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SINOTRUK (HONG KONG) LIMITED
中國重汽(香港)有限公司
(incorporated in Hong Kong with limited liability)
(Stock Code: 3808)

VOLUNTARY ANNOUNCEMENT

**GRATUITOUS TRANSFER OF EQUITY INTEREST IN
INDIRECT HOLDING COMPANY**

This announcement is made by Sinotruk (Hong Kong) Limited (the “**Company**”) on a voluntary basis.

I. INTRODUCTION

On 29 September 2019, the Company received 《關於中國重型汽車集團有限公司股權無償劃轉的通知》(*Notice on the Gratuitous Transfer of Equity Interest in China National Heavy Duty Truck Group Company Limited*) (the “**Notice**”) from 中國重型汽車集團有限公司 (China National Heavy Duty Truck Group Company Limited) (“**CNHTC**”, an indirect holding company of the Company) which states that:

- (i) pursuant to an agreement dated 25 September 2019 and made between 濟南市人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the Ji’nan Government) (“**Ji’nan SASAC**”) and 山東重工集團有限公司 (Shandong Heavy Industry Group Co., Ltd.) (“**SHIG**”), Ji’nan SASAC will, for nil consideration, transfer (無償劃轉) 45% of the equity interest in CNHTC to SHIG (the “**Gratuitous Transfer Agreement**”, and the transfer thereunder shall be referred to as the “**Gratuitous Transfer**”); and
- (ii) pursuant to an agreement dated 27 September 2019 and made between 山東省國有資產投資控股有限公司 (Shandong State-owned Assets Investment Holdings Co., Ltd.) (“**Shandong Investment**”) and SHIG, Shandong Investment will, for nil consideration, delegate (授權委托) (the

“**Delegation**”) the equity holders’ rights (including the voting rights), but excluding the asset and income rights (資產收益權), attached to its 20% equity interest in CNHTC to SHIG (the “**Delegation Agreement**”, which, together with the Gratuitous Transfer Agreement, shall be referred to as the “**Agreements**”).

As at the date hereof, Sinotruk (BVI) Limited (“**Sinotruk BVI**”) is a wholly owned subsidiary of CNHTC, and Sinotruk BVI in turn holds approximately 51% of the issued share capital of the Company. CNHTC advises that the aforesaid holding relationships will remain unchanged after the completion of the Agreements. CNHTC further advises that 山東省人民政府 (Shandong Provincial People’s Government) (the “**Shandong Government**”) governs and controls CNHTC both before and after the completion of the Agreements. As such, the Company understands from the Notice that SHIG had applied to the Executive Director of the Corporate Finance Division (the “**Executive**”, or any delegate thereof) of the Securities and Futures Commission of Hong Kong for a ruling that SHIG would not be obliged to make a mandatory offer under Rule 26.1 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), and the Executive had granted such ruling.

II. THE AGREEMENTS

(A) The Gratuitous Transfer Agreement

As per the Notice, on 25 September 2019, Ji’nan SASAC and SHIG entered into the Gratuitous Transfer Agreement containing the following terms:

Parties:	(i) Ji’nan SASAC, as transferor (ii) SHIG, as transferee
Asset to be transferred (劃轉):	45% equity interest in CNHTC
Consideration:	Nil
Closing conditions of the Gratuitous Transfer:	The completion of the Gratuitous Transfer is subject to: (i) the Gratuitous Transfer Agreement taking effect, and (ii) the completion of registration of the Gratuitous Transfer with the relevant government authorities in the People’s Republic of China (the “ PRC ”).
Governing laws:	The Gratuitous Transfer Agreement is governed by the laws and regulations of the PRC.

The completion of the Gratuitous Transfer is also subject to compliance with all applicable laws and regulations of the PRC, including but not limited to, the grant of the appropriate approval/clearance pursuant to the Anti-Monopoly Review Notification for Concentrations of Undertakings (經營者集中反壟斷審查申報). Please refer to “III. Implications under the relevant rules and regulations” of this announcement for details.

(B) The Delegation Agreement

As per the Notice, on 27 September 2019, Shandong Investment and SHIG entered into the Delegation Agreement containing the following terms:

Parties: (i) Shandong Investment, as delegator
(ii) SHIG, as delegatee

Delegation of equity holder’s rights: Shandong Investment, as holder of 20% equity interest in CNHTC, shall irrevocably delegate (授權委托) the equity holder’s rights (including the voting rights), but excluding the asset and income rights (資產收益權), attached to such equity interest in CNHTC (the “**Delegated Equity**”) to SHIG for nil consideration. The said asset and income rights (資產收益權) include the rights related to the assets attributable to the relevant equity holder (股東相關財產性權利) such as the right to dividend (分紅權).

Other terms: Shandong Investment should give prior written notification to SHIG and obtain the approval of Shandong SASAC (as defined below), if it is to pledge, or create any third party encumbrance or transfer restrictions on its equity interest in CNHTC.

During the term of the Delegation Agreement, if the total amount and/or percentage of the Delegated Equity changes as a result of any increase or reduction of capital, or capitalisation of surplus reserve of CNHTC, etc., the amount and/or percentage of the equity interest subject to the Delegation Agreement shall be adjusted accordingly.

The Delegation Agreement shall cease to have effect (i) when SHIG ceases to be a controlling shareholder of CNHTC, or (ii) when Shandong SASAC decides to terminate the Delegation, or (iii) when the parties agree to terminate the Delegation Agreement (whichever is the earliest).

Governing laws: The Delegation Agreement is governed by the laws and regulations of the PRC.

III. IMPLICATIONS UNDER THE RELEVANT RULES AND REGULATIONS

The Company understands from the Notice that CNHTC was historically from the time of the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited in November 2007 and up to now, still is governed and controlled by the Shandong Government, and that the Gratuitous Transfer and the Delegation are both pursuant to the directions of the Shandong Government for asset reorganisation and policy reasons, the relevant approval notice of which was dated 26 September 2019 and was received by SHIG on 29 September 2019.

As mentioned above, for the purpose of the Takeovers Code, SHIG had applied to the Executive for a ruling that SHIG would not be required to make a mandatory offer under Rule 26.1 of the Takeovers Code, and the Executive had granted such ruling.

Pursuant to relevant laws and regulations of the PRC, the Gratuitous Transfer:

- (i) is subject to the grant of the appropriate approval/clearance by the State Administration for Market Regulation of the PRC pursuant to the Anti-Monopoly Review Notification for Concentrations of Undertakings (經營者集中反壟斷審查申報); and
- (ii) may result in SHIG incurring an obligation to make a general offer for shares of Sinotruk Ji'nan Truck Co., Ltd. (a subsidiary of the Company the shares of which are listed on the Shenzhen Stock Exchange in the PRC), subject to the granting of a waiver by China Securities Regulatory Commission (the “CSRC”).

The Company understands from the Notice that SHIG would (i) apply to the CSRC for the abovementioned waiver pursuant to the Measures for the Administration of the Acquisition of Listed Companies (《上市公司收購管理辦法》) of the PRC (the “Measures”), and the registration of the Gratuitous Transfer can be carried out if the CSRC does not raise any objection within 10 working days upon receipt of the prescribed application documents, and (ii) in

the report on change in equity interest (權益變動報告書) prepared in accordance with the Measures, provide an undertaking to resolve any business overlap and competition issues, while respecting and safeguarding the relevant minority shareholders' interests and subject to obtaining the relevant shareholders' and regulatory approvals, as appropriate.

It is uncertain whether the abovementioned approvals and/or waivers by the relevant authorities could be obtained or whether the Gratuitous Transfer could be implemented.

IV. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of the Notice, Sinotruk BVI is a wholly owned subsidiary of CNHTC, and Sinotruk BVI in turn holds approximately 51% of the issued share capital of the Company.

Moreover, the Company understands from the Notice that:

- (i) as at the date of the Notice, 80% and 20% of the equity interest in CNHTC are registered under Ji'nan SASAC and Shandong Investment, respectively; and
- (ii) while after the completion of the Gratuitous Transfer, 45%, 35% and 20% of the equity interest in CNHTC will be registered under SHIG, Ji'nan SASAC, and Shandong Investment, respectively, however, CNHTC will continue to be governed and controlled by the Shandong Government.

For information purpose, with respect to SHIG and Shandong Investment, the Company understands from the Notice that as at the date of the Notice:

- (i) 70%, 20% and 10% of the equity interest in SHIG are registered under 山東省人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the Shandong Government) (“**Shandong SASAC**”), Shandong Guohui Investment Co., Ltd. (山東國惠投資有限公司) (“**Shandong Guohui**”) and Shandong Provincial Council for Social Security Fund (山東省社會保障基金理事會), respectively;
- (ii) the entire equity interest in Shandong Guohui is registered under Shandong SASAC; and
- (iii) the holding structure of Shandong Investment is the same as that of SHIG.

The Company will issue further announcement(s) based on the progress of the Gratuitous Transfer as and when necessary.

Holders of the Company's shares and securities and potential investors are advised to exercise caution when dealing in the shares and securities of the Company.

By order of the Board
Sinotruk (Hong Kong) Limited
Cai Dong
Chairman of the Board and President

Ji'nan, PRC, 29 September 2019

As at the date of this announcement, the board of the Company consists of seven executive directors of the Company including Mr. Cai Dong, Mr. Wang Shanpo, Mr. Liu Wei, Mr. Liu Peimin, Mr. Dai Lixin, Mr. Jörg Mommertz and Mr. Sun Chenglong; four non-executive directors of the Company including Mr. Andreas Hermann Renschler, Mr. Joachim Gerhard Drees, Mr. Jiang Kui and Ms. Annette Danielski; and six independent non-executive directors of the Company including Dr. Lin Zhijun, Mr. Yang Weicheng, Dr. Wang Dengfeng, Mr. Zhao Hang, Mr. Liang Qing and Mr. Lyu Shousheng.