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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

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# **CIMC VEHICLES**

**CIMC Vehicles (Group) Co., Ltd.**

**中集車輛(集團)股份有限公司**

(A Company Limited by Shares, Incorporated in the People's Republic of China)  
(Stock Code: 1839)

**2022 ANNUAL REPORT, THE SUMMARY OF THE ANNUAL REPORT  
FOR 2022 AND THE FINAL FINANCIAL ACCOUNTS FOR 2022;  
INVESTMENT PLAN FOR 2023;  
FUND PLAN FOR 2023;  
PROFIT DISTRIBUTION PLAN FOR 2022;  
ENGAGEMENT OF AUDITOR FOR 2023;  
WORK REPORT OF THE BOARD FOR 2022;  
WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2022;  
PROPOSED RECONSIDERATION AND TERMINATION OF CERTAIN  
A SHARE PROCEEDS-FUNDED PROJECTS;  
PROPOSED GRANT OF GENERAL MANDATE TO ISSUE NEW SHARES;  
AND  
NOTICE OF 2022 ANNUAL GENERAL MEETING**

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A letter from the Board is set out on pages 4 to 15 of this circular. A notice convening the 2022 AGM to be held at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC at 2:30 p.m. on Thursday, 25 May 2023, is despatched to the Shareholders together with this circular.

Shareholders who intend to appoint a proxy to attend the 2022 AGM shall complete and return the appropriate proxy form in accordance with the instructions printed thereon. The proxy form must be signed by you or your attorney duly authorized in writing or, in case of a legal person, must either be executed under its seal or under the hand of its director or other attorney duly authorized to sign the same. If the proxy form is signed by an attorney of the appointer, the power of attorney authorizing that attorney to sign, or other document of authorization, shall be notarially certified.

In case of joint holders of any Share, any one of such joint holders may vote at the 2022 AGM, either personally or by proxy, in respect of such Shares as if he is solely entitled thereto. However, if more than one of such joint holders are present at the 2022 AGM, personally or by proxy, the vote of the joint shareholder whose name stands first in the register of members and who tenders a vote, whether personally or by proxy, will be accepted to the exclusion of the votes of other joint shareholder(s).

For H Shareholders, please return the proxy form together with any documents of authority to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or the registered office of the Company in the PRC at No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC as soon as possible, and in any event not later than 24 hours before the time appointed for holding the 2022 AGM. Completion and return of the proxy form will not preclude you from attending and voting at the 2022 AGM or any adjournment thereof should you so wish.

26 April 2023

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## DEFINITIONS

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“2022 AGM” or “2022 Annual General Meeting”	the 2022 annual general meeting of the Company to be convened at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC at 2:30 p.m. on Thursday, 25 May 2023
“2022 Annual Report”	the report of the Company for the financial year ended 31 December 2022
“A Share(s)”	domestic listed ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed and traded on the ChiNext Market of the Shenzhen Stock Exchange
“A Shareholder(s)”	A Shareholder(s) of the Company
“A Share Offering”	the initial public offering of A Shares by the Company on the ChiNext Market of the Shenzhen Stock Exchange
“A Share Proceeds-funded Projects”	the projects funded by A Share Proceeds
“A Share Proceeds” or “Proceeds”	the proceeds received upon the completion of A Share Offering on the ChiNext Market on 8 July 2021
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the Hong Kong Stock Exchange Listing Rules
“Board” or “Board of Directors”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China
“ChiNext Market”	the ChiNext Market of the Shenzhen Stock Exchange
“CIMC JiangMen”	CIMC Vehicles (JiangMen) Co., Ltd.
“Circular”	the circular of the Company dated 26 April 2023

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## DEFINITIONS

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“Company”	CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)股份有限公司), a joint stock company with limited liability established under the laws of the PRC on 29 August 1996, whose H Shares and A Shares are listed and traded on the Hong Kong Stock Exchange and the SZSE, respectively
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Stock Exchange Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the SZSE Listing Rules and the Hong Kong Stock Exchange Listing Rules
“Group”	the Company and its subsidiaries
“GuangZhou CIMC Marketing”	GuangZhou CIMC Vehicles Marketing Co., Ltd
“HK\$” or “HK Dollar(s)”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“H Share(s)”	overseas listed foreign ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed and traded on the Main Board of the Hong Kong Stock Exchange
“H Shareholder(s)”	H Shareholder(s) of the Company
“Latest Practicable Date”	20 April 2023, being the latest practicable date for the purpose of ascertaining certain information contained herein
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s)

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## DEFINITIONS

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“Shareholder(s)”	the shareholder(s) of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“SZSE” or “Shenzhen Stock Exchange”	the Shenzhen Stock Exchange
“SZSE Listing Rules”	the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (2020 Revision)
“Tonghua Special Vehicles”	Yangzhou CIMC Tonghua Special Vehicles Co., Ltd.
“%”	per cent



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## LETTER FROM THE BOARD

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### **I. The 2022 Annual Report, the Summary of the Annual Report for 2022 and the Final Financial Accounts for 2022**

An ordinary resolution will be proposed at the 2022 AGM to approve the 2022 Annual Report, the summary of the annual report for 2022 and the final financial accounts for 2022, the text of which is set out in the 2022 Annual Report.

### **II. Investment Plan for 2023**

An ordinary resolution will be proposed at the 2022 AGM to approve the investment plan for 2023. The Board proposed that the total amount of investment plan for 2023 is RMB728.80 million. The investment plan for 2023 does not constitute a disclosure under the SZSE Listing Rules, the Hong Kong Stock Exchange Listing Rules and other relevant regulations.

Once the above resolution is approved at the 2022 AGM, the Board proposes to delegate the authorization to Mr. Li Guiping, the executive Director, chief executive officer and president of the Company, and his authorized persons to approve the projects in the approved investment plan for 2023 and sign relevant legal documents.

The Board has proposed at the 2022 AGM to delegate the approval authority for the investment plan for 2023 and the updated investment plan to the Board within the scope of the approval authority as stipulated in the Articles of Association.

### **III. Fund Plan for 2023**

#### **(I) Guarantee Plans for Subsidiaries and their Distributors and Customers in 2023**

The Company will propose an ordinary resolution at the 2022 AGM to approve the provision of guarantees for subsidiaries and their distributors and customers in 2023, and the details are as follows:

##### ***1. Guarantee for controlled subsidiaries***

Based on the needs of business development and production and operation, the Group intends to provide a total balance of credit guarantee of not more than an equivalent of RMB2.0 billion for its subsidiaries within the scope of the Company's consolidated statements in 2023. Among them, subsidiaries with an asset-liability ratio of below 70% are provided with a total balance guarantee of not more than an equivalent of RMB1.7 billion, and subsidiaries with an asset-liability ratio of over 70% are provided with a total balance guarantee of not more than an equivalent of RMB300 million. The guarantees provided by the Group for the financing and credit extension of overseas subsidiaries are handled preferentially through the subsidiary, CIMC Vehicle Investment Holdings Co., Ltd.

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## LETTER FROM THE BOARD

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2. *To provide financial support for the Group's sales business, the Group provides guarantees to its distributors and customers for the purpose of product sales. Details are as follows:*

- (1) To provide financial support for vehicles sales, the Group, for the purpose of product sales, provides a total balance guarantee of not more than an equivalent of RMB3.2 billion to its customers to secure purchasers' credit loans from financial institutions, of which, the maximum balance of guarantee provided to customers for financing from financial institutions affiliated to China International Marine Containers (Group) Co., Ltd. ("CIMC") is RMB820 million.
- (2) To provide financial support for the Group's real estate sales in vehicle parks, the Group, for the purpose of product sales, provides its customers with an accumulative balance guarantee of not more than an equivalent of RMB40 million to secure purchasers' loans from financial institutions. Selling self-built sales and maintenance service stores is one of the main businesses of vehicle park enterprises. Customers apply for loans from financial institutions to purchase the stores. Before obtaining the Real Estate Ownership Certificate, the vehicle park enterprises provide credit guarantees for customers to obtain loans from financial institutions to purchase the stores. The guarantees provided by the vehicle park enterprises can be discharged upon the customers mortgaging the stores to the financial institutions after they obtain the Real Estate Ownership Certificate and complete the mortgage registration procedures.

The resolution on the guarantee matters shall be valid from the date of consideration and approval at the 2022 AGM until the next relevant resolution takes effect. The Board proposes at the 2022 AGM to authorize Mr. Li Guiping, the executive Director, chief executive officer and president, or his authorized person to sign the above-mentioned documents related to all guarantees of the Company.

The above-mentioned transactions related to the maximum balance guarantee of RMB820 million provided for customers to secure financing from financial institutions affiliated to CIMC have been considered and approved by the Board of Directors, the Supervisory Committee and the general meeting of the Company. For details, please refer to the Company's announcements dated 25 August 2021 and 29 September 2021 and the Company's circular dated 13 September 2021.

Save as disclosed above, the applicable percentage ratios calculated for the purpose of Chapter 14A of the Hong Kong Stock Exchange Listing Rules in respect of each external guarantee are not more than 5%, and none of the counterparties are the connected persons of the Company. Accordingly, the Company is of the view that the aforesaid external guarantees did not constitute the discloseable transactions and/or connected transactions under Chapter 14 and/or Chapter 14A of the Hong Kong Stock Exchange Listing Rules. The Company will comply with the applicable provisions of Chapter 14 and/or Chapter 14A of the Hong Kong Stock Exchange Listing Rules if the applicable percentage ratios in respect of each external guarantee are more than 5% or the guaranteed parties are the connected persons of the Company at that time when the Company enters into an agreement on external guarantees.



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## LETTER FROM THE BOARD

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### (II) External Guarantees and Related Party/Connected Transactions

An ordinary resolution will be proposed by the Company at the 2022 AGM to seek for the approval of the provision of guarantees by the Group to non-bank financial institutions under CIMC in relation to customer financings for the purchase of products from the Group in 2023. The maximum daily balance of such guarantees is RMB820 million.

The Company held the 2021 10th meeting of the first session of the Board, the 2021 4th meeting of the first session of the Supervisory Committee on 25 August 2021, and the first extraordinary general meeting for 2021 (“**2021 First EGM**”) on 29 September 2021, which considered and approved the Proposed Entering into of the Financial Guarantees and Performance Bond Framework Agreement and the Continuing Connected/Related Party Transactions, approved the signing of the Financial Guarantees and Performance Bond Framework Agreement between the Company and CIMC, and set the maximum daily balance of RMB820 million for financial guarantees provided to non-bank financial institutions under CIMC by the Group in relation to customers’ purchase of products from the Group for the years ended 31 December 2022, 31 December 2023 and 31 December 2024. For details, please refer to the announcements published by the Company on 25 August 2021 and 29 September 2021 and the circular published by the Company on 13 September 2021.

After the maximum daily balance of financial guarantees from 2022 to 2024 being approved at the 2021 First EGM, the Company shall conduct review procedures on the financial guarantees provided to non-bank financial institutions under CIMC in relation to customers’ purchase of products from the Group, and make relative disclosure, under the SZSE Listing Rules, the Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 2 – the Compliant Operation of Listed Companies of the ChiNext Market and other relevant requirements. The proposed maximum daily balance for financial guarantees provided to non-bank financial institutions under CIMC by the Group in relation to customers’ purchase of products from the Group in 2023 was RMB820 million, which is consistent with the annual cap approved at the 2021 First EGM.

As CIMC is the controlling shareholder of the Company, CIMC is a related party of the Company pursuant to the SZSE Listing Rules. The financial guarantees and performance bonds provided to non-bank financial institutions under CIMC by the Group in relation to customers’ purchase of products from the Group, constitute related party transactions of the Company, and non-bank financial institutions affiliated to CIMC are the guarantors. In view of the above, the Board meeting and the general meeting have considered and approved the annual cap on financial guarantees for such related party transactions for the next three years, and the transactions and terms under the Financial Guarantees and Performance Bond Framework Agreement remain unchanged, so that the proposed maximum daily balance of RMB820 million for financial guarantees provided in relation to financings of non-bank financial institutions affiliated to CIMC in 2023 is not subject to review procedures on connected transactions under relevant provisions of the Hong Kong Stock Exchange Listing Rules.

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## LETTER FROM THE BOARD

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The Proposed External Guarantees and Related Party/Connected Transactions was considered and approved at the 2023 4th meeting of the second session of the Board held on 27 March 2023, at which the related Directors, being Mr. Mai Boliang, Mr. Zeng Han, Mr. Wang Yu and Mr. He Jin abstained from voting, and non-related Directors present unanimously agreed on the proposal. The independent non-executive Directors have given prior approval to the proposal and expressed independent opinion of approval, and Haitong Securities Co., Ltd., the sponsor, has issued an unqualified verification opinion. The Proposed External Guarantees and Related Party/Connected Transactions was considered and approved at the 2023 3rd meeting of the second session of the Supervisory Committee held on 27 March 2023, at which the related Supervisor, being Ms. Wang Jinghua, abstained from voting. Save for the abovementioned persons, none of other Directors or Supervisors are interested in the transaction.

Each of CIMC and its associate China International Marine Containers (Hong Kong) Limited shall abstain from voting on the above resolution at the 2022 AGM.

#### **IV. Profit Distribution Plan for 2022**

An ordinary resolution will be proposed at the 2022 AGM to approve the profit distribution plan for 2022.

The profit distribution plan for 2022 of the Company as considered and approved by the Board meeting is based on the Company's total share capital of 2,017,600,000 Shares as of the Latest Practicable Date. A cash dividend of RMB3.00 (tax inclusive) per ten Shares (i.e. cash dividend of RMB0.30 (tax inclusive) per one Share) will be distributed to all Shareholders, no bonus shares will be issued and shares will not be converted from capital reserve into share capital (the "**2022 Final Dividend**"). The remaining distributable profits of the Company will be carried forward for future use. The 2022 Final Dividend will be denominated and declared in RMB, and distributed to A Shareholders and Southbound Shareholders in RMB, and distributed to H Shareholders in HK Dollar. The actual distribution amount in HK Dollar shall be determined based on the relevant central parity rate published by the People's Bank of China on the first business day after the date of the 2022 AGM. The Company will complete the dividend distribution within 2 months after the consideration and approval at the 2022 AGM, and the proposed dividend is expected to be payable on or before Monday, 24 July 2023.

The profit distribution is based on the number of total share capital registered on the equity registration date of the implementation of the equity distribution. In the event of change in total share capital of the Company after the date of the Board meeting approving the profit distribution plan for 2022 and before the equity registration date of the implementation of the equity distribution, the distribution amount per Share will remain unchanged while the total distribution amount will be adjusted accordingly and a further announcement will be published for the details of the adjustment (if any).

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## LETTER FROM THE BOARD

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In order to ascertain the entitlement of the 2022 Final Dividend, the register of members of H Shares will be closed from Thursday, 1 June 2023 to Monday, 5 June 2023 (both days inclusive), during which no transfer of Shares will be registered. To be eligible to receive the aforesaid cash dividend, the transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders no later than 4:30 p.m. on Wednesday, 31 May 2023 (subject to the approval by the Shareholders at the 2022 AGM).

### **V. Engagement of Auditor for 2023**

The Company will propose an ordinary resolution at the 2022 AGM to approve the appointment of PricewaterhouseCoopers Zhong Tian LLP (“**PricewaterhouseCoopers Zhongtian**”) as the Company's original sole auditor of the Company and is responsible for providing both domestic and overseas audit services according to the China Accounting Standards for Business Enterprises for 2023 with a term starting from the date of approval at the 2022 AGM to the date of the 2023 annual general meeting.

It is proposed that PricewaterhouseCoopers Zhongtian will receive a remuneration of RMB5.43 million (including annual financial statement audit fee of RMB4.98 million and internal control assurance service fee of RMB450,000), assuming that the audit range remains unchanged during the year 2023.

The Board has proposed at the 2022 AGM to authorize the Board or its authorized management of the Company to determine the actual annual expenses of the auditors according to the actual workload and scope based on the principle of fairness and reasonableness.

### **VI. Work Report of the Board for 2022**

An ordinary resolution will be proposed at the 2022 AGM to approve the report of the Board of Directors for the year ended 31 December 2022, the full text of which is set out in the 2022 Annual Report.

In addition, the independent non-executive Directors have submitted the “Debriefing Report of Independent Directors in 2022” and will make a debriefing at the 2022 Annual General Meeting of the Company. For details of the debriefing report, please refer to the “Overseas Regulatory Announcement – Debriefing Report of Independent Directors of CIMC Vehicles (Group) Co., Ltd. in 2022” of the Company dated 27 March 2023.

## **VII. Work Report of Supervisory Committee for 2022**

An ordinary resolution will be proposed at the 2022 AGM to approve the report of the Board of Supervisors for the year ended 31 December 2022, the full text of which is set out in the 2022 Annual Report.

## **VIII. Proposed Reconsideration and Termination of Certain A Share Proceeds-Funded Projects**

An ordinary resolution will be proposed at the 2022 AGM to approve the reconsideration and termination of certain A Share Proceeds-Funded Projects.

References are made to the Overseas Regulatory Announcement which set out the prospectus for the Initial Public Offering and Listing of Shares of the Company on the ChiNext Market published by the Company on 5 July 2021, the circular of the Company dated 26 April 2021, in relation to, among others, the proposed amount of A Share Proceeds and its proposed A Share Proceeds-funded Projects and the announcement dated 3 August 2021, in relation to, among others, adjustment to Proceeds Proposed to be invested in A Share Proceeds-Funded Projects and confirmation of implementation methods of A Share Proceeds-Funded Projects.

As approved the registration under the Reply in Relation to Approval for Registration of Shares in Initial Public Offering of CIMC Vehicles (Group) Co., Ltd. (Zheng Jian Xu Ke [2021] No. 1719) issued by CSRC and with the permission of the Shenzhen Stock Exchange, the Company issued 252,600,000 A Shares with a par value of RMB1.00 each, at the issue price of RMB6.96 per Share. The A Share Proceeds are RMB1,758,096,000 in aggregate. The actual net A Share Proceeds are RMB1,583,776,800 after deducting the issue expenses of RMB174,319,200 (excluu747ve440()-441.0(tax).441.0(Pce)]we.)rhouseCoorZhg

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## LETTER FROM THE BOARD

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### IX. Proposed Grant of General Mandate to Issue New Shares

To ensure that the Board of Directors has the flexibility and discretion to decide on the individual or joint allotment, issue and disposal of additional A Shares and/or H Shares and the terms and conditions of issue as appropriate, in the light of market conditions and the needs of the Company, it is proposed that a new general mandate (the “**General Mandate**”) be granted to the Board of Directors at the 2022 AGM so as to allot, issue and dispose of additional A Shares and/or H Shares of the Company individually or jointly. The exercise of the above mandate by the Board of Directors during the relevant period will obviate the need for the Company to convene a general meeting or a class general meeting in the case of issuing H Shares. In the case of issuing A Shares, the Company is no longer required to convene a class general meeting. If, under relevant regulations in the PRC, a general meeting of all Shareholders is required to be convened notwithstanding the general mandate to issue shares, the approval of the general meeting of all Shareholders is still required, but the approval of Shareholders at the class general meeting of A Shares and H Shares is not required, respectively.

The General Mandate to issue Shares is specifically as follows.

1. The Board of Directors is hereby authorized to determine the individual or joint allotment, issue and disposal of additional A Shares and/or H Shares of the Company (including securities convertible into A Shares and/or H Shares) and the terms and conditions of issue, in the light of market conditions during the relevant period:
  - 1) The class and number of shares to be issued, allotted and disposed of;
  - 2) Pricing mechanism and/or issue price (including price range) of stocks;
  - 3) The opening and closing time of the issuance;
  - 4) The class and number of shares to be issued to existing shareholders; and/or
  - 5) The making or granting of offers, agreements, options or conversions which may require the exercise of such rights.
2. The number of A Shares or H Shares to be issued, allotted and disposed of (whether pursuant to options, conversions or otherwise) as the Board of Directors may decide, individually or jointly, pursuant to the mandate referred to in item 1 above shall not exceed 20% of the number of A Shares and/or H Shares in issue as at the date of consideration and approval of this proposal at the 2022 Annual General Meeting, respectively. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,453,680,000 A Shares and 563,920,000 H Shares. Subject to the passing of the General Mandate at the 2022 AGM and on the basis that no further shares will be issued prior to the 2022 AGM, the Board of Directors will be entitled to issue no more than 290,736,000 A Shares and 112,784,000 H Shares.

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## LETTER FROM THE BOARD

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3. The Board may make or grant offers, agreements, options or conversions during the relevant period which require or may require the exercise of such rights after the end of the relevant period.
4. For the purpose of this resolution, the relevant period refers to the period from the date on which this proposal is passed by the 2022 AGM of Shareholders until the earliest of (1) the conclusion of the next annual general meeting of the Company; (2) the expiration of 12 months from the date of passing this resolution by a special resolution at the 2022 AGM; or (3) the revocation or variation of the mandate given under this resolution by passing of a special resolution of the Company to the Board of Directors in a general meeting.
5. The Board of Directors is authorized to increase the registered capital of the Company accordingly in accordance with the manner, type and number of shares to be issued and distributed and the actual situations of share capital structure of the Company upon the completion of share issue, and to make such amendments to the Articles of Association of the Company as it deems necessary in due course to reflect the new share capital structure and registered capital.
6. Subject to the relevant laws and regulations, the regulatory rules of the place where the Company is listed and the Articles of Association of the Company, the Board of Directors is authorized to do all necessary matters required for the General Mandate of share issue.
7. In order to take forward in a timely and effective manner the implementation of the General Mandate to issue shares by the Company in accordance with the foregoing, the Board of Directors and its authorized persons are authorized, in conjunction with the approval of the matters mentioned in the above items 1-6 at the 2022 AGM and during the above relevant period:
  - 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;

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## LETTER FROM THE BOARD

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- 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 offering 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 share 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; and
  - 8) all other procedures and issues as the Board may consider necessary in connection with the General Mandate to issue shares.
8. The Board and its authorized persons may not exercise rights until such issuance and related matters are in compliance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Article of Association and regulatory rules (as amended from time to time) of the place where the Company is listed, and subject to approval (if required) by China Securities Regulatory Commission and other relevant authorities. The Board and its authorized persons shall handle relevant matters subject to the authority granted to the Board by the 2022 AGM.

The Board has no plan to issue new Shares pursuant to the General Mandate at present. The resolution on the proposed grant of General Mandate will be proposed as a special resolution to the 2022 AGM for Shareholders' consideration and approval.

### NOTICE OF THE 2022 AGM

The 2022 AGM will be held at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC at 2:30 p.m. on Thursday, 25 May 2023. Notice of the 2022 AGM is set out on pages 23 to 25 of this circular.

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## LETTER FROM THE BOARD

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### VOTING BY POLL AT THE 2022 AGM

Pursuant to Rule 13.39(4) of the Hong Kong Stock Exchange Listing Rules, all resolutions as set out in the notice of the 2022 AGM must be taken by poll.

Save as disclosed above, to the best knowledge of the Directors, as at the Latest Practicable Date, no Shareholders is required to abstain from voting in respect of ordinary resolutions and special resolution at the 2022 AGM.

### PROXY FORMS

Shareholders who intend to attend the 2022 AGM by proxy are required to complete and return the proxy form(s), in accordance with the instructions printed thereon as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the 2022 AGM or any adjournment thereof. Completion and return of the proxy form(s) will not preclude you from attending and voting in person at such meeting(s) or any adjournment thereof should you so wish.

For H Shareholders, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or the registered office of the Company in the PRC at No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC, not less than 24 hours before the time appointed for holding the 2022 AGM in order for such documents to be valid.

### CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the 2022 AGM, the register of members of H Shares will be closed from Monday, 22 May 2023 to Thursday, 25 May 2023 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the register of members of the Company on Monday, 22 May 2023 are entitled to attend and vote at the 2022 AGM.

In order to determine the identity of Shareholders who are entitled to attend and vote at the 2022 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), not later than 4:30 p.m. on Friday, 19 May 2023.

You are urged to complete and return the proxy form whether or not you intend to attend the 2022 AGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2022 AGM (or any subsequent meetings following the adjournments thereof) should you wish to do so.



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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the resolutions set out in the notice of 2022 AGM 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 2022 AGM.

On behalf of the Board  
**CIMC Vehicles (Group) Co., Ltd.**

**Li Guiping**

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**I. BASIC INFORMATION ON THE PROCEEDS FROM INITIAL PUBLIC OFFERING OF A SHARES**

With the registration approval as specified in the Reply in Relation to Approval for Registration of Initial Public Offering of Shares of CIMC Vehicles (Group) Co., Ltd. (Zheng Jian Xu Ke [2021] No. 1719) issued by the China Securities Regulatory Commission and the approval of the Shenzhen Stock Exchange, the Company conducted an initial public offering of 252,600,000 A Shares with a par value of RMB1.00 each and an issue price of RMB6.96 per share. The total proceeds were RMB1,758,096,000. After deducting the issue expenses of RMB174,319,200 (excluding tax), the actual net proceeds were RMB1,583,776,800. PricewaterhouseCoopers Zhong Tian LLP verified the payment of the Proceeds of the Company from the initial public offering of A Shares and issued the Capital Verification Report (PwC Zhong Tian Yan Zi (2021) No. 0668) on 5 July 2021. The Company has the proceeds deposited in a special account.

**II. A SHARE PROCEEDS-FUNDED PROJECTS**

The Company held the eighth meeting of the first session of the Board of Directors in 2021 and the third meeting of the first session of the Supervisory Committee in 2021 on 3 August 2021, which considered and approved the Resolution on Adjustment to Proceeds Proposed to be Invested in A Share Proceeds-funded Projects and Confirmation of Implementation Methods of A Share Proceeds-funded Projects, authorizing the Company to adjust the investment of proceeds in A Share-Funded Projects according to the actual proceeds from the initial public offering of A Shares, such that the proceeds proposed to be used was RMB1,583,776,800 after adjustment, and confirming the implementers of the A Share-Funded Projects. The independent non-executive Directors issued an independent opinion to approve the resolution, and the sponsor issued a review opinion on the matter without any objection. For details, refer to the Announcement of CIMC Vehicles (Group) Co., Ltd. on Adjustment to Proceeds Proposed to be Invested in A Share Proceeds-funded Projects and Confirmation of Implementation Methods of A Share Proceeds-funded Projects (Announcement No. 2021-004) published by the Company on the website of Cninfo.

**APPENDIX I**
**RECONSIDERATION AND TERMINATION OF  
CERTAIN A SHARE PROCEEDS-FUNDED PROJECTS**

The projects proposed to be funded by the proceeds from the initial public offering of A Shares by the Company will focus on the main business, and the net proceeds after deducting the issue expenses were proposed to be invested in the following projects in order of priority:

S/N	Project Name	: B0'000	
		Total Investment	Amount of Proceeds to be Invested
1	Digital Transformation, Research and Development Project	78,512.00	43,877.68
2	Light Tower Plants Upgrade and Construction Project	148,071.07	79,500.00
3	New Marketing Construction Project	15,310.00	10,000.00
4	Repayment of Bank Loans and Replenishment of Working Capital	25,000.00	25,000.00
<b>Total</b>		<b><u>266,893.07</u></b>	<b><u>158,377.68</u></b>

As of 31 December 2022, A total of RMB730,051,500 was used for the A Share Proceeds-funded Projects of the Company. The actual use of A Share Proceeds is as follows:

S/N	Project Name	Committed Investment of Proceeds	Actual Investment of Proceeds	Investment Progress	: B0'000
					Date on Which the Project is Ready for its Intended Use
1	Digital Transformation, Research and Development Project	43,877.68	4,534.75	10%	July 2026
2	Light Tower Plants Upgrade and Construction Project	79,500.00	43,470.40	55%	January 2023
3	New Marketing Construction Project	10,000.00	–	0%	July 2024
4	Repayment of Bank Loans and Replenishment of Working Capital	25,000.00	25,000.00	100%	–
<b>Total</b>		<b><u>158,377.68</u></b>	<b><u>73,005.15</u></b>		

**III. TERMINATION OF CERTAIN A SHARE PROCEEDS-FUNDED PROJECTS**

The Company intends to terminate the sub-projects of the “Light Tower Plants Upgrade and Construction Project”, namely the Coating Production Line Upgrading and Technical Transformation Project, the Yangzhou CIMC Tonghua Digital Semi-trailer Upgrading Project, and the New Marketing Construction Project. The details are as follows:

**(I) Termination of the Coating Production Line Upgrading and Technical Transformation Project****1. *Reasons for terminating the Coating Production Line Upgrading and Technical Transformation Project***

The Coating Production Line Upgrading and Technical Transformation Project is one of the sub-projects of the “Light Tower Plants Upgrade and Construction Project”, which is mainly implemented by CIMC Jiangmen with a construction period of 10 months. In the feasibility study stage of the project, in order to upgrade the production line and achieve cost reduction and efficiency improvement, the Company intends to implement the Coating Production Line Upgrading and Technical Transformation Project, with a total investment of RMB60 million, which was originally proposed to be paid out of the proceeds. As of 31 December 2022, the investment progress of the project was 0%.

**2. *Reconsideration of the project***

In accordance with Article 6.3.4 of the Self-regulatory Guidelines No. 2 for the Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the ChiNext Market, the Company reconsidered the Coating Production Line Upgrading and Technical Transformation Project.

During the implementation of the project, the market demand was weak due to the economic downturn. The existing production capacity of the coating line and supporting production lines of the Company could meet the current order demand of the Company. Meanwhile, the Company actively implemented high-quality development strategies. Through continuous optimization of resource allocation, the Company could realize the resource coordination for parts coating in the Group in the Greater Bay Area. In order to improve the efficiency in the use of the Proceeds, maximize the interests of the Shareholders, and avoid the loss of funds and resources, the project is no longer suitable for the current development plan of the Company. After careful study, the Company intends to terminate the Coating Production Line Upgrading and Technical Transformation Project.

**(II) Termination of the Yangzhou CIMC Tonghua Digital Semi-trailer Upgrading Project****1. *Reasons for terminating the Yangzhou CIMC Tonghua Digital Semi-trailer Upgrading Project***

The Yangzhou CIMC Tonghua Digital Semi-trailer Upgrading Project is one of the sub-projects of the “Light Tower Plants Upgrade and Construction Project”, which is implemented by Tonghua Special Vehicles with a construction period of 18 months. In the feasibility study stage of the project, in order to meet the demand for mechanized rapid loading and unloading of goods in the future and produce side curtain-side trailer and wing-opening semi-trailer products, the Company intends to implement the Yangzhou CIMC Tonghua Digital Semi-trailer Upgrading Project with a total investment of RMB100 million, of which RMB85 million was originally proposed to be paid out of the Proceeds. As of 31 December 2022, RMB2.0303 million of the Proceeds was used for the project, with the investment progress of 2.39%. The arrangement of the general assembly production line for van bodies in the “Light Tower Plants Upgrade and Construction Project” was formed after the investment in the early stage and will continue to be used for the production of van bodies.

**2. *Reconsideration of the project***

In accordance with Article 6.3.4 of the Self-regulatory Guidelines No. 2 for the Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the ChiNext Market, the Company reconsidered the Yangzhou CIMC Tonghua Digital Semi-trailer Upgrading Project.

During the implementation of the project, the market demand did not grow as expected, due to the slowdown in the construction of infrastructures in China such as cargo loading and unloading platforms as a result of the macroeconomic impact, and the influence of economic downturn on the palletized transport industry. In order to improve the efficiency in the use of the Proceeds, maximize the interests of the Shareholders, and avoid the loss of funds and resources, the project is no longer suitable for the current development plan of the Company. After careful study, the Company intends to terminate the Yangzhou CIMC Tonghua Digital Semi-trailer Upgrading Project.

**(III) Termination of the New Marketing Construction Project****1. *Reasons for terminating the New Marketing Construction Project***

The implementer of the New Marketing Construction Project is Guangzhou Sales, with a construction period of 36 months. In the feasibility study stage of the project, in order to comprehensively develop and operate accessories businesses under proprietary brands and establish a new online and offline marketing system, the Company intends to implement the New Marketing Construction Project with a total investment of RMB153.1 million, of which RMB100 million was originally proposed to be paid out of the Proceeds. As of 31 December 2022, the investment progress of the project was 0%.

## **2. *Reconsideration of the project***

In accordance with Article 6.3.4 of the Self-regulatory Guidelines No. 2 for the Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the ChiNext Market, the Company reconsidered the New Marketing Construction Project.

During the implementation of the project, in order to match the Company's product structure and the changing trend of the market supply chain system, the Company postponed the investment progress of the project. Meanwhile, due to the impact of the economic downturn, according to the market situation and the experience in the implementation of pilot projects, the Company believes that there will be a risk of increasing uncertainty if the project is continued to be implemented under the original business model. In order to improve the efficiency in the use of the Proceeds, maximize the interests of the Shareholders, and avoid the loss of funds and resources, the project is no longer suitable for the current development plan of the Company. After careful study, the Company intends to terminate the New Marketing Construction Project.

## **(IV) Impact of the termination of the above projects on the Company**

The proposed termination by the Company of the above projects is a reasonable decision made in full consideration of the changes in the market environment and the actual situation of the Company, and will not adversely affect the Company's production and operation activities or damage the interests of the Company and all Shareholders, especially minority Shareholders.

After the Company terminates the above projects, the Proceeds originally proposed to be invested in the projects and interest thereon will be continued to be deposited in the proceeds account for management before confirming specific projects. The Company will actively plan and identify high-quality A Share Proceeds-funded projects. Meanwhile, the Company scientifically and prudently analyzes the feasibility of the projects. Subject to ensuring the strong profitability of the investment projects and good market prospects, the Company will use the Proceeds after performing the corresponding consideration and disclosure procedures in accordance with relevant regulations, so as to improve the efficiency in the use of the Proceeds.

## **IV. CONSIDERATION PROCEDURES**

### **1. Consideration by the Board of Directors**

On 27 March 2023, the Company held the 4th meeting of the second session of the Board of Directors for 2023, which considered and approved the Resolution on Reconsideration and Termination of Certain A Share Proceeds-funded Projects, authorizing the Company to terminate certain A Share Proceeds-funded Projects according to the actual situation of the A Share Proceeds-funded Projects. The Board of Directors also agreed to submit the termination of certain A Share Proceeds-funded Projects to the 2022 AGM for consideration.

**2. Consideration by the Supervisory Committee**

On 27 March 2023, the Company held the 3rd meeting of the second session of the Supervisory Committee for 2022, which considered and approved the Resolution on Reconsideration and Termination of Certain A Share Proceeds-funded Projects.

The Supervisory Committee believes that the termination of certain A Share Proceeds-funded Projects by the Company is a reasonable decision based on the actual situation of market development and changes and the actual needs of the Company, which is conducive to improving the efficiency in the use of the proceeds, reducing investment risks and promoting the sustained and stable development of the Company's business. Approval procedures were performed for the termination of certain A Share Proceeds-funded Projects. The termination complies with relevant regulations such as the Regulatory Guidelines for Listed Companies No. 2 – Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies, the Self-regulatory Guidelines No. 2 for the Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the ChiNext Market, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange and the System for Management of Raised Funds of the Company, and does not damage the interests of the Company and shareholders. Therefore, the Supervisory Committee agreed to the termination of certain A Share Proceeds-funded Projects and agreed to submit the termination to the 2022 AGM for consideration.

**3. Opinions of Independent non-executive Directors**

The independent non-executive Directors of the Company believe that the termination by the Company of certain A Share Proceeds-funded Projects is a reasonable decision based on the actual situation of market development and changes and the actual needs of the Company, which is conducive to improving the efficiency in the use of the proceeds, reducing investment risks and promoting the sustained and stable development of the Company's business, and does not damage the interests of the Shareholders, especially the minority shareholders. Approval procedures were performed for the termination of certain A Share Proceeds-funded Projects. The termination complies with relevant regulations such as the Regulatory Guidelines for Listed Companies No. 2 – Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies, the Self-regulatory Guidelines No. 2 for the Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the ChiNext Market, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange and the System for Management of Raised Funds of the Company. Therefore, the independent non-executive Directors unanimously agreed to the termination of certain A Share Proceeds-funded Projects and agreed to submit the matter to the 2022 AGM for consideration.

#### **4. Review Opinions of the Sponsor**

After review, the sponsor believes that the reconsideration and termination of certain A Share Proceeds-funded Projects of the Company were considered and approved by the Board of Directors and the Supervisory Committee and that the independent non-executive Directors expressed affirmative opinions and would submit the matter to the 2022 AGM for consideration. The reconsideration and termination of certain A Share Proceeds-funded Projects of the Company are the arrangement made by the Company according to the objective needs of the implementation of the A Share Proceeds-funded Projects, do not damage the interests of the shareholders, and comply with regulations such as the Regulatory Guidelines for Listed Companies No. 2 – Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies (revised in 2022), the Self-regulatory Guidelines No. 13 for the Companies Listed on the Shenzhen Stock Exchange – Sponsorship Business, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, the



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**CIMC VEHICLES**  
**CIMC Vehicles (Group) Co., Ltd.**

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**NOTICE OF 2022 ANNUAL GENERAL MEETING**

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8. To consider and approve the proposal of reconsideration and termination of Certain A Share Proceeds-Funded Projects;

**SPECIAL RESOLUTION**

9. To consider and approve the proposed grant of general mandate to issue new shares.

On behalf of the Board  
**CIMC Vehicles (Group) Co., Ltd.**

**Li Guiping**

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Shenzhen, the PRC  
26 April 2023

