ChiNext Market;
22. To consider and approve the proposal on the plan of stabilization of the A Share price within three years following the A Share Offering and Listing on the ChiNext Market;
23. To consider and approve the proposal on dilution of current return as a result of A Share Offering and remedial measures;
24. To consider and approve the proposal on the Articles of Association (Draft) and appendixes thereto which become effective upon the A Share Offering and Listing on the ChiNext Market.

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

Shenzhen, the PRC  
3 June 2020

---

## SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

---

1. This supplemental notice shall be read in conjunction with the related announcements of the Company dated 6 May 2020 and 15 May 2020, the related circular dated 28 April 2020 and the supplemental circular dated 3 June 2020.
2. Since the proxy form (the “**First Proxy Form**”) sent together with the notice of AGM issued by the Company on 28 April 2020 does not contain the proposed additional resolutions as set out in this supplemental notice, a new proxy form (the “**Second Proxy Form**”) has been prepared and is enclosed with this supplemental notice of the AGM and the supplemental circular of the Company dated 3 June 2020.
3. The Second Proxy Form for use at the AGM is enclosed with this supplemental notice and is also published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.cimcvehiclesgroup.com>). Whether or not you intend to attend the AGM, you are requested to complete and return the enclosed Second Proxy Form in accordance with the instructions printed thereon no later than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be).
4. **IMPORTANT:** Shareholder(s) who has already lodged the First Proxy Form with the Company should note that:
  - (i) If no Second Proxy Form is lodged with the Company’s H Share registrar (for the H Shareholder(s)) or the registered office in PRC (for the Domestic Shareholder(s)), the First Proxy Form, if correctly completed, will be treated as a valid proxy form lodged by him/her. The proxy so appointed by the Shareholder(s) will be entitled to cast the vote at his/her discretion or to abstain from voting on any resolution properly proposed at the AGM (including, if properly proposed, the resolutions as set out in this supplemental notice) except for those resolutions to which the Shareholder has indicated his/her voting direction in the First Proxy Form.
  - (ii) If the Second Proxy Form is lodged with the Company’s H Share registrar (for the H Shareholder(s)) or the registered office in PRC (for the Domestic Shareholder(s)) 24 hours prior to the time fixed for holding the AGM or any adjournment thereof (the “**Closing Time**”), the Second Proxy Form, if correctly completed, will revoke and supersede the First Proxy Form previously lodged by him/her. The Second Proxy Form will be treated as a valid proxy form lodged by the Shareholder(s).
  - (iii) If the Second Proxy Form is lodged with the Company’s H Share registrar (for the H Shareholder(s)) or the registered office in PRC (for the Domestic Shareholder(s)) after the Closing Time, or if lodged before the Closing Time but is incorrectly completed, the proxy appointment under the Second Proxy Form will be invalid. The proxy so appointed by the H Shareholder(s) under the First Proxy Form, if correctly completed, will be entitled to vote in the manner as mentioned in (i) above as if no Second Proxy Form was lodged. Accordingly, Shareholder(s) are advised to complete the Second Proxy Form carefully and lodge the Second Proxy Form with the Company’s H Share registrar (for the H Shareholder(s)) or the registered office in PRC (for the Domestic Shareholder(s)) before the Closing Time.

Completion and return of the First Proxy Form or the Second Proxy Form will not preclude you from attending and voting at the AGM if you so wish.

5. For the purpose of holding the AGM, the register of members of Shares of the Company will be closed from Saturday, 23 May 2020 to Monday, 22 June 2020 (both days inclusive), during which period no transfer of Shares will be registered.

In order to be qualified to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares) at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, or to the registered office of the Company in PRC (for holders of Domestic Shares) at No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC no later than 4:30 p.m. on Friday, 22 May 2020.

The Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 22 May 2020 are entitled to attend and vote at the AGM.

6. Votes on the resolutions to be proposed at the AGM shall be taken by way of poll.

---

## SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

---

7. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a Shareholder of the Company.
8. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its Director or other attorney duly authorised to sign the same.
9. In order to be valid, the proxy form must be deposited, for holders of H Shares, to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited or for holders of Domestic Shares, to the registered office of the Company in the PRC not less than 24 hours before the time appointed for holding the AGM. 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 AGM or any adjourned meetings should they so wish.
10. Shareholders shall produce their identity documents and supporting documents in respect of the shares held when attending the AGM. If corporate shareholders appoint authorised representative to attend the AGM, 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 AGM.
11. Holders of H Shares who intend to attend the AGM should complete the reply slip and return it to the H Share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited by hand, by post or by fax on or before Tuesday, 2 June 2020.
12. Domestic Shareholders who intend to attend the AGM should complete the reply slip and return it to the registered office of the Company in the PRC by hand, by post or by fax on or before Tuesday, 2 June 2020.
13. The AGM is expected to take for less than half a day. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.
14. Contact details of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, are as follows:

Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong  
Telephone: (+852) 2862 8628  
Fax No.: (+852) 2865 0990
15. 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.: (0755) 2669 1130  
Email: ir\_vehicles@cimc.com





---

## **SUPPLEMENTAL NOTICE OF H SHAREHOLDERS' CLASS MEETING**

---

**SUPPLEMENTAL NOTICE IS HEREBY GIVEN** that the First H Shareholders' Class Meeting of 2020 will be held as scheduled, at which the abovementioned additional resolutions will be considered, and if thought fit, approved, in addition to the resolutions set out in the Notice of the Class Meeting. The details are as follows. Unless otherwise defined, capitalized terms used herein shall have the same meanings as ascribed to them in the circular of the Company dated 28 April 2020 and the supplemental circular dated 3 June 2020.

The following resolutions will be considered and, if thought fit, approved by the H Shareholders at the First H Shareholders' Class Meeting of 2020:

### **ORDINARY RESOLUTIONS**

1. To consider and approve the proposal on the engagement of intermediaries for the A Share Offering and Listing on the ChiNext Market:
  - 1.1 Proposed engagement of Haitong Securities Co., Ltd. as sponsor and lead underwriter for the A Share Offering and Listing of the Company;
  - 1.2 Proposed engagement of PricewaterhouseCoopers Zhong Tian LLP as auditor for the A Share Offering and Listing of the Company;
  - 1.3 Proposed engagement of Shu Jin Law Firm as the PRC lawyer of the issuer for the A Share Offering and Listing of the Company; and
  - 1.4 Proposed engagement of Jia Yuan Law Office as the PRC lawyer of the sponsor (lead underwriter) for the A Share Offering and Listing of the Company.
2. To consider and approve the proposal on undertakings as to the A Share Offering and Listing on the ChiNext Market and restriction measures;
3. To consider and approve the proposal on amendments to the Connected Transaction Management Rules of CIMC Vehicles (Group) Co., Ltd..

### **SPECIAL RESOLUTIONS**

4. To consider and, if thought fit, to approve the amendments to the Articles of Association as specified in the circular of the Company dated 28 April 2020;
5. To consider and, if thought fit, to approve the amendments to the rules of procedure for the general meeting as specified in the circular of the Company dated 28 April 2020;
6. To consider and approve the proposal on the plan for the A Share Offering and Listing on the ChiNext Market:
  - 6.1 Class of shares;
  - 6.2 Nominal value of share;
  - 6.3 Offering size;

---

## SUPPLEMENTAL NOTICE OF H SHAREHOLDERS' CLASS MEETING

---

- 6.4 Target subscribers;
  - 6.5 Offering price;
  - 6.6 Method of offering;
  - 6.7 Method of underwriting;
  - 6.8 Timing of the offering and listing;
  - 6.9 Proposed place of listing;
  - 6.10 Validity period of the resolution; and
  - 6.11 Rights of the shareholders of A Share.
- 7. To consider and approve the proposal on the use of proceeds from A Share Offering and feasibility analysis on projects funded therefrom;
  - 8. To consider and approve the proposal on grant of authorization by the general meeting for the Board to handle matters in relation to the A Share Offering and Listing on the ChiNext Market;
  - 9. To consider and approve the proposal on the plan of distribution of accumulated profits prior to the A Share Offering;
  - 10. To consider and approve the proposal on the profit distribution policy and shareholder return plan for the next three years following the A Share Offering and Listing on the ChiNext Market;
  - 11. To consider and approve the proposal on the plan of stabilization of the A Share price within three years following the A Share Offering and Listing on the ChiNext Market;
  - 12. To consider and approve the proposal on dilution of current return as a result of A Share Offering and remedial measures;
  - 13. To consider and approve the proposal on the Articles of Association (Draft) and appendixes thereto which become effective upon the A Share Offering and Listing on the ChiNext Market.

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

Shenzhen, the PRC  
3 June 2020

---

## SUPPLEMENTAL NOTICE OF H SHAREHOLDERS' CLASS MEETING

---

1. This supplemental notice shall be read in conjunction with the relevant announcements of the Company dated 6 May 2020 and 15 May 2020, the relevant circular of the Company dated 28 April 2020 and the supplemental circular of the Company dated 3 June 2020.
  2. Since the proxy form (the “**First Proxy Form**”) sent together with the announcement of the Company dated 28 April 2020 in relation to the notice of the First H Shareholders' Class Meeting of 2020 does not contain the proposed additional resolutions as set out in this supplemental notice, a new proxy form (the “**Second Proxy Form**”) has been prepared and is enclosed with the supplemental notice of Class Meeting and the supplemental circular of the Company dated 3 June 2020.
  3. The Second Proxy Form for use at the First H Shareholders' Class Meeting of 2020 is enclosed with this supplemental notice and is also published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.cimvehiclesgroup.com>). Whether or not you intend to attend the First H Shareholders' Class Meeting of 2020, you are requested to complete and return the enclosed Second Proxy Form in accordance with the instructions printed thereon no later than 24 hours before the time fixed for holding the First H Shareholders' Class Meeting of 2020 or any adjournment thereof (as the case may be).
  4. **IMPORTANT:** H Shareholder(s) who has already lodged the First Proxy Form with the Company should note that:
    - (i) If no Second Proxy Form is lodged with the Company's H Share registrar, the First Proxy Form, if correctly completed, will be treated as a valid proxy form lodged by him/her. The proxy so appointed by the H Shareholder(s) will be entitled to cast the vote at his/her discretion or to abstain from voting on any resolution properly proposed at the Class Meeting (including, if properly proposed, the resolution as set out in this supplemental notice) except for those resolutions to which the Shareholder has indicated his/her voting direction in the First Proxy Form.
    - (ii) If the Second Proxy Form is lodged with the Company's H Share registrar 24 hours prior to the time fixed for holding the First H Shareholders' Class Meeting of 2020 or any adjournment thereof (the “**Closing Time**”), the Second Proxy Form, if correctly completed, will revoke and supersede the First Proxy Form previously lodged by him/her. The Second Proxy Form will be treated as a valid proxy form lodged by the H Shareholder(s).
    - (iii) If the Second Proxy Form is lodged with Company's H Share registrar after the Closing Time, or if lodged before the Closing Time but is incorrectly completed, the proxy appointment under the Second Proxy Form will be invalid. The proxy so appointed by the H Shareholder(s) under the First Proxy Form, if correctly completed, will be entitled to vote in the manner as mentioned in (i) above as if no Second Proxy Form was lodged with the Company's H Share registrar. Accordingly, H Shareholder(s) are advised to complete the Second Proxy Form carefully and lodge the Second Proxy Form with the Company's H Share registrar before the Closing Time.
- Completion and return of the First Proxy Form or the Second Proxy Form will not preclude you from attending and voting at the First H Shareholders' Class Meeting of 2020 if you so wish.
5. For the purpose of holding the First H Shareholders' Class Meeting of 2020, the register of members of Shares will be closed from Saturday, 23 May 2020 to Monday, 22 June 2020 (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 First H Shareholders' Class Meeting of 2020, 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, 22 May 2020.
- The H Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 22 May 2020 are entitled to attend and vote at the First H Shareholders' Class Meeting of 2020.- 6. Votes on the resolutions to be proposed at the First H Shareholders' Class Meeting of 2020 shall be taken by way of poll.
- 7. H Shareholders who are entitled to attend and vote at the First H Shareholders' Class Meeting of 2020 may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a Shareholder of the Company.

---

## SUPPLEMENTAL NOTICE OF H SHAREHOLDERS' CLASS MEETING

---

8. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same.
9. In order to be valid, the proxy form must be deposited, for holders of H Shares, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited not less than 24 hours before the time appointed for holding the 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 shareholders from attending and voting in person at the First H Shareholders' Class Meeting of 2020 or any adjourned meetings should they so wish.
10. Shareholders shall produce their identity documents and supporting documents in respect of the shares held when attending the First H Shareholders' Class Meeting of 2020. If corporate shareholders appoint authorised representative to attend the First H Shareholders' Class Meeting of 2020, 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 First H Shareholders' Class Meeting of 2020.
11. Holders of H Shares who intend to attend the First H Shareholders' Class Meeting of 2020 should complete the reply slip and return it to the H Share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited by hand, by post or by fax on or before Tuesday, 2 June 2020.
12. The First H Shareholders' Class Meeting of 2020 is expected to be no more than an hour. H Shareholders attending the First H Shareholders' Class Meeting of 2020 shall be responsible for their own travel and accommodation expenses.
13. Contact details of the H Share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, are as follows:

Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Telephone: (+852) 2862 8628

Fax No.: (+852) 2865 0990