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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)





This announcement is made by CIMC Vehicles (Group) Co., Ltd. (the "Company", together with its subsidiaries, collectively the "Group") pursuant to the provisions of Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 10 August 2020 (the "Announcement"), in relation to the Anti-Dumping and Countervailing Duty investigation initiated by the United States International Trade Commission (the "ITC") on certain container chassis trailers and subassemblies thereof from China. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As the Company has published the Response to the Opinion Implementation Letter of the Approval Center for the Application of Initial Public Offering and Listing on the ChiNext Market of CIMC Vehicles (Group) Co., Ltd. (the "Response"), in relation to, among other things, the update on the Anti-Dumping and Countervailing Duty investigation, on the website of disclosure of information on the approval for offering and listing on the ChiNext Market of the Shenzhen Stock Exchange on 14 December 2020, the Board hereby informs the Shareholders and potential investors of the update on the matter simultaneously, details of which are as follows:







As of the date of the Response (being 6 December 2020), the Anti-Dumping and Countervailing Duty investigation has progressed to the early stage of investigation by the U.S. Department of Commerce. Based on the information obtained by the Company, it is expected that the U.S. Department of Commerce will issue a preliminary determination on countervailing duty on 28 December 2020 and a preliminary determination on anti-dumping on 25 February 2021.

The above dates of determinations in various stages are the projections made by the Company in reference with the experiences in former cases. If relevant parties submit new investigation applications and objections, the U.S. Department of Commerce expands the scope of investigation and anticipates the changes in external environment including the COVID-19 pandemic and Sino-US trade relations may result in postponement of the above estimated dates.

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The scope of the Anti-Dumping and Countervailing Duty investigation focuses on the container chassis trailers and subassemblies thereof exported and sold by the Group to the United States. For the years ended 31 December 2017, 2018 and 2019, and for the six months ended 30 June 2020 (collectively the Reporting Periods), the revenue and gross profit of the container chassis trailers of the Group in the North America market are set out in the following table ^{Note:}

Unit: RMB0'000

	For the six months ended 30 June 2020	For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2017
Revenue of sales of container chassis trailers in the North America market	42,312.08	148,179.83	338,918.03	195,253.65
As percentage to the operating revenue	3.76%	6.34%	13.93%	10.01%
Gross profit of sales of container chassis trailers in the North America market	9,222.34	31,988.26	69,278.95	72,153.18
As percentage to the overall gross profit	6.40%	9.83%	20.05%	20.64%

The above revenue of sales and percentages are historical figures of the container chassis trailers exported by the Group to the North America during the Reporting Periods. The revenue of sales of the products which will be ultimately affected by the Anti-Dumping and Countervailing Duty investigation needs to be re-determined taking the affirmative preliminary determination issued by the U.S. Department of Commerce as a starting point and based on the revenue of newly reported container chassis trailers and subassemblies thereof to the United States.

Note: Prepared in accordance with the China Accounting Standards for Business Enterprises

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If the result of the preliminary determination by the U.S. Department of Commerce is affirmative, our relevant products exported to the United States shall be subject to anti-dumping and countervailing guarantee deposits at the deposit rate announced in the preliminary determination. If the U.S. Department of Commerce and the U.S. ITC finally reach an affirmative final determination, the United States will impose anti-dumping and countervailing duties on the container chassis trailers and subassemblies thereof exported by the Group from China to the United States, which may cause a rise of the cost of chassis trailers exported from China to the United States and narrower gross profits; or the Group shifting the imposed anti-dumping and countervailing duties in full/in part to downstream customers, leading to an increase in the selling prices of these products and weakening their competitiveness in the market. As the Anti-Dumping and Countervailing Duty investigation is still ongoing and the U.S. Department of Commerce has not yet issued an affirmative preliminary determination, an accurate estimation of the impact on the production operation and financial position of the Group is rather difficult. Hence, there are uncertainties in the impact of the Anti-Dumping and Countervailing Duty investigation on the Group.

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The Group is a company with global presence and has manufacturing or assembly plants in the United States, Europe and other countries and regions. The Group adheres to the strategy of global operation in order to expand the Group's global market space. The Group has deployed its presence in advance and actively responded to the impact of global headwinds to the Group's overseas business and overall operating stability, taking into full consideration of a series of uncertainties such as politics, economy, law to its overseas investments may face. The Group has established manufacturing and assembly plants in the United States to ensure continued sales to the United States market. At the same time, the Group has also deployed manufacturing and assembly plants in Europe and other regions. Prior to the Anti-Dumping and Countervailing Duty investigation, the United States market business of the Group has been affected by the COVID-19 outbreak in the first half of 2020, especially the chassis trailers business in the United States. In the second half of 2020, in face of the renewed Anti-Dumping and Countervailing Duty investigation, the Group has actively adjusted its business and optimized its layout of overseas business capacity to reduce the adverse impact from the Sino-U.S. trade tariffs and the Anti-Dumping and Countervailing Duty investigation.

The Group will reasonably use legal regulations to defend itself and take other necessary measures in active response to the Anti-Dumping and Countervailing Duty investigation in order to safeguard the legitimate interests of the Group and the Shareholders.

More details of Anti-Dumping and Countervailing Duty Investigation, please refer to the Response on the website of disclosure of information on the approval for offering and listing (<http://listing.sse.cn/disclosure/ipo/index.html>) on the ChiNext Market of the Shenzhen Stock Exchange published by the Company on 14 December 2020.

According to the Company's Anti-Dumping and Countervailing Duty Investigation Report, the Company's products are subject to anti-dumping and countervailing duty investigations. The Company has been notified by the Ministry of Commerce of the People's Republic of China that the Ministry of Commerce has initiated an investigation into the dumping and subsidization of the Company's products. The Ministry of Commerce has issued a preliminary determination on December 12, 2018, stating that the Company's products are subject to anti-dumping and countervailing duty investigations. The Ministry of Commerce has issued a preliminary determination on December 12, 2018, stating that the Company's products are subject to anti-dumping and countervailing duty investigations.

On behalf of the Board
 Chen Bo (General Manager)
 General Director

Hong Kong, 14 December 2020

As of the date of this announcement, the Board comprises nine members, being Mr. Mai Boliang**, Mr. Li Guiping*, Ms. Zeng Beihua**, Mr. Wang Yu**, Mr. Huang Haicheng**, Mr. Chen Bo**, Mr. Feng Jinhua***, Mr. Fan Zhaoping*** and Mr. Cheng Hok Kai Frederick***.

- * Executive Director
- ** Non-executive Directors
- *** Independent non-executive Directors