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If you have sold or transferred all your Shares in **CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD.**, you should at once hand this circular and the form of proxy and the reply slip to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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中國國際海運集裝箱(集團)股份有限公司

CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2039)

**PROPOSED SPIN-OFF AND LISTING OF CIMC-TIANDA ON
THE CHINEXT OF SZSE**

The Third 2021 EGM will be held at CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC at 2:45 p.m. on Friday, 18 June 2021. Notice of the Third 2021 EGM containing the resolutions to be considered and, if thought fit, approved at the Third 2021 EGM, together with relevant form of proxy have been despatched to the Shareholders on 31 May 2021, and are published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.cimc.com>).

Both A shareholders and H shareholders are entitled to attend and vote at the Third 2021 EGM.

Whether or not you are able to attend the Third 2021 EGM, you are requested to complete and return the form of proxy despatched to the Shareholders on 31 May 2021 in accordance with the instructions printed thereon, as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the Third 2021 EGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Third 2021 EGM (or any adjournment thereof) should you so wish.

31 May 2021

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions shall have the following meanings:

“A Share(s)”	the domestic share(s) in the registered capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in RMB;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Board”	the board of Directors of the Company;
“CIMC-TianDa”	CIMC-TianDa Holdings Company Limited (中集天達控股有限公司), a company incorporated in the Cayman Islands in 2002 and a subsidiary of the Group;
“Company”	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司), a joint stock company incorporated in the PRC with limited liability under the Company Law of the PRC, the H shares of which are listed on the Hong Kong Stock Exchange and the A shares of which are listed on the Shenzhen Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“H Share(s)”	the overseas-listed foreign share(s) in the registered share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars;
“H Share Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s H Share Registrar;
“H Shareholder(s)”	the holder(s) of H Share(s);
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

DEFINITIONS

“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Latest Practicable Date”	27 May 2021, being the latest practicable date for the purpose of ascertaining certain information contained in this circular;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	the share(s) of the Company, including the A Share(s) and the H Share(s);
“Shareholder(s)”	the holder(s) of Share(s) of the Company;
“SZSE”	the Shenzhen Stock Exchange;
“Third 2021 EGM”	the third extraordinary general meeting in 2021 of the Company to be held at CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC at 2:45 p.m. on Friday, 18 June 2021;
“%”	per cent.

LETTER FROM THE BOARD



中國國際海運集裝箱(集團)股份有限公司
CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD.
(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2039)

Board of Directors:

Executive Director:

Mr. MAI Boliang (*Chairman*)

Non-executive Directors:

Mr. ZHU Zhiqiang (*Vice-chairman*)

Mr. HU Xianfu (*Vice-chairman*)

Mr. KONG Guoliang

Mr. DENG Weidong

Mr. MING Dong

**Legal address, registered address and
address of head office:**

8th Floor, CIMC R&D Centre,

2 Gangwan Avenue,

Shekou, Nanshan District,

Shenzhen,

Guangdong, the PRC

Independent non-executive Directors:

Mr. HE Jiale

Mr. PAN Zhengqi

Ms. LUI FUNG Mei Yee, Mabel

31 May 2021

To the Shareholders

Dear Sir or Madam,

PROPOSED SPIN-OFF AND LISTING OF CIMC-TIANDA ON THE CHINEXT OF SZSE

INTRODUCTION

Reference is made to (i) the announcements of the Company dated 31 May 2021 (Announcement On Resolution Of The Fourteenth Meeting In 2021 Of The Ninth Session Of The Board and Announcement On Resolution Of The Fifth Meeting In 2021 Of The Ninth Session Of The Supervisory Committee) in relation to the proposed spin-off and listing of CIMC-TianDa on the ChiNext of SZSE; and (ii) the announcement of the Company dated 31 May 2021 in relation to the notice of the Third 2021 EGM.

The purpose of this circular is to provide you with further details of the proposed spin-off and listing of CIMC-TianDa on the ChiNext of SZSE and the relevant information on certain resolutions to be proposed at the Third 2021 EGM, so that you can make informed decisions regarding your voting on the resolutions to be proposed at the Third 2021 EGM.

LETTER FROM THE BOARD

I. THE RESOLUTION REGARDING THE COMPLIANCE OF THE SPIN-OFF AND LISTING OF THE CONTROLLING SUBSIDIARY CIMC-TIANDA HOLDINGS COMPANY LIMITED ON CHINEXT WITH RELEVANT LAWS AND REGULATIONS

After review, the Board agreed to spin-off the controlling subsidiary CIMC-TianDa to make an initial public offering of RMB ordinary shares (A shares) in the PRC and to list the same on the ChiNext of SZSE (the “**Spin-off and Listing**”).

In accordance with the requirements of the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China (the “**Securities Law**”), the Several Provisions on the Pilot Program of Listed Companies’ Spin-off of Subsidiaries for Domestic Listing (the “**Several Provisions**”) and other laws, regulations and regulatory documents, the Board, after careful self-examination and verification of the actual situation of the Company and related matters, is of the view that the Spin-off and Listing is in compliance with the relevant laws, regulations and rules.

II. THE RESOLUTION REGARDING THE PLAN ON THE SPIN-OFF AND LISTING OF THE CONTROLLING SUBSIDIARY CIMC-TIANDA HOLDINGS COMPANY LIMITED ON CHINEXT

After review, the Board considered and approved the preliminarily proposed listing plan as follows:

- (1) Place of listing: the ChiNext of SZSE
- (2) Type of shares to be issued: domestic listed RMB ordinary shares (A shares)
- (3) Par value of shares: HK\$0.4
- (4) Target subscribers: price consultation parties pursuant to the relevant qualification requirements of regulatory authorities such as the China Securities Regulatory Commission (the “**CSRC**”), as well as natural persons, legal persons and other institutional investors who have opened securities accounts for A shares on SZSE (except for those who are prohibited by laws, rules, regulations and regulatory documents of the PRC).
- (5) Time of issuance and listing: CIMC-TianDa will choose an appropriate time for issuance after the approval by and/or the registration with SZSE and CSRC, and the specific date of issuance will be determined by the board of directors of CIMC-TianDa authorised by its general meeting after the approval by and/or the registration with SZSE and CSRC.
- (6) Method of issuance: by a combination of offline placing and fixed-price issuance to online public investors or other issuance methods as recognized by the CSRC and SZSE.

LETTER FROM THE BOARD

- (7) Size of issuance: the number of shares to be publicly issued shall account for 10% (inclusive) to 20% (inclusive) of the total share capital of CIMC-TianDa after the issuance. The final number of the issuance will be negotiated and determined jointly by the board of directors of CIMC-TianDa authorised by its general meeting and the lead underwriter(s) in accordance with the requirements of relevant regulatory authorities, specific conditions of the securities market, number of share capital before the issuance and the capital demand of the fund raising project.
- (8) Method of pricing: the issuance price of shares will be determined through price consultation with professional institutional investors such as securities company, fund management company, trust fund company, finance company, insurance company, qualified overseas investors and manager of privately raised fund, who have registered with the Securities Association of China. CIMC-TianDa and the lead underwriter(s) may determine the issuance price through preliminary price consultation or after the issue price range is determined from the preliminary price consultation, the issue price will be determined through cumulative tender price consultation.
- (9) Other matters related to the issuance: the strategic placement, use of funds raised, underwriting method, over-allotment option (if applicable) and other matters involved in this issuance will be further confirmed and adjusted by CIMC-TianDa based on the implementation of the issuance and listing plan, market conditions, policy adjustment and regulatory authorities' opinions, etc.

Given that the abovementioned issue plan is preliminary and the Spin-off and Listing is subject to the approval and/or registration procedures of the SZSE, the Hong Kong Stock Exchange and the CSRC, in order to facilitate the work relating to the listing of CIMC-TianDa, it is proposed in the general meeting of the Company to authorise the Board and its authorised persons to decide or adjust the spin-off and listing plan of CIMC-TianDa based on specific conditions.

LETTER FROM THE BOARD

III. THE RESOLUTION REGARDING THE PROPOSAL ON THE SPIN-OFF AND LISTING OF THE CONTROLLING SUBSIDIARY CIMC-TIANDA HOLDINGS COMPANY LIMITED ON CHINEXT

After review, the Board considered and approved the Proposal of China International Marine Containers (Group) Co., Ltd. on the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext prepared by the Company in accordance with the relevant provisions of the Company Law, the Securities Law, Several Provisions and other laws, regulations, rules and regulatory documents. For details of the proposal, please refer to the Proposal on the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext disclosed on 31 May 2021.

IV. THE RESOLUTION REGARDING THE COMPLIANCE OF THE SPIN-OFF AND LISTING OF THE CONTROLLING SUBSIDIARY WITH SEVERAL PROVISIONS ON THE PILOT PROGRAM OF LISTED COMPANIES' SPIN-OFF OF SUBSIDIARIES FOR DOMESTIC LISTING

The Company proposes to spin off its controlling subsidiary, CIMC-TianDa, and has it listed on the ChiNext of SZSE. After careful assessment by the Board, the Spin-off and Listing complies with the relevant requirements of the Several Provisions with feasibility, the details of which are set out below:

- (1) The listed company has been listed for 3 years in Mainland China.

The Company's shares were listed on the main board of the Shenzhen Stock Exchange in 1994, and is in compliance with this provision.

- (2) The listed company has been profitable within the latest three fiscal years consecutively, and the net profit attributable to the shareholders of the listed company shall not be less than RMB600 million (which net profit shall be calculated at the lower value before and after deducting the non-recurring profit and loss) after deducting the net profit of the proposed spun-off subsidiary attributable to its equity within the latest three fiscal years.

LETTER FROM THE BOARD

According to the audit reports PwC Zhong Tian Shen Zi (2019) No. 10036, PwC Zhong Tian Shen Zi (2020) No. 10036 and PwC Zhong Tian Shen Zi (2021) No. 10036 issued by PricewaterhouseCoopers Zhong Tian LLP for the Company, the net profit (which shall be calculated at the lower value before and after deducting the non-recurring profit and loss) attributable to shareholders of the Company as realized by the Company for 2018, 2019 and 2020 amounted to approximately RMB2.259 billion, RMB1.241 billion and RMB343 million, respectively, which complies with the provision of “profitable in the latest three fiscal years consecutively”. The net profit (which shall be calculated at the lower value before and after deducting the non-recurring profit and loss) of the Company attributable to the shareholders of the Company was RMB2.194 billion, RMB1.142 billion and RMB230 million respectively, with a cumulative total of not less than RMB600 million (which net profit shall be calculated at the lower value before and after deducting the non-recurring profit and loss) after deducting the net profit of CIMC-TianDa attributable to its equity within the latest three fiscal years.

- (3) The net profit of the proposed spun-off subsidiary attributable to its equity in the consolidated statements of the listed company for the latest fiscal year shall not exceed 50% of the net profit attributable to the shareholders of the listed company. The net asset of the proposed spun-off subsidiary attributable to its equity in the consolidated statements of the listed company for the latest fiscal year shall not exceed 30% of the net asset attributable to the shareholders of the listed company.

According to the audit report PwC Zhong Tian Shen Zi (2021) No. 10036 issued by PricewaterhouseCoopers Zhong Tian LLP for the Company, the net profit attributable to the shareholders of the Company for 2020 was RMB5.350 billion and the net profit attributable to the shareholders of the Company after deducting the non-recurring profit and loss was RMB343 million. According to the unaudited financial data of CIMC-TianDa, the net profit attributable to the owners of the parent company for 2020 was RMB291 million and the net profit attributable to the owners of the parent company after deducting the non-recurring profit and loss was RMB236 million. The proportion of the net profit of CIMC-TianDa attributable to its equity in the consolidated statement of the Company for 2020 to the net profit attributable to the shareholders of the Company was 2.61% (which net profit shall be calculated before deducting the non-recurring profit and loss) and 33.00% (which net profit shall be calculated after deducting the non-recurring profit and loss), respectively, neither of which exceeded 50%.

The net assets attributable to the shareholders of the Company at the end of 2020 was RMB44.018 billion. Based on the unaudited financial data of CIMC-TianDa, the net assets attributable to the owners of the parent company at the end of 2020 was RMB3.359 billion and the net assets of CIMC-TianDa attributable to its equity in the consolidated statements of the Company for 2020 accounted for 3.66% of the net assets attributable to the shareholders of the Company, not exceeding 30%.

LETTER FROM THE BOARD

Therefore, the Spin-off and Listing is in compliance with this provision.

- (4) The funds or assets of the listed company are not in the possession of the controlling shareholders, actual controllers and their related parties, and there are no major related-party transactions that would prejudice the interests of the listed company. The listed company and its controlling shareholders, actual controllers have not received any administrative penalty from the CSRC in the past 36 months. The listed company and its controlling shareholders and actual controllers have not been publicly reprimanded by the stock exchanges in the last 12 months. The financial and accounting reports of the listed company for the latest one year and one period were issued by certified public accountants an unqualified audit report.

There is no controlling shareholder or de facto controller in the Company. Based on the 2020 audited financial statements of the Company and the Special Report on Funds Occupied by Controlling Shareholders and Other Related Parties of China International Marine Containers (Group) Co., Ltd. issued by PricewaterhouseCoopers Zhong Tian LLP (PwC Zhong Tian Te Shen Zi (2021) No. 0695), the funds or assets of the Company are not in the possession of related parties, and there are no major related party transactions that would prejudice the interests of the Company.

The Company has not received any administrative penalty from the CSRC in the past 36 months. The Company has not been publicly reprimanded by the stock exchanges in the last 12 months.

The financial and accounting reports of the Company for the latest one year (being 2020) were issued by PricewaterhouseCoopers Zhong Tian LLP an unqualified audit report PwC Zhong Tian Shen Zi (2021) No. 10036.

Therefore, the Spin-off and Listing is in compliance with this provision.

- (5) The businesses and assets in which the listed company has invested with the proceeds from its issuance of shares and fundraisings within the latest three fiscal years shall not be used as principal business and assets of the proposed spun-off subsidiaries, excluding where the total amount of the proceeds utilized by the proposed spun-off subsidiaries does not exceed 10% of its net assets within the latest three fiscal years. The businesses and assets which were purchased through material asset re-organization within the latest three fiscal years shall not be used as principal business and assets of the proposed spun-off subsidiaries. Subsidiaries which are primarily engaged in financial business shall not be spun off by the listed company for listing.

LETTER FROM THE BOARD

The Company did not issue shares to raise funds or purchase business and assets through material asset re-organization within the latest three fiscal years. The Company did not use businesses and assets which were invested with the proceeds from issuance of shares and fundraisings within the latest three fiscal years and businesses and assets which were purchased through material asset re-organization within the latest three fiscal years were not used as principal business and assets of CIMC-TianDa.

The principal businesses of CIMC-TianDa include three business segments of airport facilities, fire safety and rescue equipment and automated logistics system, and it is not a company mainly engaged in financial business.

Therefore, the Spin-off and Listing is in compliance with this provision.

- (6) The shares of the proposed spun-off subsidiary held by directors, senior management and related parties of the listed company in aggregate shall not exceed 10% of the total share capital of the subsidiary before spin-off and listing. The shares of the proposed spun-off subsidiary held by directors, senior management personnel and related parties of the proposed spun-off subsidiary in aggregate shall not exceed 30% of the total share capital of the subsidiary before spin-off and listing.

As at the date of this circular, the shares of CIMC-TianDa held by the directors, senior management and related parties of the Company in aggregate did not exceed 10% of the total share capital of CIMC-TianDa. The shares of CIMC-TianDa held by the directors, senior management and related parties of CIMC-TianDa in aggregate did not exceed 30% of the total share capital of CIMC-TianDa.

Therefore, the Spin-off and Listing is in compliance with this provision.

LETTER FROM THE BOARD

- (7) Listed company shall fully disclose and explain: The Spin-off will help the listed company to highlight its principal businesses and enhance its independence. After the Spin-off, both the listed company and the proposed spun-off subsidiary are in compliance with the regulatory requirements for horizontal competition and related party transactions of the CSRC and the stock exchange, and are independent from each other in terms of assets, financial affairs and institutions. There is no cross appointment among senior management and financial personnel. There are no other serious deficiencies in terms of independence.
1. The Spin-off will help the listed company to highlight its principal businesses and enhance its independence.

The Group (other than CIMC-TianDa and its controlling subsidiaries) is principally engaged in the manufacture of containers, road transportation vehicles, energy, chemical and food equipment, offshore engineering and logistics services. The principal businesses of CIMC-TianDa include airport facilities, fire safety and rescue equipment and automated logistics system. After the Spin-off and Listing, the Group (other than CIMC-TianDa and its controlling subsidiaries) will continue to focus their resources on the development of businesses other than the principal businesses of CIMC-TianDa, and further enhance the independence of the Company.

2. After the Spin-off, both the listed company and the proposed spun-off subsidiary are in compliance with the regulatory requirements for horizontal competition and related party transactions of the CSRC and the stock exchange.

- (1) Horizontal competition

The Group (other than CIMC-TianDa and its controlling subsidiaries) is principally engaged in the manufacture of containers, road transportation vehicles, energy, chemical and food equipment, offshore engineering and logistics services. The principal businesses of CIMC-TianDa, the subsidiary of the Company proposed to be spun off, are airport facilities, fire safety and rescue equipment and automated logistics system. There is no horizontal competition between the Group (other than CIMC-TianDa and its controlling subsidiaries) that would have significant adverse impact on CIMC-TianDa.

The Company and CIMC-TianDa have made written undertakings to avoid horizontal competition, respectively.

LETTER FROM THE BOARD

In conclusion, there is no horizontal competition between the Group (other than CIMC-TianDa and its controlling subsidiaries) and CIMC-TianDa which would constitute a material adverse effect on CIMC-TianDa after the Spin-off and Listing, and the Spin-off and Listing complies with the regulatory requirements of the CSRC and the stock exchange on horizontal competition.

(2) Related party transactions

Following the Spin-off and Listing, the Company will maintain its control over CIMC-TianDa which will still be a subsidiary within the scope of the Company's consolidated financial statements, and the related party transactions of the Group will not be changed significantly as a result of the Spin-off and Listing.

For CIMC-TianDa, subsequent to the Spin-off and Listing, the Company will remain as the indirect controlling shareholder of CIMC-TianDa and the related party transactions between CIMC-TianDa and the Group (other than CIMC-TianDa and its controlling subsidiaries) will still be included in the annual related party transactions incurred by CIMC-TianDa.

After the Spin-off and Listing, the related party transactions taken place between the Group (other than CIMC-TianDa and its controlling subsidiaries) and CIMC-TianDa will guarantee the compliance, reasonableness and fairness and will ensure the independence of the Group (other than CIMC-TianDa and its controlling subsidiaries) and CIMC-TianDa, and also refrain from taking advantage of the related party transactions to adjust financial indicators and undermine the interests of the Group (other than CIMC-TianDa and its controlling subsidiaries) and CIMC-TianDa.

The Company and CIMC-TianDa have made written undertakings to reduce and regulate the related party transactions, respectively.

In conclusion, there is no related party transaction between the Group (other than CIMC-TianDa and its controlling subsidiaries) and CIMC-TianDa which would affect independence or are obviously unfair after the Spin-off and Listing, and the Spin-off and Listing complies with the regulatory requirements of the CSRC and the stock exchange on related party transactions.

LETTER FROM THE BOARD

3. The listed company is independent of the proposed spun-off subsidiary with regard to the assets, financial and institutional aspects.

The Group (other than CIMC-TianDa and its controlling subsidiaries) and CIMC-TianDa have their own independent and complete operational assets with clear ownership; an independent finance department and a system of financial management have been established and independent registration, accounts preparation, auditing and management have been conducted on all of their assets. The structural organizations of CIMC-TianDa are independent of its controlling shareholders and other related parties. Both the Group (other than CIMC-TianDa and its controlling subsidiaries) and CIMC-TianDa have their respective comprehensive functional departments and internal operation and management organizations, such organizations exercise their functions and rights independently, and there is no convolution between CIMC-TianDa and the Group (other than CIMC-TianDa and its controlling subsidiaries). There is neither circumstances in which the Group (other than CIMC-TianDa and its controlling subsidiaries) occupies or controls the assets of CIMC-TianDa nor the Group (other than CIMC-TianDa and its controlling subsidiaries) intervenes CIMC-TianDa's operation and management of its assets. There is also no convolution between the organizations. The Group (other than CIMC-TianDa and its controlling subsidiaries) and CIMC-TianDa will maintain asset, financial and institutional independence.

4. There is no cross-employment of senior management and financial personnel.

CIMC-TianDa has its own independent senior management and financial personnel, and there is no cross-employment with the senior management and financial personnel of the Group (other than CIMC-TianDa and its controlling subsidiaries).

5. There are no other serious defects in independence.

The assets of the Group (other than CIMC-TianDa and its controlling subsidiaries) and CIMC-TianDa are independent and complete from each other and remain independent in terms of finance, institutions, personnel and business, and each has a complete business system and the ability to operate independently directly to the market, and there are no other serious defects in terms of independence.

In conclusion, the Spin-off and Listing complies with the relevant requirements of the Several Provisions.

LETTER FROM THE BOARD

V. THE RESOLUTION REGARDING THE SPIN-OFF AND LISTING OF THE CONTROLLING SUBSIDIARY CIMC-TIANDA HOLDINGS COMPANY LIMITED ON CHINEXT WHICH BENEFITS THE SAFEGUARDING OF LEGAL RIGHTS AND INTERESTS OF SHAREHOLDERS AND CREDITORS

After consideration, the Board expects that, from the perspective of value realization, the Spin-off and Listing of CIMC-TianDa will fully develop its intrinsic value following the Spin-off and Listing. The value of the equity interest in CIMC-TianDa held by the Company will be further enhanced, and the liquidity will be improved significantly. From the perspective of structural optimization, the spin-off and listing of CIMC-TianDa will result in further expansion of financing channels, improve the overall financing efficiency of the Company, lower the overall asset-liability ratio and enhance the comprehensive strength of the Company. From the perspective of performance growth, the performance growth of CIMC-TianDa achieved by further improvement of corporate governance and proceeds of the IPO will be reflected in the overall performance of the Company, which will further improve the profitability and stability of the Company. In view of this, the Spin-off and Listing of CIMC-TianDa on ChiNext will have a positive impact on the interests of the Company's shareholders (especially minority shareholders), creditors and other stakeholders.

VI. THE RESOLUTION REGARDING THE ABILITY TO MAINTAIN INDEPENDENCE AND SUSTAINABLE OPERATION OF THE COMPANY

After review, the Board holds the view that:

1. The Company has the ability to maintain independence after the Spin-off and Listing.

The Spin-off and Listing complies with relevant requirements of the Several Provisions. Both the Group (other than CIMC-TianDa and its controlling subsidiaries) and CIMC-TianDa have their own independent and complete assets, remain independent in the aspects of finance, institution, staff, business and assets, have their respective complete business systems and abilities to operate independently with market-oriented approaches, and do not have any other serious defects in terms of independence. In addition, the Company has made relevant undertakings for avoiding horizontal competition with CIMC-TianDa after the Spin-off and Listing and reducing and regulating related-party transactions, and CIMC-TianDa has also made the relevant undertakings. The strict performance of such undertakings will help further ensure the mutual independence of the Group (other than CIMC-TianDa and its controlling subsidiaries) and CIMC-TianDa. Given that business segments of the Group maintain high levels of business independence, the Spin-off and Listing will not have adverse impact on the sustainable operation of the Group's other business segments.

LETTER FROM THE BOARD

The Company will, according to the requirements prescribed in the Several Provisions, engage independent financial advisors, law firms, accounting firms and other securities service institutions to provide professional advice on the Spin-off and Listing. Among them, independent financial advisors will undertake the following works, including but not limited to: performing due diligence and prudent review as to whether the spin-off of the Company complies with the Several Provisions, whether there are false representations, misleading statements contained in or material omissions from the relevant information disclosed by the Company and other matters, issuing opinions on these regards and making relevant announcements; in the remaining period of the year when CIMC Group is listed on ChiNext and the following complete fiscal year, continuing to supervise the Company to maintain the independent listing status and focus on the independent operation and sustainable operation ability of the core assets and businesses of the Company, supervising the Company to fulfill the information disclosure obligation in accordance with laws in relation to the changes of assets and financial position of the controlling subsidiary that will have material impact on the equity held by the Company and other important information that may significantly affect the share price of the Company.

2. The Company has the ability to maintain sustainable operation after the Spin-off and Listing.

Given that each business of the Group is keeping a strong momentum at present, the listing of CIMC-TianDa will not have any substantial impact on the sustainable operation of the Group's other business segments as CIMC-TianDa maintains business independence from the Group's other business segments. In addition, after the completion of the Spin-off and Listing, the Company is still the controlling shareholder of CIMC-TianDa; the control relationship and the consolidation relationship remain unchanged, and the performance of CIMC-TianDa will be reflected in the overall performance of the Company. Meanwhile, the Spin-off and Listing of CIMC-TianDa will be constructive to further expansion of financing channels, improve the overall financing efficiency of the Company, lower the overall asset-liability ratio and enhance the comprehensive strength of the Company. Based on the foregoing, the Company has the abilities to maintain independence and sustainable operation after the Spin-off and Listing.

VII. THE RESOLUTION REGARDING THE CAPABILITY OF CIMC-TIANDA HOLDINGS COMPANY LIMITED TO IMPLEMENT REGULATED OPERATION

CIMC-TianDa is a company incorporated in the Cayman Islands on 3 January 2002. In accordance with provisions of the Cayman Companies Act, CIMC-TianDa has formulated the articles of association, established the general meeting and the board of directors, appointed directors and the senior management including the general manager, the deputy general manager and the chief financial officer. It has a sound organization structure, with clear responsibilities set for staff of each department, and a standardized operation system.

LETTER FROM THE BOARD

Pursuant to provisions of relevant laws, regulations and regulatory documents including the Rules for General Meetings of Listing Companies, the Code of Corporate Governance of Listed Companies, the Guidelines for Articles of Association of Listed Companies and the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, CIMC-TianDa has formulated the Memorandum and Articles of Association of CIMC-TianDa Holdings Company Limited (the Fourth Amendment and Restatement), the Rules of Procedure for General Meetings, the Rules of Procedure for Meetings of the Board of Directors and other relevant systems. Such rules of procedure comply with the requirements set by relevant laws and regulations to CIMC-TianDa. Since 1 January 2018, the convening, voting procedures and resolutions of general meetings, meetings of the board of directors held by CIMC-TianDa are in compliance with the then applicable laws, regulations and the articles of association of CIMC-TianDa, and are legal, compliant, true and valid.

Based on the foregoing, CIMC-TianDa has the capability to implement regulated operation.

VIII. THE RESOLUTION REGARDING THE EXPLANATION ON THE COMPLETENESS OF AND COMPLIANCE WITH STATUTORY PROCEDURES OF THE SPIN-OFF AND LISTING OF THE CONTROLLING SUBSIDIARY CIMC-TIANDA HOLDINGS COMPANY LIMITED ON CHINEXT AND THE VALIDITY OF LEGAL DOCUMENTS SUBMITTED

After consideration, the Board holds the view that in the Spin-off and Listing, the Company has fulfilled the necessary statutory procedures at the current stage for matters related to the Spin-off and Listing in accordance with the relevant requirements of laws, regulations and regulatory documents, including the Company Law, the Securities Law and the Several Provisions, and the Articles of Association. The statutory procedures performed in the Spin-off and Listing are complete and in compliance with laws. The legal documents submitted to the relevant regulators are valid.

According to the relevant laws, regulations and regulatory documents, the Company and all directors make the following statements and guarantees regarding the relevant legal documents to be submitted for the Spin-off and Listing: there are no false representations or misleading statements contained in, or material omissions from the legal documents submitted by the Company for the Spin-off and Listing, and the Company and all Directors severally and jointly accept responsibilities for the truthfulness, accuracy and completeness of the aforementioned documents.

Based on the foregoing, the statutory procedures the Company has performed in the Spin-off and Listing are complete and in compliance with the requirements of relevant laws, regulations, regulatory documents and the Articles of Association, and the legal documents submitted to the relevant regulators are legal and valid.

LETTER FROM THE BOARD

IX. THE RESOLUTION REGARDING THE ANALYSIS ON THE OBJECTIVES, COMMERCIAL REASONABLENESS, NECESSITY AND FEASIBILITY OF THE SPIN-OFF AND LISTING OF THE CONTROLLING SUBSIDIARY CIMC-TIANDA HOLDINGS COMPANY LIMITED ON CHINEXT

After review, the Board's analysis on the objectives, commercial reasonableness, necessity and feasibility of the Spin-off and Listing is set out below:

1. Strengthen the Core Competency in Airport Facilities, Fire Safety and Rescue and Automated Logistics Equipment Business, and Deepen the Industry Layout of the Group.

The Spin-off and Listing of CIMC-TianDa on the A-share market will further escalate CIMC-TianDa's brand popularity and social influence; optimize CIMC-TianDa's management system and operation mechanism; enhance the input and development of core and frontier technology on the business segment of airport facilities, fire safety and automated logistics equipment; maintain the innovation and vitality of business; strengthen the core technology competence; strengthen CIMC-TianDa's profitability, market competitiveness and overall advantages.

The elevation of CIMC-TianDa's core competency will strengthen the Group's industry status, market share and profitability on the business of airport facilities, fire safety and rescue and automated logistics equipment; effectively deepen the Group's strategic layout on high-end equipment manufacture industry chain; further enhance the Group's asset quality and durability against risk; and foster a sustainable and healthy long-term development of the Group.

2. Fully Utilize the Support from Domestic Capital Market to Become a Listed Company with Excellence and Strength.

The Company expects to fully utilize the favorable opportunities and strong policy support from domestic capital market reform to realize the independent listing of CIMC-TianDa on the A-share market by the spin-off and the retention of red-chip structure, so as to promote the improvement of CIMC-TianDa's technical standards and the expansion of its business scale. After the Spin-off and Listing, CIMC-TianDa will have direct access to the A share's capital market, make full use of the direct financing function of capital market, expand financing channels, improve the financing flexibility and efficiency, and effectively reduce the capital cost. Riding on the domestic capital market platform, CIMC-TianDa will be able to conduct capital operations such as merger and acquisition in the future, to further expand business scope and enrich product line, materialize leapfrog development, and continue to generate stable investment return for the shareholders of CIMC-TianDa and the Company.

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The Spin-off and Listing is an important measure of the Company in response to the domestic capital market policy, to foster the development of real economy through the utilization of capital market, promote excellence and strength as well as high quality development amongst listed companies.

3. Optimize the Governance Structure and Improve Business Performance.

After the Spin-off and Listing, CIMC-TianDa can leverage the capital market to further improve the corporate governance structure, establish and develop the long-term mechanism in which governance and performance promote each other while fully realizing the potential value in the capital market. Hence, the Spin-off and Listing is conducive to improving CIMC-TianDa's governance structure and motivating the initiative and creativity of management personnel, thereby improving the business performance.

4. Achieve Reasonable Valuation and Maximize Interests of All Shareholders.

The Spin-off and Listing is beneficial to CIMC-TianDa's operation and financial transparency and corporate governance. Providing shareholders and other institutional investors with clearer information of business and financial position of the Company and CIMC-TianDa can facilitate the capital market to reasonably value the Group's businesses and fully reflect the value of high-quality assets of the Group in the capital market, hence boosting the Company's overall market value and maximizing the interests of all shareholders.

The Spin-off and Listing complies with the relevant requirements set by the Several Provisions to the listing of the Company's controlling subsidiary in the domestic market, and is feasible.

X. THE RESOLUTION REGARDING THE PROPOSED AUTHORISATION OF GENERAL MEETING TO THE BOARD AND ITS AUTHORISED PERSONS TO HANDLE MATTERS RELATING TO THE SPIN-OFF AND LISTING

After review, the Board agrees to propose to the general meeting to grant authorisation to the Board and its authorised persons to handle matters relating to the Spin-off and Listing at their full discretion, which is detailed below:

1. The Board and its authorised persons are authorised to exercise, at their full discretion, shareholders' rights in CIMC-TianDa on behalf of the Company to make the resolutions in relation to the matters concerning the Spin-off and Listing, which shall be resolved by the general meeting of the Company (other than those for which resolutions must be resolved by the general meeting as required by the laws and regulations).

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2. 'The Board and its authorised persons are authorised to amend, adjust and supplement the plan, proposal and other matters relating to the Spin-off and Listing based on the specific conditions.
3. The Board and its authorised persons are authorised to deal with, at their full discretion, the matters concerning submission of relevant applications to relevant authorities including the CSRC and the stock exchange in respect of the Spin-off and Listing, communicate with securities regulatory authorities in respect of the matters relating to application of the Spin-off and Listing, and adjust and modify the matters relating to the Spin-off and Listing in accordance with the requirements of securities regulatory authorities.
4. The Board and its authorised persons are authorised to decide on other specific matters in connection with the Spin-off and Listing, including but not limited to the engagement of relevant intermediaries, execution, delivery and receipt of necessary agreements and legal documents, and relevant information disclosure in accordance with applicable regulatory rules.

EGM

The EGM of the Company will be held on 18 June 2021 to consider, and if thought fit, pass the special resolutions set out on pages 4 to 18 of this circular. To the Directors' knowledge, as at the Latest Practicable Date, no other Shareholders were required to abstain from voting on the resolutions at the EGM.

A form of proxy for use at the EGM has been despatched together with a notice convening the EGM dated 31 May 2021. Whether or not the Shareholders intend to attend the EGM in person, they are requested to complete the form of proxy and return it to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding of the EGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the EGM or adjourned meeting (as the case may be) in person should they so wish.

In accordance with Rule 13.39(4) of the Hong Kong Listing Rules and the Articles of Association, the resolutions to be proposed at the EGM will be voted by way of poll.

LETTER FROM THE BOARD

Recommendations

The Directors (including the independent non-executive Directors) consider that the resolutions in respect of (1) the Resolution Regarding the Compliance of the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext with Relevant Laws and Regulations; (2) the Resolution Regarding the Plan on the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext; (3) the Resolution Regarding the Proposal on the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext; (4) the Resolution Regarding the Compliance of the Spin-off and Listing of the Controlling Subsidiary with Several Provisions on the Pilot Program of Listed Companies' Spin-off of Subsidiaries for Domestic Listing; (5) the Resolution Regarding the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext which Benefits the Safeguarding of Legal Rights and Interests of Shareholders and Creditors; (6) the Resolution Regarding the Ability to Maintain Independence and Sustainable Operation of the Company; (7) the Resolution Regarding the Capability of CIMC-TianDa Holdings Company Limited to Implement Regulated Operation; (8) the Resolution Regarding the Explanation of the Completeness of and Compliance with Statutory Procedures of the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext and the Validity of Legal Documents Submitted; (9) the Resolution Regarding the Analysis on the Objectives, Commercial Reasonableness, Necessity and Feasibility of the Spin-off and Listing of the Controlling Subsidiary CIMC-TianDa Holdings Company Limited on ChiNext; and (10) the Resolution Regarding the Proposed Authorisation of General Meeting to the Board and its Authorised Persons to Handle Matters Relating to the Spin-off and Listing are in the interests of the Company and the Shareholders as a whole. None of the Directors abstained from voting on these Board resolutions. The Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the forthcoming third EGM in 2021.

Responsibility Statement

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of providing information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

LETTER FROM THE BOARD

The Chinese text of this circular shall prevail over the English text in the event of inconsistency.

Yours faithfully,
By order of the Board
China International Marine Containers (Group) Co., Ltd.
WU Sanqiang
Joint Company Secretary