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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)

**ANNOUNCEMENT
IN RELATION TO
ADJUSTMENT TO PROCEEDS PROPOSED TO BE INVESTED
IN A SHARE PROCEEDS-FUNDED PROJECTS
AND
CONFIRMATION OF IMPLEMENTATION METHODS OF A SHARE
PROCEEDS-FUNDED PROJECTS**

References are made to the Overseas Regulatory Announcement which set out the prospectus for the Initial Public Offering and Listing of Shares of CIMC Vehicles (Group) Co., Ltd. on the ChiNext Market (“**A Share Prospectus**”) published by CIMC Vehicles (Group) Co., Ltd. (the “**Company**”) on 5 July 2021 and the circular of the Company (the “**Circular**”) dated 26 April 2021, in relation to, among others, the proposed amount of the proceeds from A Share Offering (“**A Share Proceeds**” or “**Proceeds**”) and its proposed uses (“**A Share Proceeds-funded Projects**”). Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the A Share Prospectus and the Circular.

On 3 August 2021, the Company held the eighth meeting in 2021 of the first session of the Board of Directors and the third meeting in 2021 of the first session of the Supervisory Committee, at which the Resolution on Adjustment to Proceeds Proposed to be Invested in A Share Proceeds-funded Projects and Confirmation of Implementation Methods of A Share Proceeds-funded Projects was considered and approved, thus authorizing the Company to adjust the proceeds proposed to be invested in A Share Proceeds-funded Projects according to the actual amount of the A Share Proceeds, and to confirm the Implementation Methods of A Share Proceeds-funded Projects. Relevant situations are announced as follows:

I. BASIC INFORMATION ON A SHARE PROCEEDS

As approved the registration under the Reply in Relation to Approval for Registration of Shares in Initial Public Offering of CIMC Vehicles (Group) Co., Ltd. (Zheng Jian Xu Ke [2021] No. 1719) issued by CSRC and with the permission of the Shenzhen Stock Exchange, the Company issued 252.6 million A Shares with a par value of RMB1 each, at the issue price of RMB6.96 per Share. The A Share Proceeds are RMB1,758.096 million in aggregate. The actual net A Share Proceeds are RMB1,583.7768 million after deducting the issue expenses of RMB174.3192 million (exclusive of tax). PricewaterhouseCoopers Zhong Tian LLP verified the payment of the A Share Proceeds of the Company, and issued the Capital Verification Report (PwC Zhong Tian Yan Zi (2021) No. 0668) on 5 July 2021. The Company has the A Share Proceeds deposited in a special account.

II. ADJUSTMENT TO PROCEEDS PROPOSED TO BE INVESTED IN A SHARE PROCEEDS-FUNDED PROJECTS AND CONFIRMATION OF IMPLEMENTATION METHODS OF A SHARE PROCEEDS-FUNDED PROJECTS

As the actual net A Share Proceeds of the Company are RMB1,583.7768 million, which are lower than RMB2,000 million, namely the proceeds proposed to be invested in A Share Proceeds-funded Projects specified in the A Share Prospectus and the Circular, the Company adjusts the proceeds proposed to be invested in A Share Proceeds-funded Projects as follows, according to the actual net A Share Proceeds and the actual conditions of A Share Proceeds-funded Projects, and in order to ensure the successful implementation of A Share Proceeds-funded Projects:

Unit: RMB10 thousand

No.	Project Name	Total Investment	A Share Proceeds Originally Proposed to be Used	A Share Proceeds Proposed to be Used After Adjustment
(I)	Digital transformation, research and development project	78,512.00	50,000.00	43,877.68
(II)	“Light Tower Plants” upgrade and construction project	148,071.07	115,000.00	79,500.00
(III)	New marketing construction project	15,310.00	10,000.00	10,000.00
(IV)	Repayment of bank loans and replenishment of working capital	25,000.00	25,000.00	25,000.00
	Total	266,893.07	200,000.00	158,377.68

The specific adjustment made by the Company to the above A Share Proceeds-funded Projects and the implementation methods of A Share Proceeds-funded Projects are as follows:

(I) Digital transformation, research and development project

Unit: RMB10 thousand

No.	Project Name	Implementer	Total Project Investment	A Share Proceeds Originally Proposed to be Used	A Share Proceeds Proposed to be Used After Adjustment
1	Semi-trailer Core Module Digitalisation Upgrading Project	The Company	25,384.00	15,000.00	9,849.68
2	Specialty Vehicles Truck Bodies Core Module Digitalisation Upgrading Project	The Company	12,200.00	7,000.00	5,500.00
3	New Generation Intelligent Refrigerated Truck Bodies Module Digitalisation Upgrading Project	The Company	8,640.00	6,000.00	8,640.00
4	Semi-trailer Testing Centre Construction Project of CIMC Vehicles Group	The Company	18,400.00	14,000.00	6,000.00
5	Global Digital Operation Center Project	The Company	13,888.00	8,000.00	13,888.00
Total			78,512.00	50,000.00	43,877.68

(II) “Light Tower Plants” upgrade and construction project

Unit: RMB10 thousand

No.	Project Name	Implementer	Implementation Method	Total Project Investment	A Share Proceeds Originally Proposed to be Used	A Share Proceeds Proposed to be Used After Adjustment
1	CIMC Intelligent Transport Equipment Project (Phase I)	CIMC Tybyte Car Body Manufacturing (Jiangmen) Co., Ltd.	Capital increase	91,420.07	72,000.00	45,000.00
2	Project on Walking Mechanism Products (Axle and Suspension) with An Annual Production Capacity of 50,000 Sets	Jiangsu Baojing Auto Parts Co., Ltd.	Capital increase	18,650.00	14,000.00	6,000.00
3	Project on Upgrading and Technical Transformation of Refrigerated Intelligent Distribution Vehicle Production Line	CIMC Vehicles (Shandong) Co., Ltd.	Capital increase	12,001.00	9,000.00	4,000.00
4	Yangzhou CIMC Tonghua Digital Semi-trailer Upgrading Project	Yangzhou CIMC Tonghua Special Vehicles Co., Ltd.	Capital increase	10,000.00	8,500.00	8,500.00
5	Mixer Trucks Digital Cylinder Production Line Construction Project	Wuhu CIMC Ruijiang Automobile Co., Ltd.	Capital increase	10,000.00	7,000.00	10,000.00
6	Coating Production Line Upgrading and Technical Transformation Project	CIMC Vehicle (Jiangmen) Co., Ltd.	Capital increase	6,000.00	4,500.00	6,000.00
Total				148,071.07	115,000.00	79,500.00

(III) New marketing construction project

Unit: RMB10 thousand

No.	Project Name	Implementer	Implementation Method	Total Project Investment	Proceeds Originally Proposed to be Used	Proceeds Proposed to be Used After Adjustment
1	New marketing construction project	Guangzhou CIMC Vehicle Sales Services Co., Ltd.	Capital increase	15,310.00	10,000.00	10,000.00
Total				15,310.00	10,000.00	10,000.00

III. IMPACT OF ADJUSTMENT TO PROCEEDS PROPOSED TO BE INVESTED IN A SHARE PROCEEDS-FUNDED PROJECTS AND CONFIRMATION OF IMPLEMENTATION METHODS OF A SHARE PROCEEDS-FUNDED PROJECTS ON THE COMPANY

The adjustment by the Company to the proceeds proposed to be used in A Share Proceeds-funded Projects will not change the proposed use of A Share Proceeds in a disguised form or damage the interests of Shareholders. The adjustment is conducive to improving the efficiency in the use of funds of the Company and optimizing the resource allocation, and is in line with the strategic requirements of future development of the Company, its long-term interests and the interests of all Shareholders.

Based on the actual requirements of A Share Proceeds-funded Projects, the Company confirms that the implementation methods of A Share Proceeds-funded Projects for subsidiaries are capital increase, which is conducive to the successful implementation of A Share Proceeds-funded Projects, and complies with the plan for use of A Share Proceeds, without changing the implementation methods of A Share Proceeds-funded Projects.

IV. CONSIDERATION PROCEDURES

1. Consideration by the Board of Directors

On 3 August 2021, the Company held the eighth meeting in 2021 of the first session of the Board of Directors, at which the Resolution on Adjustment to Proceeds Proposed to be Invested in A Share Proceeds-funded Projects and Confirmation of Implementation Methods of A Share Proceeds-funded Projects was considered and approved, and the Board agreed to the adjustment by the Company to the proceeds proposed to be invested in A Share Proceeds-funded Projects according to the net A Share Proceeds and the actual and specific conditions of A Share Proceeds-funded Projects, and confirmation by the Company of the implementation methods of A Share Proceeds-funded Projects.

2. Consideration by the Supervisory Committee

On 3 August 2021, the Company held the third meeting in 2021 of the first session of the Supervisory Committee, at which the Resolution on Adjustment to Proceeds Proposed to be Invested in A Share Proceeds-funded Projects and Confirmation of Implementation Methods of A Share Proceeds-funded Projects was considered and approved.

The Supervisory Committee believes that the adjustment to proceeds proposed to be invested in A Share Proceeds-funded Projects will not change the use of A Share Proceeds in a disguised form, affect the normal operation of the Company or damage the interests of the Company or its Shareholders. The Company confirms that the implementation methods of A Share Proceeds-funded Projects for subsidiaries are capital increase, which complies with the plan for use of A Share Proceeds, without damaging the interests of the Company or its Shareholders. Therefore, the Supervisory Committee agreed to the adjustment to proceeds proposed to be invested in A Share Proceeds-funded Projects and confirmation of implementation methods of A Share Proceeds-funded Projects.

3. Opinions of Independent Directors

The independent Directors of the Company believe that the adjustment to proceeds proposed to be invested in A Share Proceeds-funded Projects will not affect the normal implementation of A Share Proceeds-funded Projects, and will not change the use of A Share Proceeds in a disguised form, affect the normal operation of the Company or damage the interests of the Company or its Shareholders. The Company confirms that the implementation methods of A Share Proceeds-funded Projects for subsidiaries are capital increase, which complies with the plan for use of A Share Proceeds, is conducive to the successful implementation of A Share Proceeds-funded Projects and will not damage the interests of the Company or its Shareholders. Therefore, the independent Directors of the Company unanimously consent to the adjustment to proceeds proposed to be invested in A Share Proceeds-funded Projects and confirmation of implementation methods of A Share Proceeds-funded Projects.

4. Review Opinions of the Sponsor

After verification, the Sponsor is of the view that the adjustment by the Company to the proceeds proposed to be invested in A Share Proceeds-funded Projects and confirmation of implementation methods of A Share Proceeds-funded Projects have been considered and approved at the eighth meeting in 2021 of the first session of the Board of Directors and the third meeting in 2021 of the first session of the Supervisory Committee, with the affirmatively independent opinions of independent Directors, and comply with the Measures for the Administration of the Sponsorship of Securities Offering and Listing, the Regulatory Guidance for Listed Companies No. 2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (2020 revision), the Guidelines for the Standardized Operation of Listed Companies on the ChiNext Market of Shenzhen Stock Exchange (2020 revision) and other relevant laws, regulations and regulatory documents. No circumstance that will change the use of the Proceeds in a disguised form or damage the interests of Shareholders shall be incurred. The Sponsor raises no objection against the adjustment by the Company to the proceeds proposed to be invested in A Share Proceeds-funded Projects and confirmation of implementation methods of A Share Proceeds-funded Projects.

V. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolution of the eighth meeting in 2021 of the first session of the Board of Directors;
2. Resolution of the third meeting in 2021 of the first session of the Supervisory Committee;
3. Independent opinions of independent Directors on relevant matters at the eighth meeting in 2021 of the first session of the Board of Directors; and
4. Review Opinion on the Adjustment to Proceeds Proposed to be Invested in A Share Proceeds-funded Projects and Confirmation of Implementation Methods of A Share Proceeds-funded Projects by CIMC Vehicles (Group) Co., Ltd. issued by Haitong Securities Co., Ltd..

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

Hong Kong, 3 August 2021

*As at 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*