

Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the content of this announcement, make no representation as to its accuracy or completeness and do not claim any liability whatsoever for any loss howsoever arising from or in reliance on the whole or any part of the content of this announcement.

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, the Stock Exchange having adopted the Companies Ordinance, Chapter 14A.105 of the Listing Rules from which compliance with the announcement is required, and Rule 14A.35 of the Listing Rules in effect of the announcement, and the Deposit Service Framework Agreement for a period from the Listing Date, to the effect of (a) one of the articles of the Listing Date or (b) the financial general meeting of the Company after the Listing Date of the articles of the Prospectus, and the section headed "CONTINUED TRANSACTIONS".

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

The Director concerned has the highest acceptable percentage calculated for the purpose of Chapter 14A of the Listing Rules in effect of the proposed annual general meeting, and the Deposit Service Framework Agreement, on an annual basis, will be more than 5%. Accordingly, the announcement concerned, and the Deposit Service Framework Agreement and the related annual general meeting are subject to the provisions of voting, annual election, announcement and the independent shareholders' approval provisions, and 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 the connected persons of the Company. The effect of the announcement concerned, and the Deposit Service Framework Agreement concerned, is considered a connected transaction of the Company.

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

As a circular containing, among other things, the information on the Deposit Service Framework Agreement and the announcement concerned and the proposed annual general meeting is available from the independent board committee and available from the independent financial adviser, and the notice of General Meeting in order to be dispatched together with the information of the annual general meeting, it is expected that the Company shall disclose 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 in accordance with 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, and the Deposit 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 exhibition in relation to the Deposit Service Framework Agreement entered into between the Company and CIMC and the announcement contemplated and the proposed annual call.

The Company entered into the Deposit Service Framework Agreement with CIMC (on behalf of CIMC Connected Person) on January 15, 2019, in which CIMC Connected Person will provide the services of the Group. For the deposit services provided, the Group deposits 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 provides the services of the Group.

The initial term of the Deposit Service Framework Agreement shall commence on the Listing Date and be effective for a period of one year, i.e. end on December 31, 2021, subject to one or more annual renewals thereafter.

PRINCIPAL TERMS OF THE DEPOSIT SERVICE FRAMEWORK AGREEMENT

Parties

CIMC (on behalf of CIMC Connected Person); and

the Company.

Principal terms

The Company entered into the Deposit Service Framework Agreement with CIMC (on behalf of CIMC Connected Person) on January 15, 2019, in which CIMC Connected Person will provide the services of the Group.

The initial term of the Deposit Service Framework Agreement shall commence on the Listing Date and be effective for a period of one year, i.e. end on December 31, 2021, subject to one or more annual renewals thereafter.

His orical figures and e is ing ann al caps

INTERNAL CONTROL PROCEDURES

The Company understands that the following measures are in the interests of the Shareholders as a whole. The Company has adopted the following measures in the interests of the shareholders, under the Deeds of Service Framework Agreements in order to facilitate the management of the independent Shareholders.

Internal control measures

In order to ensure that the measures under the Deeds of Service Framework Agreements for the controlling connected transactions are fair and reasonable, and no less favourable to the Group than the measures available to the independent shareholders, and the controlling connected transactions are carried out on no less favourable terms to the Group than those adopted for the following independent controlled entities.

The Group has adopted and implemented a management system on controlling connected transactions, on Listing. Under the system, the Audit Committee is responsible for the effective compliance with the relevant regulations, the Group's policies and the Listing Rules in respect of the controlling connected transactions. In addition, the Audit Committee, the Board and a director in the independent members of the Company (including but not limited to the finance director and legal director) are jointly responsible for ensuring that the measures under the Deeds of Service Framework Agreements for the controlling connected transactions in the relevant areas, the fairness of the pricing policies and annual calculation under the Deeds of Service Framework Agreements.

The Audit Committee, the Board and a director in the independent members of the Company also regularly monitor the implementation and the controlling transactions, under the Deeds of Service Framework Agreements. In addition, the management of the Company also regularly reviews the pricing policies under the Deeds of Service Framework Agreements.

The independent non-executive Directors and a director will conduct an annual review of the controlling connected transactions under the Deeds of Service Framework Agreements and provide an annual confirmation to ensure that, in accordance with the Listing Rules, the controlling transactions are conducted in accordance with the measures of the Deeds of Service Framework Agreements, on no less favourable terms and in accordance with the pricing policies.

When conducting the independent members, the Group will continue to conduct regularly each of the following measures and actions and make reference to the pricing and measures for similar transactions between the Group and independent shareholders to ensure that the pricing and measures offered by the controlling entities are fair and reasonable, and no less favourable to the shareholders than those offered to the independent shareholders.

Independent financial statements

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

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

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

The Group has independent accounting and has paid independent audit fees to an independent and eligible audit firm.

Risk management measures

The Group will monitor the reported annual capital under the continuing connected transaction arrangement under the Deeds Service Framework Agreement and the eligible annual capital are not exceeded.

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

- (a) the Group will regularly check the balance of indebtedness in CIMC Connected Person periodically to monitor indebtedness and ensure that the eligible transaction amount will not exceed the annual capital under the Deeds Service Framework Agreement;
- (b) if the balance of indebtedness exceeds the eligible maximum daily debt balance, the Group shall advance a final finding of indebtedness to the 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 eligible department of the Group will monitor the Group's daily debt in CIMC Finance Indenture and conduct periodic examinations on indebtedness in CIMC Finance Indenture; and
- (d) the Group shall closely monitor the financial position and operating conditions of CIMC Connected Person. If the Company confirms that there are material adverse changes in the financial position of CIMC Connected Person, the Company will take appropriate measures including early identification of debt and termination of further debt to protect the financial position. The Company will, from time to time, as a prudent director, ensure that the indebtedness in CIMC Connected Person be identified and minimized early (either in full or in part) to avoid and ensure the liability and safety of indebtedness.

GENERAL INFORMATION

The Company

The Company mainly engages in the manufacture and sale of semi-conductors and related products and materials and provides a range 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, registered in the Main Board of the Stock Exchange and A Share listed on the Shenzhen Stock Exchange. CIMC Group is a world leading enterprise and a leader in the logic and energy industry and is fully engaged in the manufacture of modern automation equipment, energy, chemical and liquid food equipment, offshore engineering equipment, logic devices and information services, providing a full range of electronic devices including design, manufacture and services of international standards and regional special standards, standard board load and network, national standards and various automation equipment, heat sink, jack, drilling lathe, semi-conductor drilling lathe, special equipment and information services. In addition, CIMC Group is also engaged in the logic devices, semiconductor, the industrial circuit design and the financial services. CIMC Group has established an industrial cluster focusing on key equipment and industry of logic and energy industry, high technology and technology design.

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 complies with the Deoxy Service Framework Agreement concerning the connected persons of the Company.

The Director Chen Lele has the highest applicable percentage calculated for the purpose of Chapter 14A of the Listing Rules in respect of the proposed annual cap, and the Deoxy Service Framework Agreement, on an annual basis, will be more than 5%. Accordingly, the announcement complies with the Deoxy Service Framework Agreement and the related annual cap as subject to the provisions of the proposed, annual election, announcement and the independent shareholders' approval, and 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/she is deemed to have material interest in the announcement complies with the Deoxy Service Framework Agreement. They have abstained from voting on the resolution in relation to the Deoxy Service Framework Agreement and the announcement complies with the related annual cap. Save for the above mentioned, the Director has no interest in the announcement complies with the Deoxy Service Framework Agreement.

The Board (not including independent non-executive Directors) shall advise the independent Shareholders having taken into account the advice from independent financial advisers) of the fee payable (i) to the Directors Service Framework Agreement and the connection and association contemplated hereunder and the ordinary and special dividends of the Company, and based on normal commercial terms, and (ii) to the connection and association and the ordinary dividends payable to the Directors Service Framework Agreement and the reasonable of 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 Shareholders for the Directors Service Framework Agreement and the connection and association contemplated hereunder and the ordinary dividends payable to CIMC and its associates, derived or obtained from or in connection with the General Meeting on the election resolution to be proposed to approve the Directors Service Framework Agreement and the connection and association contemplated hereunder and the ordinary dividends payable.

for a Term of 3 months. Geneo is a non-executive Director shall have ancor T 0 -23325 TD (seek a

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 in the Listing Rules
Controlling Shareholder	has the meaning ascribed in 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 conducted, and if necessary, a sole annual general meeting, and the ordinary annual general meeting
Group	the Company and its subsidiaries
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Independent Shareholder	has the meaning ascribed in 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
Protocol	the protocol of the Company dated June 27, 2019
RMB	Renminbi, the lawful currency of the PRC

Shareholder(s) of the Company
The Stock Exchange of Hong Kong Limited
%.
e cent

Board of the Board
CIMC Vehicles (Group) Co., Ltd.
Li Geping
Executive Director

Hong Kong, March 25, 2020

All the details of his appointment, the Board consists of nine members being M. Mai Boliang**, M. Li Geping*, M. Zeng Beihua**, M. Wang Yi**, M. Li Dong**, M. Chen Bo**, M. Feng Jinhua**, M. Fan Zhaojing*** and M. Cheng Hok Kai Frederick***.

* Executive Director

** Non-executive Director

*** Independent non-executive Director