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CIMC Vehicles (Group) Co., Ltd.

中集車輛(集團)股份有限公司

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

CONTINUING CONNECTED TRANSACTION DEPOSIT SERVICE FRAMEWORK AGREEMENT

Reference is made to the Prospectus of the Stock Exchange having announced the Company's aim to, pursuant to Rule 14A.105 of the Listing Rules from its compliance with the announcement requirements under Rule 14A.35 of the Listing Rules in effect of the announcement, under the Deposit Service Framework Agreement for a period from the Listing Date, to the effect of (a) one year after the Listing Date or (b) the first annual general meeting of the Company after the Listing Date of the aforesaid or in the Prospectus, under the section headed "CONTINUED TRANSACTIONS".

On March 25, 2020, the Board considered and adopted the resolution in relation to the Deposit Service Framework Agreement and the announcement contemplated hereunder and the proposed annual general meeting.

The Directors are pleased to have the highest acceptable percentage calculated for the purpose of Chapter 14A of the Listing Rules in effect of the proposed annual general meeting, under the Deposit Service Framework Agreement, on an annual basis will be more than 5%. Accordingly, the announcement contemplated under the Deposit Service Framework Agreement and the related annual general meeting of the Company of the foregoing, announcement and the independent shareholders' approval are required under Chapter 14A of the Listing Rules.

As at the date of this announcement, CIMC has a direct and indirect interest of approximately 53.82% in the Company and is the Controlling Shareholder of the Company. Accordingly, CIMC and CIMC Connected Persons are its connected persons of the Company. Therefore, the announcement contemplated under the Deposit Service Framework Agreement constitutes a continuing connected transaction of the Company.

The General Meeting will be convened by the Company at which resolution will be proposed to seek approval from the independent shareholders for the Deposit Service Framework Agreement and the announcement contemplated hereunder and the proposed annual general meeting.

As a circular containing, among other things, the information on the Deposit Service Framework Agreement and the announcement contemplated hereunder and the proposed annual general meeting will be provided to the independent board committee and a letter from the independent financial adviser, and the notice of General Meeting in ended to be dispatched together with the information of the annual general meeting, it is expected that the Company shall decide the above documents to the shareholders by the end of April 2020.

INTRODUCTION

Reference is made to the Prospectus, The Stock Exchange has granted the Company a waiver, pursuant to Rule 14A.105 of the Listing Rules from its compliance with the announcement requirements under Rule 14A.35 of the Listing Rules in respect of the transaction, and the Deoxy Service Framework Agreement for a period from the Listing Date, to the earlier of (a) one year after the Listing Date or (b) the first annual general meeting of the Company after the Listing. Details of the waiver are set out in the Prospectus, and the section headed "CONNECTED TRANSACTIONS".

On March 25, 2020, the Board considered and approved the resolution in relation to the Deoxy Service Framework Agreement entered into between the Company and CIMC and the transaction contemplated hereunder and the proposed annual call.

The Company entered into the Deoxy Service Framework Agreement with CIMC (on behalf of CIMC Connected Persons) on January 15, 2019, pursuant to which CIMC Connected Persons will provide deoxy services to the Group. For the deoxy services provided, the Group deoxy cash in its bank accounts maintained with CIMC Financial Institution, including cash generated from the Group's daily business operations and proceeds generated from the Group's financing activities. In return, CIMC Financial Institution will provide deoxy in exchange of the Group.

The initial term of the Deoxy Service Framework Agreement shall commence on the Listing Date and be effective for the period, i.e. end on December 31, 2021, subject to one annual hourglass mutual consent by the parties.

PRINCIPAL TERMS OF THE DEPOSIT SERVICE FRAMEWORK AGREEMENT

Parties

CIMC (on behalf of CIMC Connected Persons); and

the Company.

Principal terms

The Company entered into the Deoxy Service Framework Agreement with CIMC (on behalf of CIMC Connected Persons) on January 15, 2019, pursuant to which CIMC Connected Persons will provide deoxy services to the Group.

The initial term of the Deoxy Service Framework Agreement shall commence on the Listing Date and be effective for the period, i.e. end on December 31, 2021, subject to one annual hourglass mutual consent by the parties.

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INTERNAL CONTROL PROCEDURES

The Company confirms that the following measures are in place of the Shareholders' whole. The Company has adopted the following measures in the exercise of the Director's Service Framework Agreement in order of the Safeguarding of the Shareholders' interests.

Internal control measures

In order to ensure that the measures, under the Director's Service Framework Agreement for the controlling connected transaction are fair and reasonable, and no less favorable to the Company than the measures available to it from independent third parties, and the connected transaction are carried out on no less favorable terms, the Company has adopted the following internal control procedures.

The Company has adopted and implemented a management system on connected transactions, on Listing. Under the system, the Audit Committee is responsible for the review of compliance with the relevant regulatory provisions, the Company's policies and the Listing Rules in the exercise of the controlling connected transaction. In addition, the Audit Committee, the Board and the independent members of the Company (including but not limited to the financial and legal advisers) are jointly responsible for evaluating the measures, under the Director's Service Framework Agreement for the controlling connected transaction in the relevant area, the fairness of the pricing policies and annual calculation under the Director's Service Framework Agreement.

The Audit Committee, the Board and the independent members of the Company also establish a monitoring and implementation system and the transaction, data, under the Director's Service Framework Agreement. In addition, the management of the Company also establish a pricing policy, under the Director's Service Framework Agreement.

The independent non-executive Directors and the independent non-executive members of the controlling connected transaction, under the Director's Service Framework Agreement and the independent annual confirmation of the Company, in accordance with the Listing Rules, the transaction are conducted in accordance with the measures of the Director's Service Framework Agreement, on no less favorable terms and in accordance with the pricing policies.

When confirming the interests of the Company, the Company will continue to conduct each of the following measures and actions and make reference to the pricing and measures for similar transactions between the Company and independent third parties to ensure that the pricing and measures offered by the connected parties are fair and reasonable, and no less favorable to the Company than the measures offered by independent third parties.

Independent financial statements

The Company has established an independent financial department with independent financial staff, which is independent of financial decisions.

The Group adopted a sound and independent audit system and a comprehensive financial management system.

The Group does not have any bank accounts in CIMC Group.

The Group has independent accounting and has paid independent fees for an outside audit and evaluation.

Risk management measures

The Group will monitor the completed annual cash flow and the continuing connected transactions compliance under the Derivative Service Framework Agreement to ensure the auditable annual cash flow is not exceeded.

The Group has adopted the following procedures to control the risk of exceeding the CIMC Financial Indication:

- (a) The Group will regularly check the balance of independent CIMC Connected Persons periodically to monitor independent accounts and ensure the external transaction amount will not exceed the annual cash flow under the Derivative Service Framework Agreement;
- (b) if the balance is close to or exceeds the auditable maximum daily debt balance, the Group shall arrange a financial fund of independent designated bank accounts in an independent commercial bank or non-bank financial institution. The Group will also be notified immediately once the daily debt balance approaches the maximum daily balance limit;
- (c) the external department of the Group will monitor the Group's daily debt in CIMC Finance Institution and conduct periodic independent assessments on independent CIMC Finance Institution; and
- (d) the Group shall closely monitor the financial position and operating conditions of CIMC Connected Persons. If the Company confirms that there is a material adverse change in the financial position of CIMC Connected Persons, the Company will take appropriate measures, including establishing a deal of debt and extension of financial position, or other financial position. The Company will, from time to time, as a foreseeable direction, ensure that the independent CIMC Connected Persons be independent and not be involved in (either in full or in part) of assets and ensure the liability and safety of independent.

GENERAL INFORMATION

The Company

The Company is mainly engaged in the manufacture and sale of semi-conductors and related products for special vehicles and marine and other applications of semi-conductors and related products in China, North America, Europe and other regions, covering over 40 countries.

CIMC

CIMC is a joint stock company established in the PRC with limited liability, with its H Shares listed on the Main Board of the Stock Exchange and A Shares listed on the Shenzhen Stock Exchange. CIMC Group is a world leading enterprise and a leader in the logistics and energy industries and is fully engaged in the manufacture of modern automation equipment, energy, chemical and liquid food enterprises, offshore engineering enterprises, logistics services and other facilities enterprises, all of the production of electrical equipment including the design, manufacture and services of international standard container equipment, regional special equipment, tank equipment, wooden container, floor board, road tank, truck, natural gas enterprises and various tank, road automation vehicles, heavy truck, jack, drilling platform, semi-trailer, mobile drilling platform, special equipment and other facilities. In addition, CIMC Group is also engaged in the logistics services, the industrial civil engineering and the financial services. CIMC Group has established an industrial cluster focusing on key enterprises and the production of logistics and energy industries, which has become an industry and technology development.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CIMC has a direct and indirect interest of approximately 53.82% in the Company and is the Controlling Shareholder of the Company. Accordingly, CIMC and CIMC Connected Persons are its connected persons of the Company. Therefore, the announcement is made under the Disclosure Schedule of the Listing Rules of the Company.

The Disclosure Committee has the highest acceptable percentage calculated for the purpose of Chapter 14A of the Listing Rules in respect of the proposed annual cash dividend of the Disclosure Schedule of the Listing Rules, on an annual basis, will be more than 5%. Accordingly, the announcement is made under the Disclosure Schedule of the Listing Rules and the related annual cash dividend is subject to the approval of the board of directors, annual general meeting and the independent shareholders of the company, under Chapter 14A of the Listing Rules.

Each of Mr. Mai Boliang, Mr. Wang Yi and Mr. Zeng Beihua is the Director and also the director and/or senior management of CIMC and/or its subsidiaries, he is deemed to have material interest in the announcement is made under the Disclosure Schedule of the Listing Rules. They have abstained from voting on the resolution in relation to the Disclosure Schedule of the Listing Rules and the announcement is made under the related annual cash dividend of the company, under the Disclosure Schedule of the Listing Rules.

The Board (not including independent non-executive Directors) shall advise the independent Shareholder having taken into account the advice from independent financial advisers) of the fee payable to the Director Service Framework Agreement and the connection and relationship confirmed by the independent directors and the Board of the Company and based on no material commercial terms and (ii) the connection and relationship and the proposed annual salary payable to the Director Service Framework Agreement shall be fair and reasonable to all Shareholders and in the interests of the Company and its Shareholders as a whole.

The General Meeting shall be convened by the Company which resolution shall be proposed to seek approval from the independent Shareholder for the Director Service Framework Agreement and the connection and relationship and the proposed annual salary. Each of CIMC and its associated entities is required to abstain from voting at the General Meeting on the election resolution to be proposed to approve the Director Service Framework Agreement and the connection and relationship confirmed by the independent directors and the Board of the Company.

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Com an	CIMC Vehicle (Group) Co., Ltd. (中集車輛(集團)股份有限公司), a joint stock company with limited liability established under the law of the PRC on August 29, 1996, whose H shares are listed and traded on the Stock Exchange
connected person	has the meaning ascribed to it under the Listing Rules
Controlling Shareholder	has the meaning ascribed to it under the Listing Rules
Deo Service Framework Agreement	the deo service framework agreement dated January 15, 2019 entered into between the Company and CIMC in relation to the provision of deo service by CIMC Group to the Group, details of which are set out in the section headed "Principal Terms of the Deo Service Framework Agreement" in his announcement
Director	the director of the Company
General Meeting	the general meeting of the Company to be convened or convened, and if necessary, to elect the directors and the members of the Deo Service Framework Agreement and the related annual general meeting
Group	the Company and its subsidiaries
Hong Kong	the Hong Kong Special Administrative Region of the PRC
indeed shareholders	has the meaning ascribed to it under the Listing Rules
Listing Date	July 11, 2019, the date on which the Company's H shares are listed and from which dealing commences to take place on the 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
PRC or China	the People's Republic of China, including the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan
Proctor	the proctor of the Company dated June 27, 2019
RMB	Renminbi, the lawful currency of the PRC

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Hong Kong, Ma ch 25, 2020

A a he da e of hi annō ncemen , he Boa d com iē nine membe ū being M . Mai Boliang^{**}, M . Li Gi ing^{*}, M Zeng Beih a^{**}, M . Wang Yi ^{**}, M . Li Dong^{**}, M . Chen Bo^{**}, M . Feng Jinh a^{***}, M . Fan Zhao ing^{***} and M . Cheng Hok Kai Fede ick^{***}.

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