



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)

Executive Directors:

Mr. Li Guiping (*Chief Executive Officer
and President*)

Registered office:

No. 2 Gangwan Avenue, Shekou
Nanshan District, Shenzhen
Guangdong, the PRC

Non-executive Directors:

Mr. Mai Boliang (*Chairman*)
Mr. Zeng Han
Mr. Wang Yu
Mr. He Jin
Ms. Lin Qing

Principal place of business in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wan Chai
Hong Kong

Independent Non-executive Directors:

Mr. Feng Jinhua
Mr. Fan Zhaoping
Mr. Cheng Hok Kai Frederick

27 March 2024

To the Shareholders

Dear Sir or Madam,

**(1) CONDITIONAL CASH OFFER BY UBS ON BEHALF OF CIMC VEHICLES
(GROUP) CO., LTD. TO BUY-BACK ALL THE ISSUED H SHARES (OTHER
THAN THOSE HELD BY CIMC GROUP AND ITS CONCERT PARTIES) AT
HK\$7.5 PER H SHARE; AND**

**(2) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES
OF CIMC VEHICLES (GROUP) CO., LTD. FROM THE STOCK EXCHANGE OF
HONG KONG LIMITED**

INTRODUCTION

Reference is made to the Rule 3.5 Announcement in relation to, among other things, the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

A board meeting of the Company was held on 11 March 2024, whereby the Board resolved, among other matters, that subject to compliance with the Takeovers Code, the Share Buy-backs Code and the Listing Rules, the H Share Buy-back Offer shall be made to buy-back all the H Shares in issue, other than those held by CIMC Group and its concert parties. If the H Share Buy-back Offer becomes unconditional in all respects, all the H Shares repurchased will be cancelled and the registered capital of the Company will be reduced accordingly, and the Company will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules.

If the H Share Buy-back Offer materialises and becomes unconditional, such H Shares which will be bought back by the Company will be cancelled, and the listing of the H Shares of the Company on the Hong Kong Stock Exchange will be withdrawn pursuant to the Takeovers Code, the Share Buy-backs Code and the Listing Rules. The H Share Buy-back Offer, together with the Voluntary Withdrawal of Listing, are subject to the fulfilment of the Conditions as set out in this Offer Document, including the passing of requisite resolutions approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the EGM, H Shareholders Class Meeting and the A Shareholders Class Meeting and minimum valid acceptances of the H Share Buy-back Offer being received amounting to at least 90% of the H Shares held by the Independent H Shareholders. The Directors believe the H Share Buy-back Offer will be in the best interest of the Company and its Shareholders as a whole.

The share capital of the Company comprises H Shares and A Shares. The Company will not make an offer for the A Shares as it is the Company's intention to maintain the listing of the A Shares on the Shenzhen Stock Exchange. As advised by the PRC legal advisers to the Company, the Company is not required to make a comparable offer for the A Shares pursuant to PRC laws and regulations.

Accordingly, the Company has applied to the Executive for a waiver from the requirements under Rule 14 of the Takeovers Code to extend a comparable offer for the A Shares. The Executive has granted such waiver as at the Latest Practicable Date.

The purpose of this Offer Document is to provide you with, among other things, (i) the details of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing (including the expected timetable and terms of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing); (ii) a letter from UBS; (iii) a letter from the Board; (iv) a letter of advice from Somerley in relation to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing; and (v) information relating to the Group, together with the Form of Acceptance and proxy forms for the EGM and H Shareholders Class Meeting.

THE H SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING

Background

Pursuant to the Rule 3.5 Announcement, the Company announced to buy-back all the issued H Shares (other than those held by CIMC Group and its concert parties) at the Offer Price of HK\$7.5 per H Share. The H Share Buy-back Offer, is subject to, among others, receipt of a minimum valid acceptances as to 90% of the H Shares held by the Independent H Shareholders and compliance with the applicable provisions under the Listing Rules, the Takeovers Code, the Share Buy-backs Code and the articles of association of the Company, including but not limited to, the passing of requisite resolutions approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the EGM, H Shareholders Class Meeting and the A Shareholders Class Meeting. If the H Share Buy-back Offer materialises and becomes unconditional, such H Shares will be bought back by the Company and cancelled and the registered capital of the Company will be reduced accordingly. The listing of the H Shares on the Hong Kong Stock Exchange will also be voluntarily withdrawn pursuant to the Takeovers Code and the Listing Rules.

Shareholding structure of the Company

As at the Latest Practicable Date, save for the 563,920,000 H Shares (representing approximately 27.95% of the total issued share capital of the Company) and 1,453,680,000 A Shares (representing approximately 72.05% of the total issued share capital of the Company) in issue, the Company has no other outstanding securities, options, warrants or derivatives which are convertible into or which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

The Offer Shares subject to the H Share Buy-back Offer will comprise all the H Shares in issue other than those held by CIMC Group and its concert parties.

The shareholding table below sets forth the shareholding structure of the Company (i) as at the Latest Practicable Date based on public information available to the Company as at the Latest Practicable Date; and (ii) immediately upon completion of the H Share Buy-back Offer, based on public information available to the Company as at the Latest Practicable Date and assuming that the H Share Buy-back Offer is accepted in full and there will be no other change to the shareholding of the Company from the Latest Practicable Date up to the closing of the H Share Buy-back Offer:

	As at the Latest Practicable Date				Upon closing of the H Share Buy-back Offer	
	Class of Shares	No. of Shares (%)	Approximate % of the relevant class of share capital of the Company (%)	Approximate % in the total share capital of the Company (%)	No. of Shares	Approximate % in the total share capital of the Company (%)
H Shareholders						
Concert parties of the Company						
CIMC HK ^(Note 1)	H Shares	417,190,600	73.98	20.68	417,190,600	22.30
Li Guiping ^(Note 2)	H Shares	2,500	0.0004	0.0001	–	–
Mao Yi ^(Note 3)	H Shares	1,438,000	0.26	0.07	–	–
Sub-total	H Shares	418,631,100	74.24	20.75	417,190,600	22.30
Independent H Shareholders						
Hong Kong Tiancheng Investment & Trading Co. Limited	H Shares	39,948,500	7.08	1.98	–	–
Xxentria Technology Materials Co., Ltd.	H Shares	18,996,000	3.37	0.94	–	–
Pacific Asset Management Co., Ltd. ^(Note 4)	H Shares	10,755,000	1.91	0.53	–	–
Shanghai Longlife Investment Co., Ltd. ^(Note 5)	H Shares	8,386,000	1.49	0.42	–	–
WT Asset Management Limited ^(Note 6)	H Shares	2,057,500	0.36	0.10	–	–
Other Independent H Shareholders	H Shares	65,145,900	11.55	3.23	–	–
Sub-total	H Shares	145,288,900	25.76	7.20	–	–
Sub-total of H Shareholders	H Shares	563,920,000	100.00	27.95	417,190,600	22.30
A Shareholders						
CIMC Group ^(Note 1)	A Shares	728,443,475	50.11	36.10	728,443,475	38.94
Xiangshan Huajin ^(Notes 2 & 7)	A Shares	68,336,400	4.70	3.39	68,336,400	3.65
Hainan Longyuan Gangcheng ^(Notes 2)	A Shares	20,710,000	1.42	1.03	20,710,000	1.11
He Jin ^(Note 8)	A Shares	1,000	0.00007	0.00005	1,000	0.00005
Phase I Employee Stock Ownership Scheme (2023 – 2027) ^(Notes 2 & 9)	A Shares	677,000	0.05	0.03	677,000	0.04
Other A Shareholders	A Shares	635,512,125	43.72	31.50	635,512,125	33.97
Sub-total	A Shares	1,453,680,000	100.00	72.05	1,453,680,000	77.70
Total		2,017,600,000	–	100.00	1,870,870,600	100.00

Notes:

1. As at the Latest Practicable Date, CIMC HK is a wholly-owned subsidiary of CIMC Group.
2. Mr. Li Guiping is the executive Director, Chief Executive Officer and president of the Company. Mr. Li Guiping is also deemed to be interested in 21,272 A Shares held through the Phase I Employee Stock Ownership Scheme (2023-2027). Mr. Li Guiping is the general partner of Shenzhen Long Hui Gang Cheng Enterprise Management Center (Limited Partnership) (深圳市龍匯港城企業管理中心(有限合夥)), a general partner of Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) (象山華金實業投資合夥企業(有限合夥)) (“**Xiangshan Huajin**”) and is interested in 47.37% of the shares, therefore he is deemed to be interested in 68,336,400 A Shares held by Xiangshan Huajin. Mr. Li Guiping is interested in 80% of the equity interest of Shenzhen Long Yuan Gang Cheng Investment and Development Co., Ltd. (深圳市龍源港城投資發展有限責任公司), a general partner of Hainan Long Yuan Gang Cheng Enterprise Management Center (Limited Partnership) (海南龍源港城企業管理中心(有限合夥)) (“**Hainan Longyuan Gangcheng**”), and therefore he is also deemed to be interested in 20,710,000 A Shares held by Hainan Longyuan Gangcheng. As at the Latest Practicable Date, after making reasonable inquiry, it is the intention of Mr. Li Guiping to accept the H Share Buy-back Offer in respect of all the 2,500 H Shares held by him.
3. Ms. Mao Yi is the vice president, secretary to the Board and joint company secretary of the Company. Ms. Mao Yi is acting in concert with the Company due to her involvement in the discussions relating to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. As at the Latest Practicable Date, after making reasonable inquiry, it is the intention of Ms. Mao Yi to accept the H Share Buy-back Offer in respect of all the 1,438,000 H Shares held by her.
4. As at the Latest Practicable Date, Pacific Asset Management Co., Ltd. indirectly holds 10,755,000 H Shares through (a) China Pacific Life Insurance Co., Ltd., (b) China Pacific Property Insurance Co., Ltd., (c) Pacific Health Insurance Co., Ltd. and (d) China Pacific Anxin Agricultural Insurance Co., Ltd.
5. As at the Latest Practicable Date, Shanghai Longlife Investment Co., Ltd. directly holds 7,531,000 H Shares and indirectly holds 855,000 H Shares through Changxin-Overseas Selection No. 2 Asset Management Plan (QDII) (長信基金-海外精選2號單一資產管理計劃(QDII)).
6. As at the Latest Practicable Date, WT Asset Management Limited indirectly holds 2,057,500 H Shares through WT China Focus Fund, a fund managed by it.
7. Mr. Wang Yu is a non-executive Director. Mr. Wang Yu is interested in 26.32% of the shares of Shenzhen Long Hui Gang Cheng Enterprise Management Center (Limited Partnership) (深圳市龍匯港城企業管理中心(有限合夥)), a general partner of Xiangshan Huajin, and therefore is also deemed to be interested in 68,336,400 A Shares held by Xiangshan Huajin.
8. Mr. He Jin is a non-executive Director, and is deemed to be interested in the 1,000 A Shares held by his spouse.
9. Such A Shares are held by the Phase I Employee Stock Ownership Scheme (2023-2027) on behalf of a total of 25 participating employees. Pursuant to the rules of the Employee Stock Ownership Scheme (2023-2027), both the Employee Stock Ownership Scheme (2023-2027) and the participating employees have waived the right to vote on the A Shares they hold. Accordingly, the 677,000 A Shares held by the Phase I Employee Stock Ownership Scheme (2023-2027) will not be voted on at the EGM or the A Shareholders Class Meeting.
10. UBS is the financial adviser to the Company in respect of the H Share Buy-back Offer. Accordingly, UBS and members of the UBS Group are presumed to be acting in concert with the Company in respect of shareholdings of the UBS Group in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code, excluding the Shares held on behalf of non-discretionary investment clients (for the avoidance of doubt, members of the UBS Group which are exempt principal trader(s) or exempt fund manager(s), in each case recognised by the Executive as such for the purposes of the Takeovers Code and connected for the sole reason that they are under the same control as UBS, are not considered to be acting in concert with the Company). As at the Latest Practicable Date, except for Shares held on behalf of non-discretionary investment clients of the UBS Group and Shares held by member(s) of the UBS Group acting in the capacity of exempt principal trader(s) and/or exempt fund manager(s), members of the UBS Group did

not own or control any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Notwithstanding the above, Shares held by any such connected exempt principal traders will not be voted at the H Shareholders Class Meeting unless the Executive allows such Shares to be so voted.

The Executive may allow such voting if:

- (a) such member of the UBS Group holds the relevant Shares as a simple custodian for and on behalf of non-discretionary clients;
- (b) there are contractual arrangements in place between such member of the UBS Group and such non-discretionary client that strictly prohibit such member of the UBS Group from exercising any voting discretion over such Shares;
- (c) all voting instructions shall originate from such non-discretionary client only (and if no instructions are given, then no votes shall be cast for such Shares held by such member of the UBS Group); and
- (d) such non-discretionary client is not a concert party of the Company.

11. The percentage figures are subject to rounding adjustments and may not add up to 100%.

Reasons for and benefits of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing

The Board believes that the H Share Buy-back Offer and the Voluntary Withdrawal of Listing are in the interest of the Company and the Shareholders as a whole on the following bases:

- (a) the low trading volume and limited liquidity of the H Shares, which creates difficulty for the Company to effectively conduct fund raising exercise on the Hong Kong Stock Exchange;
- (b) the H Share Buy-back Offer, if materialised, will result in a possible one-off investment gain for the accepting H Shareholders; and
- (c) the Voluntary Withdrawal of Listing, if materialised, will allow the Company to save costs and expenses associated with regulatory compliance of its listing of H Shares.

Conditions of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing

The H Share Buy-back Offer and the Voluntary Withdrawal of Listing shall be subject to the following Conditions being fulfilled:

- (a) the passing of the resolution to be proposed at the H Shareholders Class Meeting for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that:
 - (i) the resolution is approved (by way of poll) by (x) at least two-thirds (2/3) of the votes attaching to all the H Shares held by the H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting, and

- (y) at least 75% of the votes attaching to all the H Shares held by the Independent H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting; and
- (ii) the number of votes cast (by way of poll) by the Independent H Shareholders present and voting either in person or by proxy at the H Shareholders Class Meeting against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) the passing of the resolution to be proposed at the A Shareholders Class Meeting for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the A Shares held by the A Shareholders that are voted either in person or by proxy at the A Shareholders Class Meeting;
- (c) the passing of the resolution to be proposed at the EGM for approving the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the Shares held by the Shareholders that are voted either in person or by proxy at the EGM;
- (d) minimum valid acceptances of the H Share Buy-back Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time and date as the Company may, subject to the Takeovers Code, decide) amounting to at least 90% of the H Shares held by the Independent H Shareholders;
- (e) the granting by the Executive of (i) the waiver for the Company from strict compliance with the requirement to compulsorily acquire H Shares that are not tendered for acceptance under the H Share Buy-back Offer under Rule 2.2(c) of the Takeovers Code and (ii) the waiver for the Company's obligation to make a comparable offer to the A Shareholders under Rule 14 of the Takeovers Code;
- (f) the registration with SAFE in relation to the H Share Buy-back Offer remains in full force and effect;
- (g) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the H Share Buy-back Offer (including its implementation) (if applicable) having been obtained and remaining in full force and effect pursuant to the provision of any laws or regulations in the PRC and other relevant jurisdictions; and
- (h) the compliance by the Company with the Listing Rules, the Takeovers Code, the Share Buy-backs Code and the statutory laws of Hong Kong and the PRC that are applicable to the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

None of the above Conditions is waivable and as at the Latest Practicable Date, to the exception of Condition (e) and Condition (f) above to the extent that such registration has been completed, none of the other Conditions has been fulfilled.

In respect of Condition (e) above, the Company has applied for, and the Executive has

In such case, when the holders of the Offer Shares withdraw their acceptance(s), the Company shall, as soon as possible but in any event no later than seven (7) Business Days thereafter, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant holder(s) of the Offer Shares at his/her/its own risk.

Principal terms of the H Share Buy-back Offer

UBS, on behalf of the Company and in compliance with the Takeover Code, hereby confirms that the information contained in the above circular is true and correct and that the directors of the Company are not aware of any facts or circumstances which might materially affect the accuracy of the information contained in the above circular.

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Comparison with the Offer Price

The Offer Price of HK\$7.5 per H Share represents:

- (a) a premium of approximately 3.45% over the closing price of HK\$7.25 per H Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 4.90% over the closing price of HK\$7.15 per H Share as quoted on the Hong Kong Stock Exchange on 8 March 2024, being the last trading day prior to the publication of the Rule 3.5 Announcement;
- (c) a premium of approximately 16.46% over the closing price of HK\$6.44 per H Share as quoted on the Hong Kong Stock Exchange on 27 November 2023, being the Last Trading Day;
- (d) a premium of approximately 17.92% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$6.36 per H Share;
- (e) a premium of approximately 20.97% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of HK\$6.20 per H Share;
- (f) a premium of approximately 25.42% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of HK\$5.98 per H Share;
- (g) a premium of approximately 19.05% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day of HK\$6.30 per H Share;
- (h) a premium of approximately 15.92% over the average of the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of HK\$6.47 per H Share; and
- (i) a discount of approximately 6.95% to the audited consolidated net asset value of approximately RMB7.34 (equivalent to approximately HK\$8.06) per Share (calculated based on (i) the audited consolidated net asset value attributable to the Shareholders as stated in the annual result announcement of the Company for the year ended 31 December 2023 published on 21 March 2024; (ii) 2,017,600,000 Shares in issue as at the Latest Practicable Date; and (iii) the exchange rate of HK\$1: RMB0.91105, being the average of the offshore RMB exchange rates from 29 December 2023 to 2 January 2024 (being the Business Days immediately preceding and following 31 December 2023 respectively) as announced by the Hong Kong Monetary Authority).

Historic share price information on the H Shares is set out in the paragraph headed “3. *Market Prices*” in Appendix IV to this Offer Document.

Dividends and Distribution

Under the terms of the H Share Buy-back Offer, subject to the H Share Buy-back Offer becoming unconditional in all respects, the Offer Shares to be acquired shall be fully paid and free from all Encumbrances and, together with all rights and benefits attaching thereto on or after the date on which the H Share Buy-back Offer is made, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the date on which the H Share Buy-back Offer is made (i.e. the date of despatch of this Offer Document).

The Company confirms that as at the Latest Practicable Date, (i) it has not declared any dividend which is not yet paid and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the Final Closing Date.

Value of the H Share Buy-back Offer

As at the Latest Practicable Date, the Company has 563,920,000 H Shares in issue. The H Share Buy-back Offer will be extended to all the H Shareholders other than CIMC Group and its concert parties holding an aggregate of 417,190,600 H Shares.

Based on the Offer Price of HK\$7.5 per Offer Share, and assuming that the H Share Buy-back Offer is accepted in full, the value of the H Share Buy-back Offer will be HK\$1,100,470,500.

Financial resources available for the H Share Buy-back Offer

The Company intends to finance the consideration for the full acceptance of the H Share Buy-back Offer of HK\$1,100,470,500 by internal cash resources.

UBS, being the financial adviser to the Company in respect of the H Share Buy-back Offer, is satisfied that sufficient financial resources are available to the Company to satisfy the consideration payable by the Company for the full acceptance of the H Share Buy-back Offer.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company has appointed Somerley as the Independent Financial Adviser to advise the Independent H Shareholders in connection with the H Share Buy-back Offer and the Voluntary Withdrawal of Listing and, in particular, as to whether the H Share Buy-back Offer is fair and reasonable, acceptance of the H Share Buy-back Offer and voting at the EGM and H Shareholders Class Meeting in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, pursuant to Rule 2.1 of the Takeovers Code. A copy of their letter is set out on pages 49 to 86 of this Offer Document.

Pursuant to Rule 3.3 of the Share Buy-backs Code, as no Directors are considered as independent in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, no independent board committee has been formed for the purpose of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing.

INFORMATION ON THE GROUP

The Company is the world's leader in the sophisticated manufacturing of semi-trailers and specialty vehicles, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China.

Set out below is a summary of the audited consolidated financial results of the Group for the financial years ended 31 December 2022 and 2023:

		For the financial year ended/ as at 31 December
		2023 2022
		<i>RMB</i> <i>(audited)</i>
Revenue	25,086,577,013.05	23,620,612,415.36
Profit before income tax	3,260,764,615.46	1,474,779,017.88
Net profit attributable to the		
Shareholders of the Company	2,455,670,702.61	1,117,958,345.49
Net assets attributable to the		
Shareholders of the Company	14,808,858,146.86	12,699,782,738.40

Your attention is drawn to the sections headed “*Financial Information of the Group*”, “*Unaudited Pro Forma Financial Information of the Group*” and “*General Information of the Company*” as set out in Appendix II, III and IV, respectively, to this Offer Document.

FINANCIAL IMPACT OF THE H SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING

Earnings per Share attributable to the Shareholders of the Company

Assuming that the H Share Buy-back Offer is accepted in full and there will be no other change to the shareholding of the Company from the Latest Practicable Date up to the closing of the H Share Buy-back Offer, the total number of issued Shares will be reduced from 2,017,600,000 as at the Latest Practicable Date to 1,870,870,600 upon the closing of the H Share Buy-back Offer and cancellation of the H Shares.

Based on the unaudited pro forma financial information of the Group set out in Appendix III to this Offer Document and assuming the completion of the H Share Buy-back Offer on 31 December 2023 and that there is no change to the shareholding of the Company other than the

reduction in the total number of issued Shares, the earnings per Share attributable to the equity holders of the Company for the year ended 31 December 2023 would have increased by approximately 7.38% from approximately RMB1.22 per Share to approximately RMB1.31 per Share.

Net asset value per Share

Based on the unaudited pro forma financial information of the Group set out in Appendix III to this Offer Document and assuming the completion of the H Share Buy-back Offer on 31 December 2023, the net assets per Share attributable to the equity holders of the Company as at 31 December 2023 would have increased by approximately 0.27% from approximately RMB7.34 per Share to approximately RMB7.36 per Share.

The cash outlay from the estimated costs to be incurred under the H Share Buy-back Offer represented only approximately 6.77% of the consolidated net asset value of the Company as at 31 December 2023. The Directors believe that the H Share Buy-back Offer and the Voluntary Withdrawal of Listing will not have a material adverse impact on the Group's cash position and consolidated net asset value.

Liabilities and Working Capital

The estimated costs of approximately RMB1,046,535,000 to be incurred under the H Share Buy-back Offer and the Voluntary Withdrawal of Listing will be settled by cash and therefore the H Share Buy-back Offer and the Voluntary Withdrawal of Listing will not have any effect on the liabilities of the Group. On the other hand, the estimated costs would have decreased the working capital at 31 December 2023 by approximately RMB1,046,535,000.

The Company will satisfy the H Share Buy-back Offer and the Voluntary Withdrawal of Listing using cash from its own internal resources and has no intention of buying back its H Shares with borrowings. As such, this will result in a corresponding decrease in the working capital of the Group. Given the net asset value attributable to equity holders of the Company amounted to approximately RMB14,808,858,000 as at 31 December 2023, the net asset value would be decreased by approximately 7.07% to approximately RMB13,762,323,000. Taking into account the abovementioned estimated cost, the Directors believe that the H Share Buy-back Offer and the Voluntary Withdrawal of Listing will not have a material adverse impact on the Group or the liabilities and working capital of the Group.

For more details, please refer to “Appendix III – Unaudited Pro Forma Financial Information of the Group” of this Offer Document.

INTENTION OF THE COMPANY

The Company intends to buy-back all the H Shares in issue other than those held by CIMC Group and its concert parties, and withdraw the listing of its H Shares from the Hong Kong Stock Exchange pursuant to the H Share Buy-back Offer. The Company intends to maintain the listing status of the A Shares on the Shenzhen Stock Exchange. Completion of the H Share Buy-back Offer will not result in a change of control of the Company within the meaning of the Takeovers Code.

It is the intention of the Company that, after the delisting of the H Shares, (i) the Group will continue to carry on its current business; (ii) the Company will not introduce any major changes to the business of the Group (including any redeployment of fixed assets of the Group) in the foreseeable future; and (iii) the Company will not make any significant changes to the continued employment of the employees of the Group as a result of the implementation of the H Share Buy-back Offer or the Voluntary Withdrawal of Listing.

WITHDRAWAL OF LISTING OF THE H SHARES

The H Share Buy-back Offer involves cancellation of H Shares repurchased by the Company and corresponding reduction of the registered capital of the Company, and constitutes a capital reorganisation under the Takeovers Code. Upon the H Share Buy-back Offer becoming unconditional, the Company will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules.

H Shareholders will be notified by way of an announcement of the last day of dealings in the H Shares and the date on which the withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange will become effective.

No right of compulsory acquisition

The Company has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Buy-back Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the H Share Buy-back Offer, and if the H Share Buy-back Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code and the Share Buy-backs Code (depending on whether it remains as a public company in Hong Kong under the Takeovers Code and the Share Buy-backs Code) after the completion of the H Share Buy-back Offer, and the rights of Independent H Shareholders to certain information of the Company will be reduced. In view of the implications on the H Shareholders who have not accepted the H Share Buy-back Offer

upon the Final Closing Date, the Company will notify the relevant H Shareholders in writing by way of issuing an announcement in one (1) week prior to the Final Closing Date to remind the H Shareholders of the Final Closing Date and the implications if they choose not to accept the H Share Buy-back Offer.

There is no comparable provision to sections 705, 711 to 716 and 718 to 721 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) under the laws of the PRC and the Independent H Shareholders have no rights under the laws of the PRC to compulsorily require the Company to buy-back the H Shares that are not tendered for acceptance pursuant to the H Share Buy-back Offer.

Shareholders should also note that if they do not agree to the terms of the H Share Buy-back Offer, they can vote against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the A Shareholders Class Meeting and/or the EGM (as the case may be). If more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders are voted against the H Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the H Share Buy-back Offer would lapse and the H Shares would remain listed on the Hong Kong Stock Exchange.

EGM, THE A SHAREHOLDERS CLASS MEETING AND THE H SHAREHOLDERS CLASS MEETING

The notices convening the EGM and the H Shareholders Class Meeting are set out in pages V-1 to V-2 and VI-1 to VI-2 of this Offer Document. Resolutions in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing will be proposed at the EGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting.

A form of proxy for each of the EGM and the H Shareholders Class Meeting are enclosed with this Offer Document. Whether or not you are able to attend the EGM and/or the H Shareholders Class Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the H Share Registrar as soon as possible and in any event, not less than 24 hours before the time of the holding of the EGM and the H Shareholders Class Meeting (i.e. at or before 2:50 p.m. on Wednesday, 17 April 2024 and 2:50 p.m. on Wednesday, 17 April 2024 respectively) or any adjournment thereof, in the case of the H Shareholders, to the office of the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM and the H Shareholders Class Meeting or any adjournment if you so wish.

As at the Latest Practicable Date, the Company has 563,920,000 H Shares in issue, and no H Shares are held by the Directors and parties acting in concert with any of the Directors and the Company other than CIMC HK, Mr. Li Guiping and Ms. Mao Yi as disclosed in the

section headed “*Shareholding structure of the Company*” above. Accordingly, all the H Shareholders, other than CIMC HK, Mr. Li Guiping and Ms. Mao Yi, are considered as Independent H Shareholders in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing. Except for CIMC HK, Mr. Li Guiping and Ms. Mao Yi who shall abstain from voting in respect of the resolution to be proposed at the H Shareholders Class Meeting for approving the H Share Buy-back Offer and Voluntary Withdrawal of Listing, all other H Shareholders are eligible to vote at the H Shareholders Class Meeting. For the avoidance of doubt, each of CIMC HK, Mr. Li Guiping and Ms. Mao Yi is still eligible to vote in respect of the resolution other than the resolution approving the H Share Buy-back Offer and Voluntary Withdrawal of Listing at the H Shareholders Class Meeting.

As at the Latest Practicable Date, the Company has 563,920,000 H Shares and 1,453,680,000 A Shares in issue. Pursuant to the articles of association of the Company, the rules of the Employee Stock Ownership Scheme (2023-2027) and the laws and regulations in the PRC, holders of all the A Shares other than those held by the Phase I Employee Stock Ownership Scheme (2023-2027) on behalf of a total of 25 participating employees, Xiangshan Huajin and Hainan Longyuan Gangcheng are eligible to vote at the A Shareholders Class Meeting, and holders of all the Shares other than those held by Mr. Li Guiping, Ms. Mao Yi, the Phase I Employee Stock Ownership Scheme (2023-2027) on behalf of a total of 25 participating employees, Xiangshan Huajin and Hainan Longyuan Gangcheng are eligible to vote at the EGM.

Pursuant to the articles of association of the Company, the chairman of the EGM and the H Shareholders Class Meeting will be the chairman of the Board, Mr. Mai Boliang, or one of the Directors of the Company. Pursuant to the Takeovers Code and Rule 3.3 of the Share Buy-backs Code, as all of the Directors are parties acting in concert with the Company and no Directors are considered as independent in respect of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing, none of the Directors shall exercise any voting rights at the EGM or the H Shareholders Class Meeting. Therefore, the chairman of the EGM and the H Shareholders Class Meeting shall not vote at the EGM or the H Shareholders Class Meeting at his/her discretion as proxy or otherwise.

In order to determine the H Shareholders who are eligible to attend and vote at the EGM and the H Shareholders Class Meeting, the H Share register of members of the Company shall be closed from 15 April 2024 to 18 April 2024 (both days inclusive), during which period no transfer of shares will be registered.

Shareholders who intend to appoint a proxy to attend the EGM and H Shareholders Class Meeting shall complete and return the form of proxy in accordance with the instructions printed thereon. For the H Shareholders, the form of proxy should be returned to the office of the H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, 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 in person or by post not less than 24 hours before the time fixed for holding the EGM and the H Shareholders Class Meeting or any adjourned meeting thereof.

PROCEDURES IN DEMANDING A POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM, the H Shareholders Class Meeting and the A Shareholders Class Meeting will therefore demand a poll for every resolution put to the vote of the EGM, the H Shareholders Class Meeting and the A Shareholders Class Meeting.

In compliance with the requirements of Rule 2.9 of the Takeovers Code, the Listing Rules and the articles of association of the Company, the Company will appoint the H Share Registrar to act as scrutineer for the vote-taking at the EGM and the H Shareholders Class Meeting.

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorised representative) shall have one vote for each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same manner.

ADDITIONAL INFORMATION

RECOMMENDATION

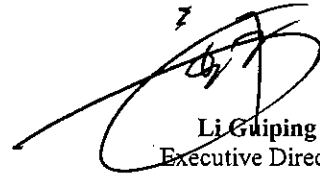
The Directors are of the view that the terms of the H Share Buy-back Offer and the Voluntary Withdrawal of Listing are fair and reasonable and is in the best interest of the Company and its Shareholders as a whole.

Your attention is drawn to the “*Letter from Somerley*” as set out on pages 49 to 86 of this Offer Document, which contain, among other things, their advice in relation to the H Share Buy-back Offer and Voluntary Withdrawal of Listing and the principal factors considered by them in arriving at their recommendation.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Offer Document.

Yours faithfully,
By order of the Board
CIMC Vehicles (Group) Co., Ltd.



Li Guiping
Executive Director