
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this 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 circular.

CIMC VEHICLES

CIMC Vehicles (Group) Co., Ltd.

• « ? («) p ... P " ® !

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1839)

PROPOSED ADOPTION OF THE EMPLOYEE STOCK OWNERSHIP
SCHEME (2023-2027) AND ITS SUMMARY;
PROPOSED ADOPTION OF THE ADMINISTRATIVE MEASURES FOR
THE EMPLOYEE STOCK OWNERSHIP SCHEME (2023-2027);
PROPOSED AUTHORIZATION TO THE BOARD
TO DEAL WITH MATTERS RELATING TO THE EMPLOYEE
STOCK OWNERSHIP SCHEME (2023-2027);
AND
NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 4 to 9 of this circular. A notice convening the 2023 Second Extraordinary General Meeting to be held at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC at 2:50 p.m. on Thursday, 15 June 2023, is despatched to the Shareholders together with this circular.

Shareholders who intend to appoint a proxy to attend the 2023 Second Extraordinary General Meeting 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 2023 Second Extraordinary General Meeting, 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 2023 Second Extraordinary General Meeting, 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 2023 Second Extraordinary General Meeting. Completion and return of the proxy form will not preclude you from attending and voting at the 2023 Second Extraordinary General Meeting or any adjournment thereof should you so wish.

29 May 2023

TABLE OF CONTENTS

DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I – THE EMPLOYEE STOCK OWNERSHIP SCHEME (2023-2027)	10
APPENDIX II – THE ADMINISTRATIVE MEASURES FOR THE EMPLOYEE STOCK OWNERSHIP SCHEME (2023-2027)	43
NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING	61

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2023 Second Extraordinary General Meeting”	the 2023 Second Extraordinary General Meeting of the Company to be convened at 2:50 p.m. on Thursday, 15 June 2023
“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
“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
“ChiNext Market”	the ChiNext Market of the Shenzhen Stock Exchange
“China” or “PRC”	the People’s Republic of China
“Circular”	the circular of the Company dated 29 May 2023
“Company”	CIMC Vehicles (Group) Co., Ltd. (奇 摩 托 车 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
“Directors, Supervisors and Senior Management”	the Directors, Supervisors and senior management of the Company
“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 Main Board of the Hong Kong Stock Exchange
“H Shareholder(s)”	H Shareholder(s) of the Company
“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
“Latest Practicable Date”	23 May 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)
“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)
“%”	per cent
“Employee Stock Ownership Scheme”	Employee Stock Ownership Scheme (2023-2027) of CIMC Vehicles (Group) Co., Ltd.

DEFINITIONS

“Administrative Measures” Measures for the Administration of Employee Stock Ownership Scheme (2023-2027) of CIMC Vehicles (Group) Co., Ltd.

“Holders” the employee(s) who contributed funds to participate in the Employee Stock Ownership Scheme



LETTER FROM THE BOARD

deal with matters relating to the Employee Stock Ownership Scheme. The purpose of this circular is to provide you with the detailed information in relation to, among other things, the above-mentioned resolutions to be proposed at the 2023 Second Extraordinary General Meeting, to enable you to make informed decisions on whether to vote for or against the relevant resolutions.

I. Proposed Adoption of the Employee Stock Ownership Scheme (2023-2027)

A special resolution will be proposed at the 2023 Second Extraordinary General Meeting to approve the Employee Stock Ownership Scheme.

Details of the Employee Stock Ownership Scheme are set out in Appendix I to this circular. The Employee Stock Ownership Scheme was prepared in Chinese language. In the event of any discrepancy between the English translation and the Chinese version of the Employee Stock Ownership Scheme, the Chinese version shall prevail.

By implementing the Employee Stock Ownership Scheme, we further improve the modern corporate governance system, stimulate employees' sense of mission and responsibility, and guide employees to carry out steady operation, which is conducive to promoting the long-term, sustained and healthy development of the Company and enhancing the confidence of the capital market in the Company. The Company is of the view that the adoption and implementation of the Employee Stock Ownership Scheme is beneficial to the Company and its Shareholders as a whole, and the terms and conditions of the Employee Stock Ownership Scheme are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

II. Proposed Adoption of the Administrative Measures for the Employee Stock Ownership Scheme (2023-2027)

A special resolution will be proposed at the 2023 Second Extraordinary General Meeting to approve the Administrative Measures.

In order to regulate the implementation of the Employee Stock Ownership Scheme, the Company has formulated the Administrative Measures in accordance with the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Scheme by Listed Companies, the Self-regulatory Guidelines No. 2 of the Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Listed Companies on the GEM Board, the Hong Kong Stock Exchange Listing Rules, other relevant laws, regulations and regulatory documents, the Articles of Association of the Company and the Employee Stock Ownership Scheme.

LETTER FROM THE BOARD

Details of the Administrative Measures are set out in Appendix II to this circular. The Administrative Measures was prepared in Chinese language. In the event of any discrepancy between the English translation and the Chinese version of the Administrative Measures, the Chinese version shall prevail.

III. Proposed Authorization to the Board to Deal with Matters Relating to the Employee Stock Ownership Scheme (2023-2027)

A special resolution will be proposed at the 2023 Second Extraordinary General Meeting to approve the authorization to the Board to deal with matters relating to the Employee Stock Ownership Scheme.

To ensure the smooth implementation of the Employee Stock Ownership Scheme, it is proposed at the 2023 Second Extraordinary General Meeting that the Board shall be authorized to handle all matters relating to the Employee Stock Ownership Scheme within the scope stipulated by relevant laws, regulations and regulatory documents, including but not limited to the following:

1. Authorizing the Board of Directors to determine the specific implementation plan for each phase of the Employee Stock Ownership Scheme, including the list of Holders and shares for each phase of the Employee Stock Ownership Scheme;
2. Authorizing the Board of Directors to determine the changes and termination of each phase of the Employee Stock Ownership Scheme;
3. Authorizing the Board of Directors to determine the extension or early termination of the term of the Employee Stock Ownership Scheme;
4. Authorizing the Board of Directors to make corresponding adjustments to the Employee Stock Ownership Scheme and each phase of the Employee Stock Ownership Scheme according to changes in relevant laws, regulations and policies;
5. Authorizing the Board of Directors to handle relevant registration and settlement businesses involved in each phase of the Employee Stock Ownership Scheme and other necessary matters;
6. Authorizing the Board of Directors to go through relevant procedures for capital accounts involved in each phase of the Employee Stock Ownership Scheme and all matters in relation to restriction or removal of restriction on sales of the underlying shares;
7. Authorizing the Board of Directors to sign contracts and agreements in relation to each phase of the Employee Stock Ownership Scheme;

8. Authorizing the Board of Directors to handle other necessary matters required for the Employee Stock Ownership Scheme, except for the rights required to be exercised by the general meeting as specified by relevant documents.

The above authorization shall be valid from the date of approval at the general meeting of the Company to the date of completion of the implementation of the Employee Stock Ownership Scheme.

PURPOSE AND REASONS FOR AND BENEFITS OF THE ADOPTION OF THE EMPLOYEE STOCK OWNERSHIP SCHEME (2023-2027)

By implementing the Employee Stock Ownership Scheme, the Company further improves the modern corporate governance system, stimulate employees' sense of mission and responsibility, and guide employees to carry out steady operation, which is conducive to promoting the long-term, sustained and healthy development of the Company and enhancing the confidence of the capital market in the Company. The Company is of the view that the adoption and implementation of the Employee Stock Ownership Scheme is beneficial to the 6(tvs86 .f

PURPOSE

LETTER FROM THE BOARD

As the Holders involve a director of the Company, the participation of the above-mentioned person in the Employee Stock Ownership Scheme constitutes a connected transaction under Chapter 14A of the Hong Kong Stock Exchange Listing Rules, and the relevant applicable percentage ratios (as defined in the Hong Kong Stock Exchange Listing Rules) on an individual basis are less than 0.1%, thus they are fully exempt from the Shareholders' approval, annual review and all disclosure requirements. Save for the above fully exempt connected transaction, participation in the Employee Stock Ownership Scheme by other Holders does not constitute a connected transaction under Chapter 14A of the Hong Kong Stock Exchange Listing Rules. In circumstances of re-allocation of the granted Shares to any connected persons of the Company and such an allocation constitutes a connected transaction under Chapter 14A of the Hong Kong Stock Exchange Listing Rules, the Company will comply with the relevant requirements under Chapter 14A of the Hong Kong Stock Exchange Listing Rules.

NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

The 2023 Second Extraordinary General Meeting will be held at 2:50 p.m. on Thursday, 15 June 2023. Notice of the 2023 Second Extraordinary General Meeting is set out on pages 61 to 63 of this circular.

VOTING BY POLL AT THE 2023 SECOND EXTRAORDINARY GENERAL MEETING

Pursuant to Rule 13.39(4) of the Hong Kong Stock Exchange Listing Rules, all resolutions as set out in the notice of the 2023 Second Extraordinary General Meeting must be taken by poll.

As far as the Company is aware, as Li Guiping, an Executive Director of the Company, and Shenzhen Long Yuan Gang Cheng Enterprise Management Center (Limited Partnership) (- 9²U¥ì†8M#•Đ (P"¥«)) are Shareholders having connected/associated relationship with the Employee Stock Ownership Scheme, they are required to abstain from voting on the above resolutions at the 2023 Second Extraordinary General Meeting.

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 special resolutions at the 2023 Second Extraordinary General Meeting.

PROXY FORMS

Shareholders who intend to attend the 2023 Second Extraordinary General Meeting 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 2023 Second Extraordinary General Meeting 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.

LETTER FROM THE BOARD

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 2023 Second Extraordinary General Meeting 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 2023 Second Extraordinary General Meeting, the register of members of H Shares will be closed from Monday, 12 June 2023 to Thursday, 15 June 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 at the close of business on Monday, 12 June 2023 are entitled to attend and vote at the 2023 Second Extraordinary General Meeting.

In order to determine the identity of Shareholders who are entitled to attend and vote at the 2023 Second Extraordinary General Meeting, 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, not later than 4:30 p.m. on Friday, 9 June 2023.

You are urged to complete and return the proxy form whether or not you intend to attend the 2023 Second Extraordinary General Meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2023 Second Extraordinary General Meeting (or any subsequent meetings following the adjournments thereof) should you wish to do so.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the resolutions set out in the notice of 2023 Second Extraordinary General Meeting 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 2023 Second Extraordinary General Meeting.

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

CIMC Vehicles (Group) Co., Ltd.

Employee Stock Ownership Scheme (2023-2027) (Draft)

CIMC Vehicles
May 2023

STATEMENT

CIMC Vehicles (Group) Co., Ltd. and all members of the Board of Directors guarantee that there are no false records, misleading statements or major omissions in the “Employee Stock Ownership Scheme (2023-2027) of CIMC Vehicles (Group) Co., Ltd. (Draft)”, and bear joint and several legal liabilities for its authenticity, accuracy and completeness.

RISK WARNING

1. The Employee Stock Ownership Scheme (2023-2027) of CIMC Vehicles (Group) Co., Ltd. can only be executed after being approved by the general meeting of the Company, and there is uncertainty whether the Program can be approved by the general meeting of the Company.
2. The specific funding source, contribution ratio, execution plan, etc. of this Employee Stock Ownership Scheme are preliminary results, and there is uncertainty whether the execution can be completed.
3. The stock price is influenced by a variety of complex factors, such as operating performance of the Company, macroeconomic cycle, domestic and international political and economic situations, and investor psychology. Therefore, stock trading is a risky investment activity for which investors should be well prepared.
4. The Company will subsequently disclose relevant progress as regulated, and investors are advised to make cautious decisions and mind investment risks.

SPECIAL TIPS

Unless otherwise specified, the terms in this section have the same meaning as those in the “Interpretation” section of the Program.

- I. The Employee Stock Ownership Scheme (2023-2027) (hereinafter referred to as “the ESOS” or “the Program”) of CIMC Vehicles (Group) Co., Ltd. (hereinafter referred

- IV. The stock source of the Employee Stock Ownership Scheme is the A-share stocks of CIMC Vehicles as purchased through the secondary market (including but not limited to bidding transactions and block transactions) and other ways permitted by laws and regulations.
- V. In principle, no more than four stock ownership schemes will be established on a rolling basis during the period from 2023 to 2027, with each of the employee stock ownership scheme being independent of each other. The duration of each of the employee stock ownership scheme shall not exceed three years, calculated from the time when the Company announces the last registration of the underlying shares for the current period to the current employee stock ownership scheme.
- VI. The Holders of the Stock Ownership Scheme are specific employees who play an important role in the medium and long-term development of the Company, including directors, senior executives and significant executives of the Company. All Holders hold positions in and have concluded labor contracts/employment contracts with the Company or its subsidiaries.

The total number of Holders of Phase I Stock Ownership Scheme shall not exceed 25, among which 6 directors and senior executives are expected to participate, but no supervisors will participate. The specific number of participants will be determined according to the actual status of employees at that time.

- VII. After the establishment of the Stock Ownership Scheme, it may be managed by the Company itself or entrusted to a third-party management agency with asset management qualifications. If the Company entrusts a third-party management agency for management, the selection procedures of the agency and the main terms of the management agreement will be specified in the Stock Ownership Scheme of each phase.

Phase I Stock Ownership Scheme will be managed by the Company itself.

- VIII. The lock-up period of A-share stocks of CIMC Vehicles as purchased through the secondary market in the Stock Ownership Scheme of each phase under the Program is 12 months, and no transactions are allowed during the lock-up period, calculated from the date when the Company announces that the corresponding Stock Ownership Scheme has completed stock purchase or transfer. Shares derived from the distribution of stock dividends and the capitalization of capital reserves by the Company shall also abide by the above-mentioned share locking arrangement.
- IX. The total number of corporate stocks held by the surviving Stock Ownership Scheme of each phase under the Program shall not exceed 10% of the total share capital of the Company, and the total number of corporate stocks corresponding to the equity of the Stock Ownership Scheme as acquired by a single Holder shall not exceed 1% of the total share capital of the Company. The total number of stocks held under the

Program does not include the shares acquired by the Holders before the initial public offering of the Company, the shares purchased by themselves through the secondary market and the shares acquired through equity incentives. If relevant laws and administrative regulations change in the future, the Program should ensure to meet such new requirements.

The number of stocks in the Stock Ownership Scheme of each phase will be determined according to the funding scale of each phase and the stock price in the secondary market. In view of the uncertainty in the number of stocks in the Stock Ownership Scheme of each phase, the final number of stocks held shall be subject to the actual execution at that time, and the Company shall fulfill its information disclosure obligations in time as regulated.

- X. After the Program is deliberated and adopted by the Board of Directors of the Company, the Company will issue a notice of convening a general meeting so as to deliberate the Program, which can only be executed after being approved by the general meeting. The general meeting to deliberate the Program will be held by a combination of on-site voting and online voting.
- XI. The financial, accounting treatment and taxation of the Company in executing the Employee Stock Ownership Scheme shall be executed in line with relevant financial systems, accounting standards and tax systems; and the involved taxes and fees paid by employees due to executing the Employee Stock Ownership Scheme shall be borne by the employees themselves.
- XII. After the execution of the Employee Stock Ownership Scheme, it will not result in the Company's equity distribution not meeting the conditions for stock listing.

Contents

Statement.	11
Risk Warning	12
Special Tips	13
Contents.	16
Interpretation	17
Chapter I Purpose and Principles of the Program.	19
Chapter II Procedures to be Performed in the Program.	20
Chapter III Funding and Stock Sources and Operation Mode of the Program	21
Chapter IV Holders of the Program	23
Chapter V Management Mode of the Program	25
Chapter VI Rights and Obligations of Holders.	31
Chapter VII Duration, Lock-up Period, Termination Arrangement, Period of No Trading in Stocks and Shareholding Scale.	32
Chapter VIII Handling of Rights and Interests in Stock Ownership Scheme.	34
Chapter IX Participation Mode of Stock Ownership Scheme during Corporate Financing	36
Chapter X Asset Composition of Stock Ownership Scheme under the Program	37
Chapter XI Handling of Rights and Interests Acquired upon Changes in Holders	38
Chapter XII Alteration and Termination of the Program	40
Chapter XIII Matters Authorized by the General Meeting to the Board of Directors	41
Chapter XIV Miscellaneous.	42

INTERPRETATION

CIMC Vehicles/Company/ the Company	refers to	CIMC Vehicles (Group) Co., Ltd.
ESOS/The Employee Stock Ownership Scheme/Stock Ownership Scheme/The Scheme/the Program	refers to	Employee Stock Ownership Scheme (2023-2027) of CIMC Vehicles (Group) Co., Ltd. (Draft)
Administrative Measures of Employee Stock Ownership Scheme	refers to	Administrative Measures of Employee Stock Ownership Scheme (2023-2027) of CIMC Vehicles (Group) Co., Ltd. and Administrative Measures of Stock Ownership Scheme of each phase
Phase I Stock Ownership Scheme	refers to	Phase I ESOS established in accordance with the Employee Stock Ownership Scheme (2023-2027) of CIMC Vehicles (Group) Co., Ltd. (Draft)
Holders' meeting	refers to	Holders' meeting of the ESOS
Management Committee	refers to	Management Committee of the ESOS
Underlying stock	refers to	A-share stocks of the Company received by the Holders according to the ESOS (Stock Abbreviation: CIMC Vehicles, and Stock Code: 301039.SZ)
Company Law	refers to	Company Law of the People's Republic of China
Securities Law	refers to	Securities Law of the People's Republic of China
Guiding Opinions	refers to	Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Scheme by Listed Companies

APPENDIX I THE EMPLOYEE STOCK OWNERSHIP SCHEME (2023-2027)

Guidelines for Standardized Operations	refers to	Guidelines for Self-Regulation of Listed Companies on Shenzhen Stock Exchange No.2 – Standardized Operations of Listed Companies on the Growth Enterprise Market
Articles of Association	refers to	“Articles of Association of CIMC Vehicles (Group) Co., Ltd.”
CSRC	refers to	China Securities Regulatory Commission
SSE	refers to	Shenzhen Stock Exchange
Hong Kong Stock Exchange	refers to	The Stock Exchange of Hong Kong Limited
related (connected) person	refers to	Any related (connected) person as defined in the GEM Listing Rules of Shenzhen Stock Exchange and the Listing Rules of Securities of the Hong Kong Stock Exchange
A-share stock	refers to	Common stocks approved to be listed on Shenzhen Stock Exchange and denominated, subscribed for and traded in RMB
Yuan and Ten Thousand Yuan	refers to	RMB Yuan and RMB Ten Thousand Yuan

CHAPTER I PURPOSE AND PRINCIPLES OF THE PROGRAM

I. Purpose of the Program

By executing the Program, it will further improve the modern corporate governance system, stimulate the sense of mission and responsibility of employees, guide employees to operate steadily, promote long-term, sustainable and healthy development of the Company, as well as enhance the confidence of the capital market in the Company.

II. Principles followed by the Program

The Program follows the principles of legal compliance, voluntary participation and risk-taking. The Company executes the Program in strict compliance with relevant laws and regulations, the Listing Rules of the Hong Kong Stock Exchange, the Stock Listing Rules on the GEM of Shenzhen Stock Exchange as well as the Articles of Association, and conducts information disclosure in a true, accurate, complete and timely manner. No one may make use of the Program to engage in securities frauds such as insider trading or manipulation of the securities market. In executing the Program, the Company will follow its own independent decision with employees participating in voluntarily, and may not force employees to participate in the ESOS by means of apportionment or forced distribution. Participants in the ESOS bear their own profits and losses, assume their own risks, and enjoy equal rights and interests with other investors.

CHAPTER II PROCEDURES TO BE PERFORMED IN THE PROGRAM

- I. The Company shall perform the following procedures when executing the Program:
 - (A) The Remuneration Committee under the Board of Directors of the Company is responsible for drafting the Program and submitting it to the Board of Directors for deliberation after soliciting employee opinions through the Workers' Congress;
 - (B) When the Board of Directors is deliberating on adopting the Program, independent directors shall express their opinions on whether the Program is conducive to sustainable development of the Company, whether it harms the interests of the Company and all its shareholders, and whether there is compulsory participation by means of apportionment or forced distribution;
 - (C) When deliberating on adopting the Program, the Board of Supervisors shall express its opinions on whether the Program is conducive to sustainable development of the Company, whether it harms the interests of the Company and all its shareholders, and whether there is compulsory participation by means of apportionment or forced distribution;
 - (D) The Board of Directors shall announce its resolutions, the Stock Ownership Scheme, the opinions of independent directors and the opinions of the Board of Supervisors within 2 trading days after deliberating and adopting the Program;
 - (E) The Company releases a notice to convene a general meeting;
 - (F) The Company engages a law firm to issue legal opinions on the Program, and announces such opinions before the general meeting to deliberate it is held;
 - (G) A general meeting is convened to deliberate the Program. Voting at the general meeting will be conducted by a combination of on-site voting and online voting. The Program can be executed upon the adoption by at least two-thirds of the voting rights held by the present shareholders (including their proxies).
- II. When the Board of Directors and the general meeting of the Company are deliberating matters related to the Program, the directors and shareholders (if any) who intend to act as participants in the Program shall abstain from voting. The Program will come into effect after being approved by the general meeting of the Company.

CHAPTER III FUNDING AND STOCK SOURCES AND OPERATION MODE OF
THE PROGRAM

I. Funding source of the Program

The funding sources of the Program embrace legal remuneration to employees, self-raised funds and other methods permitted by laws and regulations. There is no case in which the Company extends financial assistance to participants or guarantees for their loans, and there is no arrangement in which other third parties offer incentives, fundings, subsidies or margins for participants to participate in the ESOS. The benchmark of subscription price shall be the market price when the ESOS under the Program is purchased through the secondary market.

The Holder shall contribute the subscription funds in full and on time according to the subscribed share, and the payment time will be uniformly notified by the Company. If the Holder fails to contribute the subscription funds in full and on time, he will automatically lose the corresponding subscription rights, and then his share can be applied for by other eligible participants.

The total funds for Phase I Stock Ownership Scheme under the Program shall not exceed RMB9,750,000.00, with “share” as the subscription unit, each share in RMB1.00 and the maximum number of shares in Phase I being 9,750,000.00. Based on the upper limit of Phase I Stock Ownership Scheme of RMB9,750,000.00 and the closing price of RMB12.26 per share on 19 May 2023, the upper limit of the target stocks that can be purchased and held in Phase I is approximately 79.53 ten thousand shares, accounting for approximately 0.04% of the total share capital of the Company on the same day. The final amount and number of shares will be determined based on the actual contribution.

II. Stock source of the Program

The stock source of the ESOS is the A-share stocks of CIMC Vehicles as purchased through the secondary market (including but not limited to bidding transactions and block transactions) and other ways permitted by laws and regulations, and the price benchmark of relevant purchased stocks are subject to the market price at the time of purchase.

III. Operation mode of the Program

- (A) Phased execution of the Program. In principle, no more than 4 stock ownership schemes will be established on a rolling basis during the period from 2023 to 2027, with each phase of the employee stock ownership scheme being independent of each other.

- (B) Management of the Stock Ownership Scheme. The Stock Ownership Scheme may be managed by the Company itself or entrusted to a third-party management agency with asset management qualifications. If the Company entrusts a third-party management agency for management, the selection procedures of the agency and the main terms of the management agreement will be specified in the Stock Ownership Scheme of each phase.

Phase I Stock Ownership Scheme will be managed by the Company itself.

- (C) Investment target. The investment scope of the Stock Ownership Scheme is to purchase and hold A-share stocks of CIMC Vehicles in the secondary market in a manner consistent with laws and regulations. If there are funds for the stocks that have not been purchased/transferred yet, they can be invested in low-risk wealth management products such as bank deposits, national debt reverse repurchases and monetary funds.

CHAPTER IV HOLDERS OF THE PROGRAM

- I. Holders of the Program refer to specific employees who participate in the Stock Ownership Scheme of each phase under the Program and play an important role in the medium and long-term development of the Company, including directors, senior executives and significant executives of the Company. All Holders hold positions in and have concluded labor contracts/employment contracts with the Company or its subsidiaries.
- II. Participants and quota allocation of Phase I Stock Ownership Scheme

The participants of Phase I Stock Ownership Scheme include directors, senior executives and significant executives of the Company.

The total funds to be raised in Phase I Stock Ownership Scheme is no more than RMB9,750,000.00, with “share” as the subscription unit, each share in RMB1, the total number of shares in the first phase no more than 9,750,000 and no more than 25 participating employees. The specific list and distribution are as follows:

No.	Holder	Post	Upper Limit of Holding Share (in RMB Ten Thousand)	Estimated Proportion to Phase I Stock Ownership Scheme
1	Li Guiping	Executive Director, Chief Executive Officer and President	234.00	24.00%
2	Mao Yi	Vice President, Secretary of the Board of Directors and Joint Company Secretary		
3	Li Xiaofu	Vice President and Chief Technology Officer		
4	Zhan Rui	Financial Officer		
5	Wang Zhujiang	Senior Vice President		
6	Jiang Qiwen	Executive Vice President		
7	Significant management employees in other key positions (19 people)		741.00	76.00%

- III. The directors, supervisors and senior executives of the Company may become the Holders of the Stock Ownership Scheme of each phase under the Program and form a related party relationship with the ESOS of that phase. However, such directors, supervisors and senior executives do not serve as members of the Management Committee of the Stock Ownership Scheme and do not participate in daily management and investment operation of the Stock Ownership Scheme. Therefore, they do not form a concerted action relationship with the Stock Ownership Scheme of each phase under the Program. In addition, other participants of the ESOS of each phase have no related party relationship or concerted action relationship with the controlling shareholder, the largest shareholder, as well as other major shareholders, directors, supervisors and senior executives holding more than 5% shares of the Company.
- IV. The Stock Ownership Scheme of each phase waives the right to vote on the corporate stocks it holds, and abstains when the general meeting deliberates the transaction-related proposals between the listed company and the shareholders, directors, supervisors, senior executives and other participants.

CHAPTER V MANAGEMENT MODE OF THE PROGRAM

- I. The general meeting of the Company takes responsibility for determining the principles and framework of the Program, and ultimately deliberating and adopting the matters relating to the Program, including funding and stock sources, operation mode, etc., as well as other matters that should be decided by the general meeting.
- II. The Board of Directors of the Company takes responsibility for drafting the Program, submitting it to the general meeting for deliberation, and deciding on specific matters related to it under the authorization of the general meeting.
- III. The Holders' meeting and the Management Committee take responsibility for daily management of the Stock Ownership Scheme.
- IV. There is a Holders' meeting of the Stock Ownership Scheme of each phase under the Program, which is composed of the Holders of the Stock Ownership Scheme of that phase and is the highest authority within the ESOS of each phase. All Holders participating in the ESOS of that phase are entitled to attend the corresponding Holders' meeting and exercise their voting rights subject to their shares; and they can participate in such Holders' meeting and vote in person, or entrust proxies to attend and vote on their behalf. The travel expenses, accommodation expenses, etc. incurred by the Holders and their proxies attending the Holders' meeting shall be borne by the Holders themselves. Holders holding more than 20% of the ESOS individually or collectively may propose to hold a Holders' meeting, which shall exercise the following powers and functions:
 - (A) Electing and removing the director and members of the Management Committee of that phase;
 - (B) Reviewing whether the ESOS of that phase participates in the non-public offerings, share placements, convertible bonds and other financing plans in its duration;
 - (C) Reviewing the adjustments to the ESOS of that phase;
 - (D) Authorizing the Management Committee of that phase to supervise the daily management of the ESOS;
 - (E) Authorizing the Management Committee of that phase to exercise the rights of shareholders; and
 - (F) Conducting other matters that the Management Committee of that phase deems necessary to hold a Holders' meeting to deliberate.

- V. The convening, holding and voting procedures of each Holders' meeting:
 - (A) The first Holders' meeting shall be convened by the secretary of the Board of Directors of the Company, and the subsequent ones shall be convened by the Management Committee. When holding a Holders' meeting, the Management

deemed to have been abstained. In case a Holder votes after the moderator announces the voting result or after the expiration of the specified voting time limit, his vote will not be counted;

- (5) Each proposal shall be deemed as passed by voting after being approved by more than 50% (excluded) of the Holders present at the Holders' meeting, thus forming a valid resolution of the meeting;
- (6) Besides the on-site meeting and voting in writing, the Holders' meeting can also be held by communication (including online, video, mail push and other electronic data interchange methods) or a combination of on-site meeting and communication, and voted in writing. The specific holding method will be determined in a written notice of the meeting without obtaining the consent of any Holder. With unanimous written consent of all the Holders, a resolution of the Holders' meeting may be made directly and signed by all such Holders on the resolution document without convening a Holders' meeting;
- (7) Any resolution of Holders' meeting that needs to be submitted to the Board of Directors or general meeting for consideration shall be submitted to the Board of Directors or general meeting for consideration in accordance with the provisions of the Articles of Association; and
- (8) The meeting moderator is responsible for arranging personnel to make records of the Holders' meeting.

VI. The Management Committee of each phase shall be established for the ESOS of each phase, which shall be responsible for daily management of the ESOS in a unified manner and exercise the rights of shareholders on behalf of the Holders. The Management Committee of each phase consists of 3 members, including 1 director. All members of the Management Committee shall be elected by the general meeting of Holders. The director of the Management Committee shall be elected by a majority of all members of the Management Committee. The term of office of the members of the Management Committee shall be the duration of the ESOS. Holders who are directors, supervisors, senior executives or other related (connected) persons of the Company shall not serve as members of the Management Committee and shall not participate in the daily management and investment operation of the Stock Ownership Scheme. The Management Committee may employ securities companies, fund companies, law firms, accounting firms and other professional institutions to render relevant consulting services for the Stock Ownership Scheme.

VII. Selection procedures of the Management Committee

Three Holders shall be elected by the Holders of the Stock Ownership Scheme of each phase through a general meeting of Holders to form a Management Committee of the ESOS for the corresponding phase. Holders who are directors, supervisors, senior executives or other related (connected) persons of the Company shall not serve as members of the Management Committee and shall not participate in the daily management and investment operation of the Stock Ownership Scheme of each phase. The election procedures are as follows:

1. Sending a notice to collect candidates

The convener of the Holders' meeting shall issue a notice to all the Holders 5 days before the meeting is held. In the proposal of the first Holders' meeting, it needs to collect and elect the members of the Management Committee of the ESOS. In the notice of the meeting, it shall state that the nomination of members of the Management Committee should be collected within the prescribed time limit. The nomination shall be collected until the day before the meeting.

Holders who individually or collectively hold 20% or more of the equity of the underlying stocks of the ESOS are entitled to nominate member candidates of the Management Committee. A member of the Management Committee shall be one of the Holders of the ESOS of that phase. The nomination letter of member candidates of the Management Committee (as signed by the Holders holding 20% or more shares individually or collectively) shall be submitted to the convener in writing within the specified time.

2. Holding a meeting to elect members of the Management Committee

The Holders' meeting shall be held according to the specific rules. The convener announces the results of collecting member candidates of the Management Committee and the effectively collected member candidates. Each Holder has one vote for each RMB1 unit share of a single member candidate of the Management Committee.

Members of the Management Committee shall perform their duties from the date of election to the date of termination of the ESOS, and shall be re-elected by the Holders' meeting in case of any change.

If all members of the Management Committee of Phase I Stock Ownership Scheme still participate in the ESOS of subsequent phases, the Management Committee of Phase I Stock Ownership Scheme shall continue to be the Management Committee of the ESOS of subsequent phases. Under the above circumstances, the ESOS of each phase shall constitute a concerted action

relationship, and then the rights and interests of the Company as held by the ESOS of each phase shall be calculated together, unless otherwise agreed by the ESOS of subsequent phases.

- VIII. The Management Committee of the Stock Ownership Scheme of each phase shall exercise the following powers and functions in the Stock Ownership Scheme of that phase:
- (A) Being responsible for convening and implementing resolutions of the Holders' meeting;
 - (B) Making decisions according to the Stock Ownership Scheme of each phase and handling the ownership of the remaining shares and recovered shares of the ESOS;
 - (C) Managing the distribution of rights and interests when the Holders change;
 - (D) Upon the expiration of the statutory lock-up period and duration of the Stock Ownership Scheme of each phase, handling disposal and distribution of the underlying stocks and other relevant matters;
 - (E) Attending the general meeting and exercising the rights of shareholders on behalf of the Stock Ownership Scheme, including but not limited to proposal rights, dividend rights and other rights, except voting rights;
 - (F) Carrying out other daily operation and management activities.
- IX. The Management Committee shall hold meetings irregularly, which shall be convened by the director of the Management Committee and shall notify all members of the Management Committee 2 days before the meeting is held.
- X. A meeting of the Management Committee may be held only when more than half of the members of the Management Committee are present. Resolutions made by the Management Committee must be passed by more than half of all the members. The voting on the resolutions of the Management Committee shall be conducted on a one-person-one-vote basis.
- XI. The voting method for resolutions of the Management Committee is by disclosed ballot. On the premise of ensuring that members of the Management Committee fully express their opinions, the meeting of the Management Committee can be conducted by fax/telephone, and a resolution can be made accordingly, which shall be signed by the members of the Management Committee present at the meeting.

- XII. The meeting of the Management Committee shall be attended by the members of the Management Committee themselves. In case any member is unable to attend for some reason, he may entrust in writing another member to attend on his behalf, and such a power of attorney shall contain the name of the proxy, the matters represented, the scope of authorization and the term of validity, and shall be signed or sealed by the principal. Members of the Management Committee who attend the meeting on behalf shall exercise the rights of the represented members of the Management Committee within the scope of authorization. A member of the Management Committee who fails to attend such a meeting in person or to appoint a proxy to attend on his behalf shall be deemed to have waived his right to vote at that meeting.
- XIII. The Management Committee shall form minutes of the decisions on the matters discussed at the meeting, on which the members of the Management Committee present at the meeting shall sign.
- XIV. If any member of the Management Committee has different opinions on meeting resolutions or minutes, he may make a written explanation when signing.

CHAPTER VI RIGHTS AND OBLIGATIONS OF HOLDERS

I. Rights of Holders

- (A) Attending or appointing proxies to attend the Holders' meeting, and exercising the corresponding voting rights;
- (B) Enjoying the income including dividends of the ESOS of that phase according to the share of the ESOS of each phase;
- (C) Requesting the distribution of the asset-related shares of the ESOS of that phase with the approval of the Management Committee in the duration of the ESOS of each phase;
- (D) Enjoying the rights and interests of shareholders except voting rights of the shares held by the ESOS of each phase according to the actual share;
- (E) Holders of the ESOS of each phase waive the voting rights to indirectly hold corporate shares due to their participation in the ESOS;
- (F) In the event of a change in control of the Company as a result of merger, arrangement plan or general offer or the dissolution or winding up of the Company, the Management Committee shall determine the handling of relevant shareholdings at its discretion;
- (G) Other rights stipulated by laws, administrative regulations, departmental rules or the Program.

II. Obligations of Holders

- (A) Abiding by laws, administrative regulations, departmental rules and relevant provisions of the ESOS of each phase;
- (B) Bearing the risks related to the ESOS of each phase according to their share in the ESOS of that phase, being responsible for own profits and losses, and having equal rights and interests with other investors;
- (C) Abiding by resolutions of the Holders' meetings of the ESOS of each phase and the "Administrative Measures for Employee Stock Ownership Scheme";
- (D) In the duration of the ESOS of each phase, Holders shall not transfer their share in the ESOS without consent of the Management Committee. If the transfer is made without consent of the Management Committee, such transfer shall be null and void. Holders may not guarantee, pledge or otherwise similarly dispose of their shareholdings;
- (E) Other obligations stipulated by laws, administrative regulations and the Program.

CHAPTER VII DURATION, LOCK-UP PERIOD, TERMINATION ARRANGEMENT,
PERIOD OF NO TRADING IN STOCKS AND SHAREHOLDING SCALE

I. Duration of the Program

The duration of each of the employee stock ownership scheme shall not exceed three years, calculated from the time when the Company announces the last registration of the underlying shares for the current period to the current employee stock ownership scheme.

II. Lock-up period of the Program

The lock-up period of A-share stocks of CIMC Vehicles as purchased through the secondary market in the Stock Ownership Scheme of each phase under the Program is 12 months, and no transactions are allowed during the lock-up period, calculated from the date when the Company announces that the corresponding Stock Ownership Scheme has completed stock purchase or transfer. Shares derived from the distribution of stock dividends and the capitalization of capital reserves by the Company shall also abide by the above-mentioned share locking arrangement.

III. The Stock Ownership Scheme shall not buy or sell corporate stocks during the following periods:

- (A) Within 60 days before the date of publication of annual results, or the period from the date ending relevant financial year to the date of publication of results, whichever is shorter;
- (B) Within 30 days before the date of publication of quarterly results (if any) and interim results, or the period from the date ending relevant quarter or half a year to the date of results publication, whichever is shorter;
- (C) Within 10 days before the announcement of the Company's performance forecast and performance express;

The period during which the trading of corporate stocks is prohibited in Items (A) to (C) above includes the period during which the Company delays in announcing its results;

- (D) From the date of a major event that may have a great impact on the trading prices of the Company's securities and its derivatives, or from the decision-making process, to the date of disclosure according to law;
- (E) Other periods stipulated by China Securities Regulatory Commission, Shenzhen Stock Exchange and the Hong Kong Stock Exchange;
- (F) In case of any change in relevant laws and administrative regulations in the future, the new requirements shall prevail.

- IV. The total number of corporate stocks held by the surviving Stock Ownership Scheme of each phase under the Program shall not exceed 10% of the total share capital of the Company, and the total number of corporate stocks corresponding to the equity of the Stock Ownership Scheme as acquired by a single Holder shall not exceed 1% of the total share capital of the Company. The total number of stocks held under the Program does not include the shares acquired by the Holders before the initial public offering of the Company, the shares purchased by themselves through the secondary market and the shares acquired through equity incentives. If relevant laws and administrative regulations change in the future, the Program should ensure to meet such new requirements.
- V. The number of stocks in the Stock Ownership Scheme of each phase will be determined according to the funding scale of each phase and the stock price in the secondary market. In view of the uncertainty in the number of stocks in the Stock Ownership Scheme of each phase, the final number of stocks held shall be subject to the actual execution at that time, and the Company shall fulfill its information disclosure obligations in time as regulated.

Based on the upper limit of Phase I Stock Ownership Scheme of RMB9,750,000.00 and the closing price of RMB12.26 per share on 19 May 2023, the upper limit of the target stocks that can be purchased and held in Phase I Stock Ownership Scheme is approximately 79.53 ten thousand shares, accounting for approximately 0.04% of the total share capital of the Company. The final number of stocks held in Phase I Stock Ownership Scheme shall be subject to the actual execution.

- VI. The termination arrangement of the ESOS of each phase under the Program
1. The ESOS of each phase under the Program will terminate automatically after the expiration of its duration;
 2. After the share lock-up period of the ESOS of each phase under the Program expires, the ESOS can be terminated in advance when the assets held by the ESOS are all monetary funds; and

CHAPTER VIII HANDLING OF RIGHTS AND INTERESTS IN STOCK
OWNERSHIP SCHEME

- I. When the Stock Ownership Scheme of each phase under the Program is established, the Board of Directors of the Company shall determine the corresponding underlying stock rights and interests of the Holders.
- II. There is no performance evaluation index set up for the Program. After the lock-up period of the corporate stocks held by the Stock Ownership Scheme of each phase expires, the Stock Ownership Scheme can transfer the A-share stocks of the Company held by it to the stock accounts of the Holders or distribute the proceeds from the sale of such A-share stocks to the Holders through legal means such as non-transaction transfer or sale in the secondary market, on the premise of complying with laws and regulations and relevant provisions of the Program and according to the instructions of the Management Committee of the Stock Ownership Scheme.
- III. The specific handling methods and profit and loss distribution methods of the rights and interests in the corporate stocks held by the Stock Ownership Scheme of each phase will be specified in the Stock Ownership Scheme of each phase (draft).
- IV. Measures for handling of the rights and interests in Phase I Stock Ownership Scheme
 - (A) During the lock-up period, when the Company turns its capital reserve into share capital, distributes stock dividends, allots and donates shares, the newly acquired shares in Phase I Stock Ownership Scheme shall be locked together and shall not be sold in the secondary market or transferred by other means; and the unlocking date of such stocks is the same as that of the corresponding stocks. In the duration, when the Company pays dividends, the cash dividends obtained from holding the corporate shares in Phase I Stock Ownership Scheme will not be distributed temporarily during the lock-up period of the ESOS, but will be distributed uniformly with cash assets in the duration of the Stock Ownership Scheme.
 - (B) Without consent of the Management Committee of Phase I Stock Ownership Scheme in the duration, the rights and interests in Phase I Stock Ownership Scheme as held by the Holders shall not be withdrawn or used for mortgage, pledge, guarantee or debt repayment.
 - (C) Without consent of the Management Committee of Phase I Stock Ownership Scheme in the duration, the rights and interests in Phase I Stock Ownership Scheme as held by the Holders shall not be transferred. If the transfer is made without consent of the Management Committee, such transfer shall be null and void.

- (D) Upon the expiration of the lock-up period of Phase I Stock Ownership Scheme, the Management Committee may uniformly arrange the handling and distribution of assets of the Stock Ownership Scheme. The distribution principle is based on the proportion of shares held by the Holders, and the handling methods include transferring the A-share stocks of the Company as held by the Stock Ownership Scheme to the stock accounts of the Holders, or distributing the proceeds from the sale of such A-share stocks to the Holders.
- V. After the establishment of the Stock Ownership Scheme of each phase, the subsequent handling of the rights and interests in the Stock Ownership Scheme is not subject to further deliberation by the Board of Directors. The general meeting of Holders of the Stock Ownership Scheme of each phase may decide on its own the subsequent handling of the Stock Ownership Scheme and other matters related to the handling of rights and interests.
- VI. Before relevant rights and interests in the Stock Ownership Scheme are transferred to the personal accounts of Holders, the corresponding rights and interests in stocks shall be uniformly exercised and arranged by the Management Committee.
- VII. The liquidation shall be completed within 30 working days after the termination of the Stock Ownership Scheme of each phase under the Program (including expiration termination, early termination, post-extension termination, etc.), and it shall be

CHAPTER IX PARTICIPATION MODE OF STOCK OWNERSHIP SCHEME
DURING CORPORATE FINANCING

When the Company raises funds by means of share allotment, further issue, convertible bonds, etc., if the Stock Ownership Scheme of each phase under the Program intends to participate in the above financing in its duration, it must be deliberated and adopted by the general meeting of Holders of the Stock Ownership Scheme of that phase in advance; and the Management Committee of the Stock Ownership Scheme of that period shall formulate and execute the specific plan for the Stock Ownership Scheme to participate in the refinancing such as share allotment, further issue or convertible bonds of the Company in its duration.

CHAPTER X ASSET COMPOSITION OF STOCK OWNERSHIP SCHEME UNDER
THE PROGRAM

- (A) Rights and interests corresponding to the underlying stocks: Holders participating in the Stock Ownership Scheme under the Program enjoy the rights and interests corresponding to the corporate stocks by subscribing for the shares of the ESOS of each phase.
- (B) Cash deposits and bank interest.
- (C) Assets formed by other investments in the Stock Ownership Scheme under the Program.

The assets of the Stock Ownership Scheme of each phase under the Program are independent of the inherent properties of the Company, and the Company shall not entrust the assets of the Stock Ownership Scheme under the Program into its inherent properties. The properties and earnings obtained as a result of the management or application of the Stock Ownership Scheme under the Program or other circumstances are attributed to the assets of the ESOS of each phase.

CHAPTER XI HANDLING OF RIGHTS AND INTERESTS ACQUIRED UPON CHANGES IN HOLDERS

(A) Handling of post changes

If a Holder suffers from changes in his post but still meets the criteria for participation in the Stock Ownership Scheme, the shares of the ESOS that have been held by him and still exist may not be adjusted. If a Holder no longer meets the criteria for the Stock Ownership Scheme after the changes in his post, relevant shares shall automatically lapse and the Management Committee is entitled to decide to recover the shares of the ESOS that have been held by such Holder and still exist (the specific price of recovery shall be decided by the Management Board based on the circumstances at that time, but anyway shall not be higher than the fair value of the shares held by such Holder at the time of recovery), and may decide on a plan for redistributing the recovered shares in each duration and execute the specific distribution arrangements. The recovered shares will not be canceled for the Company.

(B) Handling of negative situations

If a Holder damages the interests or reputation of the Company or any of its subsidiaries due to incompetence or violation of laws, violation of professional ethics, disclosure of secrets of the Company or any of its subsidiaries, dereliction of duty or malfeasance, or if a Holder violates the non-competition agreement with the Company or any of its subsidiaries within a certain period after leaving office, relevant shares shall automatically lapse and the Management Committee is entitled to decide to recover the shares of the ESOS that have been held by such Holder and still exist (the specific price of recovery shall be decided by the Management Board based on the circumstances at that time, but anyway shall not be higher than the fair value of the shares held by such Holder at the time of recovery), and may decide on a plan for redistributing the recovered shares in each duration and execute the specific distribution arrangements. The recovered shares will not be canceled for the Company.

(C) Handling of leaving office

- (D) Measures for handling of the Holder's incapacity, retirement or death
- (1) If a Holder leaves his post due to retirement, his existing shares of the ESOS will not be affected.
 - (2) If a Holder loses the ability to work due to duty injury or dies in the line of duty, his existing shares of the ESOS will not be affected, and can be inherited and enjoyed by the original Holder or the legal heir of the deceased Holder.
- (E) In addition to the above, in case of other reasons that cause an employee to be no longer suitable to participate in the Stock Ownership Scheme in the duration, the Management Committee of the ESOS of that phase shall decide on the identification and handling of the corresponding circumstances.

CHAPTER XII ALTERATION AND TERMINATION OF THE PROGRAM

- I. The Board of Directors of the Company may make changes to the Program when it deems necessary or when it is required by newly executed laws, regulations, rules or exchange rules.

- II. The Program may be terminated for the following reasons:
 - (A) When it is required by laws and regulations;

 - (B) When the regulatory authority requires termination according to law;

 - (C) When the Board of Directors of the Company deems it necessary.

- III. If the Program is terminated, but the Stock Ownership Scheme of a certain phase under the Program is still in existence, or there is still a balance in the equity of the Stock Ownership Scheme, the general meeting of Holders of the Stock Ownership Scheme of that phase shall decide on the duration of the Stock Ownership Scheme and the distribution of equity.

CHAPTER XIII MATTERS AUTHORIZED BY THE GENERAL MEETING TO THE
BOARD OF DIRECTORS

- I. The general meeting authorizes the Board of Directors to handle matters related to the Stock Ownership Scheme, including but not limited to the following:
 - (A) Authorizing the Board of Directors to decide on a specific execution plan for the Stock Ownership Scheme of each phase, including the list and share of Holders of the ESOS of each phase;
 - (B) Authorizing the Board of Directors to decide on the alteration and termination of the Stock Ownership Scheme of each phase;
 - (C) Authorizing the Board of Directors to decide on the extension or early termination of the duration of the Program;
 - (D) Authorizing the Board of Directors to make corresponding adjustments to the Program and the ESOS of each phase pursuant to the changes in relevant laws, regulations and policies;
 - (E) Authorizing the Board of Directors to handle relevant registrations and settlements and other necessary matters involved in the ESOS of each phase;
 - (F) Authorizing the Board of Directors to handle the procedures relating to capital accounts involved in the ESOS of each phase and all matters concerning locking and unlocking of the underlying stocks;
 - (G) Authorizing the Board of Directors to conclude contracts and agreement documents related to the ESOS of each phase;
 - (H) Authorizing the Board of Directors to handle other necessary matters required by the ESOS, except for the rights clearly stipulated in relevant documents that need to be exercised by the general meeting.

- II. The above authorization period starts from the date when the Program is deliberated and adopted by the general meeting and ends on the date when the Program is completed.

CHAPTER XIV MISCELLANEOUS

- (A) Nothing in the Program will prevent CIMC Vehicles from executing other incentive or reward plans for its employees.
- (B) The financial, accounting treatment and taxation of the Company in executing the Program shall be executed in line with relevant financial systems, accounting standards and tax systems.
- (C) After the execution of the Program, it will not result in the Company's equity distribution not meeting the conditions for listing.
- (D) The deliberation and adoption of the Program by the Board of Directors and the general meeting does not mean that a Holder is entitled to continue to serve in the Company or any of its subsidiaries, nor does it constitute a commitment of the Company or any of its subsidiaries to the employment period of the Holder. And the employment relationship between the Company or any of its subsidiaries and the Holder is still executed according to the labor contract concluded between the Company or any of its subsidiaries and the Holder.
- (E) The Program will come into effect after being deliberated and adopted by the general meeting of the Company.
- (F) The Company will perform corresponding procedures and disclose information pursuant to the laws and regulations in force from time to time and in accordance with the rules of the stock exchange where it is listed (including but not limited to relevant regulations issued by China Securities Regulatory Commission, Shenzhen Stock Exchange and the Hong Kong Stock Exchange).
- (G) The right to interpret the Program vests in the Board of Directors of the Company.

CIMC Vehicles (Group) Co., Ltd.
Board of Directors

19 May 2023

CIMC VEHICLES (GROUP) CO., LTD.

EMPLOYEE STOCK OWNERSHIP SCHEME (2023-2027)
ADMINISTRATIVE MEASURES

May 2023

CHAPTER I GENERAL PROVISIONS

Article 1 In order to regulate the implementation of the Employee Stock Ownership Scheme (2023-2027) of CIMC Vehicles (Group) Co., Ltd., the “Administrative Measures for Employee Stock Ownership Scheme (2023-2027) of CIMC Vehicles (Group) Co., Ltd.” (hereinafter referred to as “the Measures”) are hereby formulated pursuant to the Company Law of the People’s Republic of China (hereinafter referred to as the Company Law), the Securities Law of the People’s Republic of China (hereinafter referred to as the Securities Law), the Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Scheme by Listed Companies (hereinafter referred to as the Guiding Opinions), the Guidelines for Self-Regulation of Listed Companies on Shenzhen Stock Exchange No.2 – Standardized Operations of Listed Companies on the Growth Enterprise Market (hereinafter referred to as the Guidelines for Standardized Operations) and other relevant laws, administrative regulations, rules and normative documents, as well as in accordance with the “Articles of Association of CIMC Vehicles (Group) Co., Ltd.” (hereinafter referred to as the Articles of Association) and the “Employee Stock Ownership Scheme (2023-2027) of CIMC Vehicles (Group) Co., Ltd. (Draft)”. The definitions of each term in the Measures are consistent with those in the “Employee Stock Ownership Scheme (2023-2027) of CIMC Vehicles (Group) Co., Ltd. (Draft)” (hereinafter referred to as the “Scheme”).

CHAPTER II PRINCIPLES OF THE SCHEME

Article 2 The Scheme follows the principles of legal compliance, voluntary participation and risk-taking. The Company executes the Scheme in strictly following relevant laws and regulations, the Securities Listing Rules of the Stock Exchange of Hong Kong Limited, the Stock Listing Rules on the GEM of Shenzhen Stock Exchange as well as the Articles of Association, and conducts information disclosure in a true, accurate, complete and timely manner. No one may make use of the Scheme to engage in securities frauds such as insider trading or manipulation of the securities market. In executing the Scheme, the Company will follow its own independent decision with employees participating in voluntarily, and may not force employees to participate in the Employee Stock Ownership Scheme by means of apportionment or forced distribution. Participants in the ESOS bear their own profits and losses, assume their own risks, and enjoy equal rights and interests with other investors.

CHAPTER III HOLDERS OF THE SCHEME

Article 3 Holders of the Scheme refer to specific employees who participate in the Stock Ownership Scheme of each phase under the Scheme and play an important role in the medium and long-term development of the Company, including directors, senior executives and significant executives of the Company. All Holders hold positions in and have concluded labor contracts/employment contracts with the Company or its subsidiaries.

The total number of Holders of Phase I Stock Ownership Scheme shall not exceed 25, among which 6 directors and senior executives are expected to participate, but no supervisors will participate. The specific number of participants will be determined according to the actual status of employees at that time.

Article 4 The directors, supervisors and senior executives of the Company may become the Holders of the Stock Ownership Scheme of each phase under the Scheme and form an associated relationship with the ESOS of that phase. However, such directors, supervisors and senior executives do not serve as members of the Management Committee and do not participate in daily management and investment operation of the Stock Ownership Scheme. Therefore, they do not form a concerted action relationship with the Stock Ownership Scheme of each phase under the Scheme. In addition, other participants of the ESOS of each phase have no related relationship or concerted action relationship with the controlling shareholder, the largest shareholder, as well as other major shareholders, directors, supervisors and senior executives holding more than 5% shares of the Company.

Article 5 Holders of the Scheme waives the right to vote on the corporate stocks it holds through the Stock Ownership Scheme, and abstains when the general meeting deliberates the transaction- related proposals between the listed company and the shareholders, directors, supervisors, senior executives and other participants.

CHAPTER IV FUNDING SOURCES OF THE SCHEME

Article 6 The funding sources of the Scheme embrace legal remuneration to employees, self-raised funds and other methods permitted by laws and regulations. There is no case in which the Company extends financial assistance to participants or guarantees for their loans, and there is no arrangement in which other third parties offer incentives, fundings, subsidies or margins for participants to participate in the ESOS.

The total capital of Phase I Stock Ownership Scheme under the Scheme shall not exceed RMB9,750,000.00.

CHAPTER V STOCK SOURCE OF THE SCHEME

Article 7 The stock source of the Scheme is the A-share stocks of CIMC Vehicles as purchased through the secondary market (including but not limited to bidding transactions and block transactions) and other ways permitted by laws and regulations, and the price benchmark of relevant purchased stocks are subject to the market price at the time of purchase.

CHAPTER VI OPERATION MODE OF THE SCHEME

Article 8 Operation mode of the Scheme

- (A) Phased execution. In principle, no more than 4 stock ownership schemes will be established on a rolling basis during the period from 2023 to 2027, with each phase of the employee stock ownership scheme being independent of each other.
- (B) Management of the Scheme. The Stock Ownership Scheme of each phase under the Scheme may be managed by the Company itself or entrusted to a third-party management agency with asset management qualifications. If the Company entrusts a third-party management agency for management, the selection procedures of the agency and the main terms of the management agreement will be specified in the Stock Ownership Scheme of each phase.

Phase I Stock Ownership Scheme will be managed by the Company itself.

- (C) Investment target. The investment scope of the Scheme is to purchase and hold A-share stocks of CIMC Vehicles in the secondary market in a manner consistent with laws and regulations. If there are funds for the stocks that have not been purchased/transferred yet, they can be invested in low-risk wealth management products such as bank deposits, national debt reverse repurchases and monetary funds.

CHAPTER VII DURATION AND LOCK-UP PERIOD OF THE SCHEME

Article 9 Duration of the Scheme

The duration of each of the employee stock ownership scheme shall not exceed three years, calculated from the time when the Company announces the last registration of the underlying shares for the current period to the current employee stock ownership scheme.

Article 10 Lock-up period of the Scheme

The lock-up period of A-share stocks of CIMC Vehicles as purchased through the secondary market in the Stock Ownership Scheme of each phase under the Scheme is 12 months, and no transactions are allowed during the lock-up period, calculated from the date when the Company announces that the corresponding Stock Ownership Scheme has completed stock purchase or transfer. Shares derived from the distribution of stock dividends and the capitalization of capital reserves by the Company shall also abide by the above-mentioned share locking arrangement.

Article 11 The Scheme shall not buy or sell corporate stocks during the following periods:

- (A) Within 60 days before the date of publication of annual results, or the period from the date ending relevant financial year to the date of publication of the results, whichever is shorter;
- (B) Within 30 days before the date of publication of quarterly results (if any) and interim results, or the period from the date ending relevant quarter or half a year to the date of publication of results, whichever is shorter;
- (C) Within 10 days before the announcement of the Company's performance forecast and performance express;

The period during which the trading of corporate stocks is prohibited in Items (A) to (C) above includes the period during which the Company delays in announcing its results;

- (D) From the date of a major event that may have a great impact on the trading prices of the Company's securities and its derivatives, or from the decision-making process, to the date of disclosure according to law;
- (E) Other periods stipulated by China Securities Regulatory Commission, Shenzhen Stock Exchange and the Stock Exchange of Hong Kong Limited;
- (F) In case of any change in relevant laws and administrative regulations in the future, the new requirements shall prevail.

CHAPTER VIII RIGHTS AND OBLIGATIONS OF HOLDERS OF THE SCHEME

Article 12 Rights of Holders

- (A) Attending or appointing proxies to attend the Holders' meeting, and exercising the corresponding voting rights;
- (B) Enjoying the income including dividends of the ESOS of that phase according to the share of the ESOS of each phase;
- (C) Requesting the distribution of the asset-related shares of the ESOS of that phase with the approval of the Management Committee in the duration of the ESOS of each phase;
- (D) Enjoying the rights and interests of shareholders except voting rights of the shares held by the ESOS of each phase according to the actual share;

- (E) Holders of the ESOS of each phase waive the voting rights to indirectly hold corporate shares due to their participation in the ESOS;
- (F) In the event of a change in control of the Company as a result of merger, arrangement plan or general offer or the dissolution or winding up of the Company, the Management Committee shall determine the handling of relevant shareholdings at its discretion;
- (G) Other rights stipulated by laws, administrative regulations, departmental rules or the Scheme.

Article 13 Obligations of Holders

- (A) Abiding by laws, administrative regulations, departmental rules and relevant provisions of the ESOS of each phase;
- (B) Bearing the risks related to the ESOS of each phase according to their share in the ESOS of that phase, being responsible for own profits and losses, and having equal rights and interests with other investors;
- (C) Abiding by resolutions of the Holders' meetings of the ESOS of each phase and the "Administrative Measures for Employee Stock Ownership Scheme";
- (D) In the duration of the ESOS of each phase, Holders shall not transfer their share in the ESOS without consent of the Management Committee. If the transfer is made without consent of the Management Committee, such transfer shall be null and void. Holders may not guarantee, pledge or otherwise similarly dispose of their shareholdings;
- (E) Other obligations stipulated by laws, administrative regulations and the Scheme.

CHAPTER IX MANAGEMENT MODE OF THE SCHEME

Article 14 The general meeting of the Company takes responsibility for determining the principles and framework of the Scheme, and ultimately deliberating and adopting the matters relating to the Scheme, including funding and stock sources, operation mode, etc., as well as other matters that should be decided by the general meeting.

Article 15 The Board of Directors of the Company takes responsibility for drafting the Scheme, submitting it to the general meeting for deliberation, and deciding on specific matters related to it under the authorization of the general meeting.

Article 16 The Holders' meeting and the Management Committee of the Stock Ownership Scheme of each phase under the Scheme take responsibility for daily management of the Stock Ownership Scheme.

Article 17 There is a Holders' meeting of the Stock Ownership Scheme of each phase under the Scheme, which is composed of the Holders of the Stock Ownership Scheme of that phase and is the highest authority within the ESOS of each phase. All Holders participating in the ESOS of that phase are entitled to attend the corresponding Holders' meeting and exercise their voting rights subject to their shares; and they can participate in such Holders' meeting and vote in person, or entrust proxies to attend and vote on their behalf. The travel expenses, accommodation expenses, etc. incurred by the Holders and their proxies attending the Holders' meeting shall be borne by the Holders themselves. Holders holding more than 20% of the ESOS individually or collectively may propose to hold a Holders' meeting, which shall exercise the following powers and functions:

- (A) Electing and removing the director and members of the Management Committee of that phase;
- (B) Reviewing whether the ESOS of that phase participates in the non-public offerings, share placements, convertible bonds and other financing plans in its duration;
- (C) Reviewing the adjustments to the ESOS of that phase;
- (D) Authorizing the Management Committee of that phase to supervise the daily management of the ESOS;
- (E) Authorizing the Management Committee of that phase to exercise the rights of shareholders;
- (F) Conducting other matters that the Management Committee of that phase deems necessary to hold a Holders' meeting to deliberate.

Article 18 The convening, holding and voting procedures of each Holders' meeting under the Scheme are as follows:

- (A) The first Holders' meeting shall be convened by the secretary of the Board of Directors of the Company, and the subsequent ones shall be convened by the Management Committee. When holding a Holders' meeting, the Management Committee shall issue a notice 2 days in advance and submit it to all the Holders by direct delivery, mail, fax, e-mail or other means. Such a notice shall at least include the following contents:
- (1) Time, place and holding method of the meeting;
 - (2) Subject matters and topics of the meeting;
 - (3) Materials necessary for the meeting;
 - (4) Date on which the notice is given. In case of emergency, the Holders' meeting can be notified orally. Such an oral notice shall at least include the contents of Items (1) and (2) above and an explanation of the need to convene a Holders' meeting as soon as possible due to urgent circumstances.
- (B) The holding and voting procedures of each Holders' meeting
- (1) The first Holders' meeting shall be presided over by the secretary of the Board of Directors of the Company, and the subsequent ones shall be presided over by the director of the Management Committee. When the director of the Management Committee is unable to perform his duties, he shall appoint a member of the Management Committee to act on his behalf;
 - (2) After each proposal has been fully discussed, the moderator shall call for a vote by the Holders present in due course. The moderator may also decide to call for a vote of the Holders present at the meeting after all proposals have been discussed, by means of a written vote with a completed ballot;
 - (3) Holders may exercise their voting rights based on their shares in the Scheme, with each unit of plan share having one vote;
 - (4) The voting intentions of Holders are divided into agree, disagree and abstain. Holders present at the meeting shall choose one of the above intentions. Those who do not choose or choose more than two intentions at the same time shall be deemed to have abstained from voting; and votes that are not filled in,

incorrectly filled in, illegible or not cast shall be deemed to have been abstained. In case a Holder votes after the moderator announces the voting result or after the expiration of the specified voting time limit, his vote will not be counted;

- (5) Each proposal shall be deemed as passed by voting after being approved by more than 50% (excluded) of the Holders present at the Holders' meeting, thus forming a valid resolution of the meeting;
- (6) Besides the on-site meeting and voting in writing, the Holders' meeting can also be held by communication (including online, video, mail push and other electronic data interchange methods) or a combination of on-site meeting and communication, and voted in writing. The specific holding method will be determined in a written notice of the meeting without obtaining the consent of any Holder. With unanimous written consent of all the Holders, a resolution of the Holders' meeting may be made directly and signed by all such Holders on the resolution document without convening a Holders' meeting;
- (7) Any resolution of Holders' meeting that need to be submitted to the Board of Directors or general meeting for consideration shall be submitted to the Board of Directors or general meeting for consideration in accordance with the provisions of the Articles of Association;
- (8) The meeting moderator is responsible for arranging personnel to make records of the Holders' meeting.

Article 19 The Management Committee of each phase shall be established for the ESOS of each phase, which shall be responsible for daily management of the ESOS in a unified manner and exercise the rights of shareholders on behalf of the Holders. The Management Committee of each phase consists of 3 members, including 1 director. All members of the Management Committee shall be elected by the general meeting of Holders. The director of the Management Committee shall be elected by a majority of all members of the Management Committee. The term of office of the members of the Management Committee shall be the duration of the ESOS. Holders who are directors, supervisors or senior executives of the Company shall not serve as members of the Management Committee and shall not participate in the daily management and investment operation of the Stock Ownership Scheme. The Management Committee may employ securities companies, fund companies, law firms, accounting firms and other professional institutions to render relevant consulting services for the Stock Ownership Scheme.

Article 20 Selection procedures of the Management Committee

Three Holders shall be elected by the Holders of the Stock Ownership Scheme of each phase through a general meeting of Holders to form a management committee of the ESOS for the corresponding phase. Holders who are directors, supervisors, senior executives or other related (connected) persons of the Company shall not serve as members of the Management Committee and shall not participate in the daily management and investment operation of the Stock Ownership Scheme of each phase. The election procedures are as follows:

1. Sending a notice to collect candidates

The convener of the Holders' meeting shall issue a notice to all the Holders 5 days before the meeting is held. In the proposal of the first Holders' meeting, it needs to collect and elect the members of the Management Committee of the ESOS. In the notice of the meeting, it shall state that the nomination of members of the Management Committee should be collected within the prescribed time limit. The nomination shall be collected until the day before the meeting.

Holders who individually or collectively hold 20% and more of the equity of the underlying stocks of the ESOS are entitled to nominate member candidates of the Management Committee. A member of the Management Committee shall be one of the Holders of the ESOS of that phase. The nomination letter of member candidates of the Management Committee (as signed by the Holders holding 20% and more shares individually or collectively) shall be submitted to the convener in writing within the specified time.

2. Holding a meeting to elect members of the Management Committee

The Holders' meeting shall be held accordg shacc0.4(shacc0.4(u)-590.4(st)-590.4.5(meeting]T

Article 21 The Management Committee of the Stock Ownership Scheme of each phase shall exercise the following powers and functions in the Stock Ownership Scheme of that phase:

- (A) Being responsible for convening and implementing resolutions of the Holders' meeting;
- (B) Making decisions according to the Stock Ownership Scheme of each phase and handling the ownership of the remaining shares and recovered shares of the ESOS;
- (C) Managing the distribution of rights and interests when the Holders change;
- (D) Upon the expiration of the statutory lock-up period and duration of the Stock Ownership Scheme of each phase, handling disposal and distribution of the underlying stocks and other relevant matters;
- (E) Attending the general meeting and exercising the rights of shareholders on behalf of the Stock Ownership Scheme, including but not limited to proposal rights, dividend rights and other rights, except voting rights;
- (F) Carrying out other daily operation and management activities.

Article 22 The Management Committee shall hold meetings irregularly, which shall be convened by the director of the Management Committee and shall notify all members of the Management Committee 2 days before the meeting is held.

Article 23 A meeting of the Management Committee may be held only when more than half of the members of the Management Committee are present. Resolutions made by the Management Committee must be passed by more than half of all the members. The voting on the resolutions of the Management Committee shall be conducted on a one-person-one-vote basis.

Article 24 The voting method for resolutions of the Management Committee is by disclosed ballot. On the premise of ensuring that members of the Management Committee fully express their opinions, the meeting of the Management Committee can be conducted by fax/telephone, and a resolution can be made accordingly, which shall be signed by the members of the Management Committee present at the meeting.

Article 25 The meeting of the Management Committee shall be attended by the members of the Management Committee themselves. In case any member is unable to attend for some reason, he may entrust in writing another member to attend on his behalf, and such a power of attorney shall contain the name of the proxy, the matters represented, the scope of authorization and the term of validity, and shall be signed or sealed by the principal. Members of the Management Committee who attend the meeting on behalf shall exercise the rights of the

represented members of the Management Committee within the scope of authorization. A member of the Management Committee who fails to attend such a meeting in person or to appoint a proxy to attend on his behalf shall be deemed to have waived his right to vote at that meeting.

Article 26 The Management Committee shall form minutes of the decisions on the matters discussed at the meeting, on which the members of the Management Committee present at the meeting shall sign.

Article 27 If any member of the Management Committee has different opinions on meeting resolutions or minutes, he may make a written explanation when signing.

CHAPTER X PARTICIPATION MODE OF STOCK OWNERSHIP SCHEME DURING CORPORATE FINANCING

Article 28 When the Company raises funds by means of share allotment, further issue, convertible bonds, etc., if the Stock Ownership Scheme of each phase under the Scheme intends to participate in the above financing in its duration, it must be deliberated and adopted by the general meeting of Holders of the Stock Ownership Scheme of that phase in advance; and the Management Committee of the Stock Ownership Scheme of that period shall formulate and execute the specific plan for the Stock Ownership Scheme to participate in the refinancing such as share allotment, further issue or convertible bonds of the Company in its duration.

CHAPTER XI MEASURES FOR HANDLING RIGHTS AND INTERESTS OF THE HOLDERS

Article 29 When the Stock Ownership Scheme of each phase is established, the Board of Directors of the Company shall determine the corresponding underlying stock rights and interests of the Holders.

Article 30 There is no performance evaluation index set up for the Scheme. After the lock-up period of the corporate stocks held by the Stock Ownership Scheme of each phase expires, the Stock Ownership Scheme can transfer the A-share stocks of the Company held by it to the stock accounts of the Holders or distribute the proceeds from the sale of such A-share stocks to the Holders through legal means such as non-transaction transfer or sale in the secondary market, on the premise of complying with laws and regulations and relevant provisions of the Scheme and according to the instructions of the Management Committee of the Stock Ownership Scheme.

Article 31 The specific handling methods and profit and loss distribution methods of the rights and interests in the corporate stocks held by the Stock Ownership Scheme of each phase will be specified in the Stock Ownership Scheme of each phase (draft).

- (A) During the lock-up period, when the Company turns its capital reserve into share capital, distributes stock dividends, allots and donates shares, the newly acquired shares in Phase I Stock Ownership Scheme shall be locked together and shall not be sold in the secondary market or transferred by other means; and the unlocking date of such stocks is the same as that of the corresponding stocks. In the duration, when the Company pays dividends, the cash dividends obtained from holding the corporate shares in Phase I Stock Ownership Scheme will not be distributed temporarily during the lock-up period of the ESOS, but will be distributed uniformly with cash assets in the duration of the Stock Ownership Scheme.
- (B) Without consent of the Management Committee of Phase I Stock Ownership Scheme in the duration, the rights and interests in Phase I Stock Ownership Scheme as held by the Holders shall not be withdrawn or used for mortgage, pledge, guarantee or debt repayment.
- (C) Without consent of the Management Committee of Phase I Stock Ownership Scheme in the duration, the rights and interests in Phase I Stock Ownership Scheme as held by the Holders shall not be transferred. If the transfer is made without consent of the Management Committee, such transfer shall be null and void.
- (D) Upon the expiration of the lock-up period of Phase I Stock Ownership Scheme, the Management Committee may uniformly arrange the handling and distribution of assets of the Stock Ownership Scheme. The distribution principle is based on the proportion of shares held by the Holders, and the handling methods include transferring the A-share stocks of the Company as held by the Stock Ownership Scheme to the stock accounts of the Holders, or distributing the proceeds from the sale of such A-share stocks to the Holders.

Article 32 After the establishment of the Stock Ownership Scheme of each phase, the subsequent handling of the rights and interests in the Stock Ownership Scheme is not subject to further deliberation by the Board of Directors. The general meeting of Holders of the Stock Ownership Scheme of each phase may decide on its own the subsequent handling of the Stock Ownership Scheme and other matters related to the handling of rights and interests.

Article 33 Before relevant rights and interests in the Stock Ownership Scheme are transferred to the personal accounts of Holders, the corresponding rights and interests in stocks shall be uniformly exercised and arranged by the Management Committee.

Article 34 The liquidation shall be completed within 30 working days after the termination of the Stock Ownership Scheme of each phase under the Scheme (including expiration termination, early termination, post-extension termination, etc.), and it shall be distributed in proportion to the shares held by the Holders, except as otherwise provided in the Stock Ownership Scheme of each phase.

Article 35 Holders shall pay relevant taxes and fees legally and compliantly pursuant to relevant provisions of the Tax Law in respect of their personal income taxes after acquiring the rights and interests in the Stock Ownership Scheme under the Scheme.

Article 36 In the event of other matters not agreed upon, the handling method of the shares of the ESOS as held by the Holders under the Scheme shall be determined by the Holders' meeting.

CHAPTER XII ASSET COMPOSITION OF THE SCHEME

Article 37 Asset composition of the Stock Ownership Scheme:

- (A) Rights and interests corresponding to the underlying stocks: Holders participating in the Stock Ownership Scheme under the Scheme enjoy the rights and interests corresponding to the corporate stocks by subscribing for the shares of the ESOS of each phase.
- (B) Cash deposits and bank interest.
- (C) Assets formed by other investments in the Stock Ownership Scheme of each phase.

Article 38 The properties of the Stock Ownership Scheme is independent of these of the Company; and the Company shall not occupy or misappropriate the properties of the ESOS or confuse such properties with these of the Company in any other form. The properties and earnings obtained as a result of the management or application of the ESOS or other circumstances are attributed to the properties of the ESOS.

CHAPTER XIII HANDLING OF RIGHTS AND INTERESTS ACQUIRED UPON
CHANGES IN THE HOLDERS

Article 39 Handling method of changes in the rights and interests of the surviving Stock Ownership Scheme as held by the Holders:

(A) Handling of post changes

If a Holder suffers from changes in his post but still meets the criteria for participation in the Stock Ownership Scheme, the shares of the ESOS that have been held by him and still exist may not be adjusted. If a Holder no longer meets the criteria for the Stock Ownership Scheme after the changes in his post, relevant shares shall automatically lapse and the Management Committee is entitled to decide to recover the shares of the ESOS that have been held by such Holder and still exist (the specific price of recovery shall be decided by the Management Board based on the circumstances at that time, but anyway shall not be higher than the fair value of the shares held by such Holder at the time of recovery), and may decide on a plan for redistributing the recovered shares in each duration and execute the specific distribution arrangements. The recovered shares will not be canceled for the Company.

(B) Handling of negative situations

If a Holder damages the interests or reputation of the Company or any of its subsidiaries due to incompetence or violation of laws, violation of professional ethics, disclosure of secrets of the Company or any of its subsidiaries, dereliction of duty or malfeasance, or if a Holder violates the non-competition agreement with the Company or any of its subsidiaries within a certain period after leaving office, relevant shares shall automatically lapse and the Management Committee is entitled to decide to recover the shares of the ESOS that have been held by such Holder and still exist (the specific price of recovery shall be decided by the Management Board based on the circumstances at that time, but anyway shall not be higher than the fair value of the shares held by such Holder at the time of recovery), and may decide on a plan for redistributing the recovered shares in each duration and execute the specific distribution arrangements. The recovered shares will not be canceled for the Company.

(C) Handling of leaving office

If a Holder leaves his post (i.e. the employment relationship between the Holder and the Company or any of its subsidiaries is dissolved or terminated), the existing share held by such Holder shall be disposed of by the Management Committee according to the Scheme and the Stock Ownership Scheme of each phase, except as otherwise provided for in the Scheme.

(D) Measures for handling of the Holder's incapacity, retirement or death

- (1) If a Holder leaves his post due to retirement, his existing shares of the ESOS will not be affected.

- (2) If a Holder loses the ability to work due to duty injury or dies in the line of duty, his existing shares of the ESOS will not be affected, and can be inherited and enjoyed by the original Holder or the legal heir of the deceased Holder.
- (E) In addition to the above, in case of other reasons that cause an employee to be no longer suitable to participate in the Stock Ownership Scheme in the duration, the Management Committee of the ESOS of that phase shall decide on the identification and handling of the corresponding circumstances.

CHAPTER XIV CHANGES IN AND TERMINATION OF THE SCHEME

Article 40 The Board of Directors of the Company may make changes to the Scheme when it deems necessary or when it is required by newly executed laws, regulations, rules or exchange rules.

Article 41 The Scheme may be terminated for the following reasons:

- (A) When it is required by laws and regulations;
- (B) When the regulatory authority requires termination according to law;
- (C) When the Board of Directors of the Company deems it necessary.

Article 42 If the Scheme is terminated, but the Stock Ownership Scheme of a certain phase is still in existence, or there is still a balance in the equity of the Stock Ownership Scheme, the general meeting of Holders of the Stock Ownership Scheme of that phase shall decide on the duration of the Stock Ownership Scheme and the distribution of equity.

CHAPTER XV PERFORMING PROCEDURES OF THE SCHEME

Article 43 The Company shall perform the following procedures when implementing the Scheme:

- (A) The Remuneration and Assessment Committee under the Board of Directors of the Company is responsible for drafting the Scheme and submitting it to the Board of Directors for deliberation after soliciting employee opinions through the Workers' Congress;
- (B) When the Board of Directors is deliberating on adopting the Scheme, independent directors shall express their opinions on whether the Scheme is conducive to sustainable development of the Company, whether it harms the interests of the Company and all its shareholders, and whether there is compulsory participation by means of apportionment or forced distribution;

- (E) Authorizing the Board of Directors to handle relevant registrations and settlements and other necessary matters involved in the ESOS of each phase;
- (F) Authorizing the Board of Directors to handle the procedures relating to capital accounts involved in the ESOS of each phase and all matters concerning locking and unlocking of the underlying stocks;
- (G) Authorizing the Board of Directors to conclude contracts and agreement documents related to the ESOS of each phase;
- (H) Authorizing the Board of Directors to handle other necessary matters required by the ESOS, except for the rights clearly stipulated in relevant documents that need to be exercised by the general meeting.

Article 46 The above authorization period starts from the date when the Scheme is deliberated and adopted by the general meeting and ends on the date when the Scheme is completed.

CHAPTER XVII SUPPLEMENTARY PROVISIONS

Article 47 Nothing in the Scheme will prevent the Company from executing other incentive or reward plans for its employees.

Article 48 The financial, accounting treatment and taxation of the Company in executing the Scheme shall be executed in line with relevant financial systems, accounting standards and tax systems.

Article 49 The deliberation and adoption of the Scheme by the Board of Directors and the general meeting does not mean that a Holder is entitled to continue to serve in the Company or any of its subsidiaries, nor does it constitute a commitment of the Company or any of its subsidiaries to the employment period of the Holder. And the employment relationship between the Company or any of its subsidiaries and the Holder is still executed according to the labor contract concluded between the Company or any of its subsidiaries and the Holder.

Article 50 The ESOS of each period under the Scheme is applicable to the Measures. The ESOS of each period may set up its own administrative measures for the Stock Ownership Scheme of each phase as needed, but they shall not deviate from the principles determined in the Measures.

Article 51 The Measures shall come into effect since the date of deliberation and adoption by the general meeting of the Company, and shall be interpreted by the Board of Directors of the Company.

Board of Directors of CIMC Vehicles (Group) Co., Ltd.
19 May 2023

NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, 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 notice.

CIMC VEHICLES

CIMC Vehicles (Group) Co., Ltd.

• « ? («) p ... P " ® !

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1839)

NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 Second Extraordinary General Meeting (the "2023 Second Extraordinary General Meeting") of CIMC Vehicles (Group) Co., Ltd. (the "Company") will be held at Unit 1803, 18/F, Prince Plaza, Shekou, Nanshan District, Shenzhen, Guangdong, the People's Republic of China (the "PRC") at 2:50 p.m. on Thursday, 15 June 2023 for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as defined in the circular (the "Circular") of the Company dated 29 May 2023.

SPECIAL RESOLUTIONS

1. To consider and approve the proposal on the Employee Stock Ownership Scheme (2023-2027) (Draft) of CIMC Vehicles (Group) Co., Ltd. and its summary;
2. To consider and approve the proposal on the Administrative Measures for the Employee Stock Ownership Scheme (2023-2027) of CIMC Vehicles (Group) Co., Ltd.;
3. To consider and approve the proposal on authorization to the Board to deal with matters relating to the Employee Stock Ownership Scheme (2023-2027) at the general meeting.

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

Shenzhen, the PRC
29 May 2023

NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

Notes:

1. For the purpose of holding the 2023 Second Extraordinary General Meeting, the register of members of H Shares of the Company will be closed from Monday, 12 June 2023 to Thursday, 15 June 2023 (both days inclusive), during which period no transfer of Shares will be registered.

In order to be qualified to attend and vote at the 2023 Second Extraordinary General Meeting, for holders of H Shares, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 9 June 2023.

The Shareholders whose names appear on the register of members of the Company on Monday, 12 June 2023 are entitled to attend and vote at the 2023 Second Extraordinary General Meeting.

2. Votes on the resolutions to be proposed at the 2023 Second Extraordinary General Meeting shall be taken by way of poll.
3. Shareholders who are entitled to attend and vote at the 2023 Second Extraordinary General Meeting may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a Shareholder of the Company.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that the instrument shall be affixed with the seal of the legal person or signed by its legal representative or the proxy authorized by a resolution of its Board or other decision-making bodies.
5. In order to be valid, the proxy form must be deposited, for H Shareholders, to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or to the registered office of the Company in the PRC at No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC not less than 24 hours before the time appointed for holding the 2023 Second Extraordinary General 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 2023 Second Extraordinary General Meeting or any adjourned meetings should they so wish.
6. Shareholders shall produce their identity documents and supporting documents in respect of the Shares held when attending the 2023 Second Extraordinary General Meeting. If corporate shareholders appoint authorised representative to attend the 2023 Second Extraordinary General Meeting, the authorised representative shall produce his/her identity documents and a notarially certified copy of the relevant authorisation instrument signed by the board of directors or other authorised parties of the corporate 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 2023 Second Extraordinary General Meeting.
7. The 2023 Second Extraordinary General Meeting is expected to take for less than half a day. Shareholders or their proxies attending the 2023 Second Extraordinary General Meeting shall be responsible for their own travel and accommodation expenses.
8. Contact details of the H Share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, are as follows:

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Telephone: (+852) 2862 8555
Fax No.: (+852) 2865 0990

NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

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

Address: No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC
Telephone No.: (0755) 2669 1130
Email: ir_vehicles@cimc.com

As at the date of this notice, the Board comprises nine members, being Mr. Mai Boliang**, Mr. Li Guiping*, Mr. Zeng Han**, Mr. Wang Yu**, Mr. He Jin**, Ms. Lin Qing**, Mr. Feng Jinhua***, Mr. Fan Zhaoping*** and Mr. Cheng Hok Kai Frederick***.

* Executive Director

** Non-executive Directors

*** Independent non-executive Directors