

reg xhge e r g m t h e t x h g e f r g r g m t t e r re tyf r the
t f th r r y e m e t, m e r re r e t t t t r y r e m e t e e e x r e y e m r y
tywh t ever f r r y h w ever r r g f r m r r re r e y r the wh e r r y r t f the e t f th
r r y e m e t.

CIMC Vehicles (Group) Co., Ltd. 中集車輛(集

CONNECTED TRANSACTIONS DISPOSALS OF EQUITY INTERESTS IN TIANJIN KANGDE AND TIANJIN LOGISTICS

THE DISPOSALS

The Board hereby announces that on 12 June 2020 (after trading hours):

- (i) the Company and CIMC Vehicle Investment, a wholly-owned subsidiary of the Company, entered into the Tianjin Kangde Equity Transfer Agreement I and the Tianjin Kangde Equity Transfer Agreement II with CIMC Unit Load, a wholly-owned subsidiary of CIMC, respectively, pursuant to which, the Company and CIMC Vehicle Investment agreed to transfer their respective 22.5% and 22.5% equity interests in Tianjin Kangde, and CIMC Unit Load agreed to acquire an aggregate of 45% equity interests in Tianjin Kangde, at a total consideration of approximately RMB14.4 million; and
- (ii) the Company and CIMC Vehicle Investment entered into the Tianjin Logistics Equity Transfer Agreement I and the Tianjin Logistics Equity Transfer Agreement II with CIMC Unit Load, respectively, pursuant to which, the Company and CIMC Vehicle Investment agreed to transfer their respective 20% and 25% equity interests in Tianjin Logistics, and CIMC Unit Load agreed to acquire an aggregate of 45% equity interests in Tianjin Logistics, at a total consideration of approximately RMB53.8 million.

Upon completion of the Disposals, the Group will cease to hold any equity interests in Tianjin Kangde and Tianjin Logistics.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CIMC directly and indirectly holds 53.82% equity interests in the Company and is the controlling shareholder of the Company, and CIMC Unit Load is wholly owned by CIMC. Accordingly, CIMC and CIMC Unit Load are thus connected persons of the Company. Pursuant to Chapter 14A of the Listing Rules, the Disposals under the Equity Transfer Agreements constitute connected transactions of the Company. Pursuant to Rule 14A.81

of the Listing Rules, as the Equity Transfer Agreements were entered into by the Company and CIMC Vehicle Investment with the same party, i.e. CIMC Unit Load, respectively, the Disposals thereunder shall be aggregated.

As the highest applicable percentage ratio calculated in respect of the Disposals is more than 0.1% but less than 5%, the transactions contemplated under the Equity Transfer Agreements are subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

PRINCIPAL TERMS OF TIANJIN KANGDE EQUITY TRANSFER AGREEMENT I

Date

12 June 2020 (after trading hours)

Parties

Transferee: CIMC Unit Load, a wholly-owned subsidiary of CIMC

Transferor: the Company

Equity Interests in Tianjin Kangde to be Disposed of

Subject to and in accordance with the terms and conditions of the Tianjin Kangde Equity Transfer Agreement I, the Company has agreed to transfer, and CIMC Unit Load has agreed to acquire, 22.5% equity interests in Tianjin Kangde.

Consideration and Basis for Determination

The consideration of the disposal of the Company's 22.5% equity interests in Tianjin Kangde was RMB7,198,762.5, which was determined between the parties after arm's length negotiations based on normal commercial terms, and in accordance with the valuation of Tianjin Kangde as conducted by the Independent Valuer under the asset-based approach as at the Valuation Benchmark Date.

Payment of Consideration and Time of Completion

CIMC Unit Load shall pay RMB1,439,752.5 (i.e. 20% of the consideration) to the Company in cash within 30 days from the effective date of the Tianjin Kangde Equity Transfer Agreement I, and RMB5,759,010 (i.e. 80% of the consideration) to the Company in cash before 31 December 2020. According to the Tianjin Kangde Equity Transfer Agreement I, Tianjin Kangde shall complete the

change of industrial and commercial registration, taxes and other relevant procedures regarding the equity transfer within 5 working days after the receipt of the entire payment for the equity transfer from CIMC Unit Load by the Company.

Other Agreed Matters

The Company and CIMC Unit Load unanimously agreed that, upon completion of the equity transfer under the Tianjin Kangde Equity Transfer Agreement I, CIMC Unit Load would be entitled to the capital common reserve, the surplus reserve and the unallocated profit of Tianjin Kangde retained as of the Valuation Benchmark Date. The Company shall be entitled to, on a pro-rata basis as an original shareholder, the dividends and bonuses declared prior to the Valuation Benchmark Date and distributed after the completion of account treatment by Tianjin Kangde. The profit distribution rights the Company entitled to on a pro-rata basis as an original shareholder, together with the 22.5% equity interests in Tianjin Kangde, will be transferred to CIMC Unit Load from the Valuation Benchmark Date provided that CIMC Unit Load can pay the entire consideration as scheduled in the Tianjin Kangde Equity Transfer Agreement I.

PRINCIPAL TERMS OF TIANJIN KANGDE EQUITY TRANSFER AGREEMENT II

Date

12 June 2020 (after trading hours)

Parties

Transferee: CIMC Unit Load, a wholly-owned subsidiary of CIMC

Transferor: CIMC Vehicle Investment, a wholly-owned subsidiary of the Company

Equity Interests in Tianjin Kangde to be Disposed of

Subject to and in accordance with the terms and conditions of the Tianjin Kangde Equity Transfer Agreement II, CIMC Vehicle Investment has agreed to transfer, and CIMC Unit Load has agreed to acquire, 22.5% equity interests in Tianjin Kangde.

Consideration and Basis for Determination

The consideration of the disposal of CIMC Vehicle Investment's 22.5% equity interests in Tianjin Kangde was RMB7,198,762.5, which was determined between the parties after arm's length negotiations based on normal commercial terms, and in accordance with the valuation of Tianjin Kangde as conducted by the Independent Valuer under the asset-based approach as at the Valuation Benchmark Date.

Payment of Consideration and Time of Completion

CIMC Unit Load shall pay RMB1,439,752.5 (i.e. 20% of the consideration) to CIMC Vehicle Investment in cash within 30 days from the effective date of the Tianjin Kangde Equity Transfer Agreement II, and RMB5,759,010 (i.e. 80% of the consideration) to CIMC Vehicle Investment in cash before 31 December 2020. According to the Tianjin Kangde Equity Transfer Agreement II, Tianjin Kangde shall complete the change of industrial and commercial registration, taxes and other relevant procedures regarding the equity transfer within 5 working days after the receipt of the entire payment for the equity transfer from CIMC Unit Load by CIMC Vehicle Investment.

Other Agreed Matters

CIMC Vehicle Investment and CIMC Unit Load unanimously agreed that, upon completion of the equity transfer under the Tianjin Kangde Equity Transfer Agreement II, CIMC Unit Load would be entitled to the capital common reserve, the surplus reserve and the unallocated profit of Tianjin Kangde retained as of the Valuation Benchmark Date. CIMC Vehicle Investment shall be entitled to, on a pro-rata basis as an original shareholder, the dividends and bonuses declared prior to the Valuation Benchmark Date and distributed after the completion of account treatment by Tianjin Kangde. The profit distribution rights of CIMC Vehicle Investment entitled to on a pro-rata basis as an original shareholder, together with the 22.5% equity interests in Tianjin Kangde, will be transferred to CIMC Unit Load from the Valuation Benchmark Date provided that CIMC Unit Load can pay the entire consideration as scheduled in the Tianjin Kangde Equity Transfer Agreement II.

PRINCIPAL TERMS OF TIANJIN LOGISTICS EQUITY TRANSFER AGREEMENT I

Date

12 June 2020 (after trading hours)

Parties

Transferee: CIMC Unit Load, a wholly-owned subsidiary of CIMC

Transferor: the Company

Equity Interests in Tianjin Logistics to be Disposed of

Subject to and in accordance with the terms and conditions of the Tianjin Logistics Equity Transfer Agreement I, the Company has agreed to transfer, and CIMC Unit Load has agreed to acquire, 20% equity interests in Tianjin Logistics.

Consideration and Basis for Determination

The consideration of the disposal of the Company's 20% equity interests in Tianjin Logistics was RMB23,927,080, which was determined between the parties after arm's length negotiations based on normal commercial terms, and in accordance with the valuation of Tianjin Logistics as conducted by the Independent Valuer under the income approach as at the Valuation Benchmark Date. The Company considers that the income approach is comparatively more in line with the actual business and cash flow of Tianjin Logistics, which can reflect the market value of equity of the owners of Tianjin Logistics more objectively and realistically as compared to the asset-based approach.

Payment of Consideration and Time of Completion

CIMC Unit Load shall pay RMB4,785,416 (i.e. 20% of the consideration) to the Company in cash within 30 days from the effective date of the Tianjin Logistics Equity Transfer Agreement I, and RMB19,141,664 (i.e. 80% of the consideration) to the Company in cash before 31 December 2020. According to the Tianjin Logistics Equity Transfer Agreement I, Tianjin Logistics shall complete the change of industrial and commercial registration, taxes and other relevant procedures regarding the equity transfer within 5 working days after the receipt of the entire payment for the equity transfer from CIMC Unit Load by the Company.

Other Agreed Matters

The Company and CIMC Unit Load unanimously agreed that, upon completion of the equity transfer under the Tianjin Logistics Equity Transfer Agreement I, CIMC Unit Load would be entitled to the capital common reserve, the surplus reserve and the unallocated profit of Tianjin Logistics retained as of the Valuation Benchmark Date. The Company shall be entitled to, on a pro-rata basis as an original shareholder, the dividends and bonuses declared prior to the Valuation Benchmark Date and distributed after the completion of account treatment by Tianjin Logistics. The profit distribution rights of the Company entitled to on a pro-rata basis as an original shareholder, together with the 20% equity interests in Tianjin Logistics, will be transferred to CIMC Unit Load from the Valuation Benchmark Date provided that CIMC Unit Load can pay the entire consideration as scheduled in the Tianjin Logistics Equity Transfer Agreement I.

PRINCIPAL TERMS OF TIANJIN LOGISTICS EQUITY TRANSFER AGREEMENT II

Date

12 June 2020 (after trading hours)

Parties

Transferee: CIMC Unit Load, a wholly-owned subsidiary of CIMC

Transferor: CIMC Vehicle Investment, a wholly-owned subsidiary of the Company

Equity Interests in Tianjin Logistics to be Disposed of

Subject to and in accordance with the terms and conditions of the Tianjin Logistics Equity Transfer Agreement II, CIMC Vehicle Investment has agreed to transfer, and CIMC Unit Load has agreed to acquire, 25% equity interests in Tianjin Logistics.

Consideration and Basis for Determination

The consideration of the disposal of CIMC Vehicle Investment's 25% equity interests in Tianjin Logistics was RMB29,908,850, which was determined between the parties after arm's length negotiations based on normal commercial terms, and in accordance with the valuation of Tianjin Logistics as conducted by the Independent Valuer under the income approach as at the Valuation Benchmark Date. The Company considers that the income approach is comparatively more in line with the actual business and cash flow of Tianjin Logistics, which can reflect the market value of equity of the owners of Tianjin Logistics more objectively and realistically as compared to the asset-based approach.

Payment of Consideration and Time of Completion

CIMC Unit Load shall pay RMB5,981,770 (i.e. 20% of the consideration) to CIMC Vehicle Investment in cash within 30 days from the effective date of the Tianjin Logistics Equity Transfer Agreement II, and RMB23,927,080 (i.e. 80% of the consideration) to CIMC Vehicle Investment in cash before 31 December 2020. According to the Tianjin Logistics Equity Transfer Agreement II, Tianjin Logistics shall complete the change of industrial and commercial registration, taxes and other relevant procedures regarding the equity transfer within 5 working days after the receipt of the entire payment for the equity transfer from CIMC Unit Load by CIMC Vehicle Investment.

Other Agreed Matters

CIMC Vehicle Investment and CIMC Unit Load unanimously agreed that, upon completion of the equity transfer under the Tianjin Logistics Equity Transfer Agreement II, CIMC Unit Load would be entitled to the capital common reserve, the surplus reserve and the unallocated profit of Tianjin Logistics retained as of the Valuation Benchmark Date. CIMC Vehicle Investment shall be entitled to, on a pro-rata basis as an original shareholder, the dividends and bonuses declared prior to the Valuation Benchmark Date and distributed after the completion of account treatment by Tianjin Logistics. The profit distribution rights of CIMC Vehicle Investment entitled to on a pro-rata basis as an original shareholder, together with the 25% equity interests in Tianjin Logistics, will be transferred to CIMC Unit Load from the Valuation Benchmark Date provided that CIMC Unit Load can pay the entire consideration as scheduled in the Tianjin Logistics Equity Transfer Agreement II.

INFORMATION ABOUT TIANJIN KANGDE

Tianjin Kangde is a company established in the PRC, its principal businesses include the design, installation and maintenance services of logistics equipment, related components and steel structures and consultation of related businesses. Prior to the completion of the Tianjin Kangde Disposal, the equity interests in Tianjin Kangde held by the Company, CIMC Vehicle Investment and CIMC Unit Load were 22.5%, 22.5%, and 55%, respectively. After the completion of Tianjin Kangde Disposal, the Group will cease to hold any equity interests in Tianjin Kangde, and Tianjin Kangde will become a wholly-owned subsidiary of CIMC Unit Load.

The audited net profits (before and after tax) of Tianjin Kangde for the two fiscal years ended 31 December 2018 and 2019 prepared in accordance with China Accounting Standards for Business Enterprises are set out as below:

	Year ended 31 December 2018	Year ended 31 December 2019
	<i>(R B 000)</i>	<i>(R B 000)</i>
Net profit before tax	98.39	126.48
Net profit after tax	73.79	94.86

According to the audited financial statements of Tianjin Kangde as of 31 December 2019, its net asset value was RMB8,093,592.08.

After taking into account the consideration and relevant transaction cost of the Tianjin Kangde Disposal, the Group expects an unaudited loss of approximately RMB3.6 million in respect of the Tianjin Kangde Disposal.

INFORMATION ABOUT TIANJIN LOGISTICS

Tianjin Logistics is a company established in the PRC, its principal businesses include the development, manufacture and sale of intermodal transportation equipment and processing, manufacture and related businesses of ordinary mechanical products and metal structures, as well as the provision of related consultation. Prior to the completion of the Tianjin Logistics Disposal, the equity interests in Tianjin Logistics held by the Company, CIMC Vehicle Investment and CIMC Unit Load were 20%, 25%, and 55%, respectively. After the completion of Tianjin Logistics Disposal, the Group will cease to hold any equity interests in Tianjin Logistics, and Tianjin Logistics will become a wholly-owned subsidiary of CIMC Unit Load.

The audited net profits (before and after tax) of Tianjin Logistics for the two fiscal years ended 31 December 2018 and 2019 prepared in accordance with China Accounting Standards for Business Enterprises are set out as below:

	Year ended 31 December 2018	Year ended 31 December 2019
	<i>(R B 000)</i>	<i>(R B 000)</i>
Net profit before tax	17,825.59	33,591.18
Net profit after tax	13,153.78	25,014.50

According to the audited financial statements of Tianjin Logistics as of 31 December 2019, its net asset value was RMB90,569,249.64.

After taking into account the consideration and relevant transaction cost of the Tianjin Logistics Disposal, the Group expects an unaudited gain of approximately RMB20.8 million in respect of the Tianjin Logistics Disposal. The Group intends to use the net proceeds from the Tianjin Logistics Disposal to replenish the general working capital of the Group.

REASONS FOR AND BENEFITS OF TIANJIN KANGDE DISPOSAL AND TIANJIN LOGISTICS DISPOSAL

For the purpose of integrating and expanding the principal businesses of the Company, and considering that the equity investments of the Group in Tianjin Kangde and Tianjin Logistics have not achieved the investment goal of expanding the principal businesses of the Company by boosting its market share in the pallet container segment of the logistics equipment industry with its overseas customer resources, as well as the decline of current macro-economy together with the impact of novel coronavirus pneumonia pandemic, the Board considers that the Tianjin Kangde Disposal and Tianjin Logistics Disposal are beneficial to the Group's divestment of non-core assets and focusing on its development of principal businesses.

As each of Mr. Mai Boliang, Mr. Wang Yu and Ms. Zeng Beihua is the Director and is also the director and/or senior management of CIMC and/or its certain subsidiaries, they are deemed to have material interests in the transactions contemplated under the Equity Transfer Agreements. They have abstained from voting on the resolution(s) in relation to the transactions contemplated under the Equity Transfer Agreements. Saved for the above individuals, other Directors have no interest in the transactions contemplated under the Equity Transfer Agreements.

The Directors (including independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreements are on normal commercial terms and are fair and reasonable to the Company and the Shareholders, therefore the transactions are in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

The Group

The Group primarily engages in the manufacture and sale of semi-trailers in global major markets, and also manufactures truck bodies for specialty vehicles and sells fully-assembled specialty vehicles in the China market. At the same time, the Group is also a leading manufacturer of refrigerated truck bodies in China.

CIMC

CIMC is a joint stock company incorporated in the PRC, the H Shares of which are listed on the Main Board of the Stock Exchange and the A shares of which are listed on the Shenzhen Stock Exchange. CIMC Group is a world leading equipment and solution provider in the logistics and energy industries and is principally engaged in the manufacture of containers, road transportation vehicles, energy, chemical, liquid food equipment, offshore engineering equipment, airport facilities equipment as well as the provision of relevant services, including the design and manufacture of international standard dry containers, reefer containers, special-purpose containers, tank containers, wooden container floorboards, road tank trucks, natural gas processing equipment and static tanks, road transportation vehicles, heavy trucks, jack-up drilling platforms, semi-submersible drilling platforms, special vessels, passenger boarding bridges and bridge-mounted equipment, airport ground support equipment, fire safety and rescue vehicles, and the design, manufacture and services of automated logistics system and intelligent parking system. In addition, CIMC Group is also engaged in logistics services business, industrial city development, finance and asset management and other businesses. CIMC Group has established an industrial cluster focusing on key equipment and solutions of logistics and energy industry through business expansion and technology development.

CIMC Unit Load

CIMC Unit Load is a limited liability company incorporated in the PRC and its principal business is leasing and maintenance of logistics equipment and relevant accessories (excluding financial leasing); international and domestic freight forwarding and supply chain management.

CIMC Vehicle Investment

CIMC Vehicle Investment is a limited liability company incorporated in the British Virgin Islands and its principal business is investment holding.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CIMC directly and indirectly holds 53.82% equity interests in the Company and is the controlling shareholder of the Company, and CIMC Unit Load is wholly owned by CIMC. Accordingly, CIMC and CIMC Unit Load are thus connected persons of the Company. Pursuant to Chapter 14A of the Listing Rules, the Disposals under the Equity Transfer

Agreements constitute connected transactions of the Company. Pursuant to Rule 14A.81 of the Listing Rules, as the Equity Transfer Agreements were entered into by the Company and CIMC Vehicle Investment with the same party, i.e. CIMC Unit Load, respectively, the Disposals thereunder shall be aggregated.

As the highest applicable percentage ratio calculated in respect of the Disposals is more than 0.1% but less than 5%, the transactions contemplated under the Equity Transfer Agreements are subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“CIMC”	China International Marine Containers (Group) Co., Ltd. (), a joint stock company incorporated in the PRC on 14 January 1980 and listed on the Shenzhen Stock Exchange (stock code: 000039) and the Stock Exchange (stock code: 2039), and the controlling shareholder of the Company
“CIMC Group”	CIMC and its subsidiaries
“CIMC Unit Load”	CIMC Unit Load Holdings Co., Ltd. (), a limited liability company incorporated in the PRC, and a wholly-owned subsidiary of CIMC
“CIMC Vehicle Investment”	CIMC Vehicle Investment Holdings Company Limited (), a limited liability company incorporated in the British Virgin Islands, and a wholly-owned subsidiary of the Company
“Company”	CIMC Vehicles (Group) Co., Ltd. (), a joint stock company with limited liability established under the laws of the PRC on 29 August 1996
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules

“Director(s)”	the director(s) of the Company
“Disposals”	collectively, the Tianjin Kangde Disposal and Tianjin Logistics Disposal
“Equity Transfer Agreements”	collectively, the Tianjin Kangde Equity Transfer Agreement I, Tianjin Kangde Equity Transfer Agreement II, Tianjin Logistics Equity Transfer Agreement I and Tianjin Logistics Equity Transfer Agreement II
“Group”	the Company and its subsidiaries
“Independent Shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Independent Valuer”	Guo Zhong Lian Land and Real Estate Asset Evaluation Co., Ltd. ()
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China, and for the purpose of this announcement, excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Kangde”	Tianjin Kangde Logistics Equipment Co., Ltd. ()
“Tianjin Kangde Disposal”	the transfer of 22.5% equity interests in Tianjin Kangde from the Company to CIMC Unit Load pursuant to the Tianjin Kangde Equity Transfer Agreement I, and the transfer of 22.5% equity interests from CIMC Vehicle Investment to CIMC Unit Load pursuant to the Tianjin Kangde Equity Transfer Agreement II
“Tianjin Kangde Equity Transfer Agreement I”	the agreement entered into between the Company and CIMC Unit Load on 12 June 2020 in respect of the transfer of 22.5% equity interests in Tianjin Kangde

“Tianjin Kangde Equity Transfer Agreement II”	the agreement entered into between CIMC Vehicle Investment and CIMC Unit Load on 12 June 2020 in respect of the transfer of 22.5% equity interests in Tianjin Kangde
“Tianjin Logistics”	Tianjin CIMC Logistics Equipment Co., Ltd. ()
“Tianjin Logistics Disposal”	the transfer of 20% equity interests in Tianjin Logistics from the Company to CIMC Unit Load pursuant to the Tianjin Logistics Equity Transfer Agreement I, and the transfer of 25% equity interests from CIMC Vehicle Investment to CIMC Unit Load pursuant to the Tianjin Logistics Equity Transfer Agreement II
“Tianjin Logistics Equity Transfer Agreement I”	the agreement entered into between the Company and CIMC Unit Load on 12 June 2020 in respect of the transfer of 20% equity interests in Tianjin Logistics
“Tianjin Logistics Equity Transfer Agreement II”	the agreement entered into between CIMC Vehicle Investment and CIMC Unit Load on 12 June 2020 in respect of the transfer of 25% equity interests in Tianjin Logistics
“Valuation Benchmark Date”	31 March 2020
“%”	per cent

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

Hong Kong, 12 June 2020

At the date of this agreement, the Board members, *Mr. Li Guiping*, *Mr. Li Beihu*, *Mr. Li Guoyu*, *Mr. He Bin*, *Mr. Li Guogang*, *Mr. Li Guohua*, *Mr. Li Honggang* and *Mr. He Guang*.

* *Executive Director*

** *Executive Director*

*** *Independent Executive Director*