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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)**

## **ANNOUNCEMENT ON THE PROGRESS OF THE STRATEGIC RESTRUCTURING OF C&C TRUCKS**

### **I. BACKGROUND**

On 12 October 2022, as considered and approved at the ninth meeting in 2022 of the tenth session of the Board of the Company, C&C Trucks, a holding subsidiary of the Company proposed to introduce Chery Commercial Vehicle, Wuhu Industrial Fund and Xingzhong VC as the New Strategic Investors. Upon completion of the Restructuring Transaction, the shareholding of the Company in C&C Trucks will be decreased to 35.42% from 73.89%. C&C Trucks will be an associated company of the Company, and will no longer be a holding subsidiary of the Company.

For details, please refer to the announcement of the Company dated 12 October 2022 published on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)), the website of the Company ([www.cimc.com](http://www.cimc.com)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

### **II. THE PROGRESS**

According to the specific circumstances of the progress of the Restructuring Transaction, based on the actual capital contributions of each shareholder, and in the principle of equality and mutual benefit, the shareholders agreed to adjust certain terms of the Equity Transfer Agreement and the Capital Increase Agreement after friendly negotiation. Meanwhile, due to a certain delay in the internal consideration time of the counterparty to the Restructuring Transaction, it is expected that the exclusion date will be postponed from the end of October 2022 as originally planned to the end of December 2022 or January 2023. Therefore, when it is excluded due to the restructuring, C&C Trucks may retain the shareholders' loans with a total amount of no more than RMB150 million, the interest rate is 3.64% per annum, and the maturity date is 60 days from the completion date or 31 March 2023, whichever is earlier. For the additional financial assistance from the exclusion date up to the end of June 2023 of no more than RMB350 million, the interest rate shall be determined according to the market interest rate, and the maturity date shall be 180 days from the completion date.

### III. RELEVANT ADJUSTMENTS TO THE AGREEMENT

#### (I) Further Clarification of the Signing Party of the Equity Transfer Agreement:

In the Restructuring Agreement, it has been agreed that Wuhu Tairui, the former shareholder of C&C Trucks, may first transfer its equity interests in C&C Trucks to Chery Holding, the wholly-owned controlling shareholder of Chery Commercial Vehicle, and then Chery Holding will transfer the same to the Company. Recently, it was confirmed that Wuhu Tairui and Chery Holding will first complete the aforesaid equity transfer, and then the Company will sign the Equity Transfer Agreement with Chery Holding, after the registration for the industrial and commercial change has been completed for the transfer of equity interests in C&C Trucks from Wuhu Tairui to Chery Holding. As a result, the signing party of the Equity Transfer Agreement was adjusted from “Wuhu Tairui” to “Chery Holding”, so as to further determinate the approach for equity collection.

#### (II) The Matter in Relation to Further Clarification of the Amount of Capital Increase by the Group:

Through negotiation by the parties, while maintaining the Restructuring Agreement which was approved by the Board, the Company proposes to further specify the cash contribution of the Company in the Capital Increase Agreement from “the capital increase in cash shall not be less than RMB600 million” to “the capital increase in cash shall not be less than RMB700 million”, but the total capital increase amount shall be still RMB850 million.

Except for the above adjustments, other terms of the Equity Transfer Agreement, the Capital Increase Agreement and the Restructuring Agreement considered by the Board on 12 October 2022 as well as the Equity Transfer Agreement Among China International Marine Containers (Group) Co., Ltd., Chery Commercial Vehicle (Anhui) Co., Ltd., Wuhu Industrial Investment Fund Co., Ltd. and Wuhu Xingzhong Venture Capital Co., Ltd. in respect of C&C Trucks Co., Ltd. shall remain unchanged.

### IV. FINANCIAL ASSISTANCE

#### (I) Main Reasons and Basic Information

##### ***1. In respect of the financial assistance formed by shareholders’ loans of not more than RMB150 million in aggregate retained at the exclusion date***

As of the date of this announcement, the balance of loans provided by the Group to C&C Trucks was approximately RMB1,800 million. With a certain delay in the internal consideration time of the counterparty to the Restructuring Transaction and postponement of the completion time, the external financing guaranteed by the Group for C&C Trucks has matured one after another. Meanwhile, C&C Trucks is also facing a certain working capital shortfall. In order to ensure that the due debts of C&C Trucks are repaid in full on a timely basis, and maintain its basic operations, the Group will release shareholders’ loans to it to ensure its safety of funds and completion of the restructuring safely and smoothly. Therefore, up to the completion date of the Restructuring Transaction, the Group cannot complete full debt-to-equity conversion as to the existing debts of C&C Trucks. This part of the existing debts will form financial assistance after C&C Trucks is excluded from the balance sheet.

The expected timing of exclusion for the Restructuring Transaction will be postponed from the end of October 2022 as originally planned to the end of December 2022 or January 2023, and the external debts guaranteed by the Group for C&C Trucks have become due successively. As other shareholders cannot provide loans for C&C Trucks before the formal completion, they could not provide loans on the same terms and conditions in proportion to their capital contribution. In view of this, the Group retains a total amount of shareholders' loans of no more than RMB150 million for C&C Trucks until the exclusion date. The maturity date shall be 60 days from the date of completion of the industrial and commercial registration of changes of C&C Trucks (i.e., the "completion date" as agreed in the Restructuring Agreement) or 31 March 2023 (whichever is earlier), and the interest rate is fixed at 3.64% on an annualized basis.

**2. *In respect of the financial assistance that may increase from the exclusion date up to the end of June 2023 of not more than RMB350 million***

At the same time, since financial institutions can only approve additional bank credit facilities for C&C Trucks according to its new shareholding structure and guarantee structure upon its completion of the industrial and commercial registration of changes, during a certain period upon completion of the Restructuring Transaction, C&C Trucks can only repay the existing debts as they fall due with its own operating cash flows or capital increase. However, the Group has provided guarantee for the existing debts of C&C Trucks, and to avoid triggering a default on the debts, the Group may provide C&C Trucks with shareholders' loans for settlement of the external debts due. Therefore, the Group may provide additional financial assistance to it from the date of exclusion of C&C Trucks up to the end of June 2023.

Since financial institutions can only approve bank credit facilities for C&C Trucks according to its new shareholding structure and guarantee structure upon its completion of the industrial and commercial registration of changes, considering that the other shareholders will not provide loans according to the shareholding ratio after the exclusion, but the other shareholders will provide guarantees according to the shareholding ratio to obtain external credits to replace the existing debts before the exclusion. Therefore, the Group may provide additional financial assistance of not more than RMB350 million from the exclusion date up to the end of June 2023, with the maturity date of 180 days from the date of completion of the industrial and commercial registration of changes of C&C Trucks (i.e., the "completion date" as agreed in the Restructuring Agreement). The interest rate will be determined according to the market interest rate at that time.

The Financial Assistance will not affect the normal business development and use of funds of the Group and does not fall within the circumstances under which financial assistance shall not be provided as stipulated in the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Shenzhen Stock Exchange Self-discipline Supervisory Guidelines for Listed Companies No. 1 – Main Board Listed Company Standard Operation (《深圳證券交易所上市公司自律監管指引第1號 – 主板上市公司規範運作》) and other requirements. Except for the Financial Assistance, there is no disguised financial assistance for C&C Trucks in the form of operational fund transfers after the Restructuring Transaction.

**(II) Decision-Making Procedures to be Performed**

The Financial Assistance has been considered and approved by more than two-thirds of the Directors present at the sixteenth meeting in 2022 of the tenth session of the Board of the Company. The independent Directors of the Company have expressed their agreed independent opinions. This matter is not required to be submitted to the general meeting of the Company for consideration.

**(III) Basic Information of the Target of Assistance**

**1. Basic information on C&C Trucks**

Company Name:	C&C Trucks Co., Ltd
Company Type:	Other limited liability company
Date of Establishment:	12 March 2009
Legal Representative:	LI Yinhu
Unified Social Credit Code:	91340208686851845K
Registered Address:	No. 8, Huadian Avenue, Sanshan District, Wuhu City, Anhui Province
Registered Capital:	RMB1,570,000,000
Scope of Operations:	Research and development, manufacturing, assembly and sales of automobile chassis, heavy-duty, middle-duty and light-duty vehicles series products; production and sales of engineering machinery, mechanical and electrical products and their components and parts and auto parts (excluding engines); manufacturing and sales of agricultural vehicles and their spare and accessory parts, agricultural machinery and their spare and accessory parts and chains; modification and sales of automobiles; automobile, hang machine and agricultural machinery repair; export of three-wheeled agricultural vehicles and four-wheeled agricultural vehicles; engaging in the export of self-produced products; engaging in the import and export of raw and auxiliary materials, instruments, machinery and equipment and spare and accessory parts required for the production of the company; technical services and transactions and technology import. (For businesses that are subject to approval in accordance with the laws, they may only be commenced after obtaining approval from the relevant authorities)

Shareholding Structure:

Name of Shareholders	Shareholding Percentage as at the Date of this Announcement	Shareholding Percentage upon Completion of the Restructuring Transaction
The Company	73.89%	35.42%
Wuhu Tairui Automobile Co., Ltd.	26.11%	–
Chery Commercial Vehicle	–	35.42%
Wuhu Industrial Fund	–	17.50%
Xingzhong VC	–	11.66%
Total	100%	100%

Connected Relationship:

Prior to the Restructuring Transaction, C&C Trucks was a subsidiary within the scope of the Company's consolidated statements. Upon completion of the Restructuring Transaction, C&C Trucks will become an associate company of the Company and will no longer be included in the scope of the Company's consolidated statements.

**2. Key financial indicators**

*Unit: RMB'000*

	<b>2021</b> (Audited)
Revenue	1,507,957.99
Operating profit	-418,321.51
Profit before tax	-424,046.02
Net profit attributable to the parent company	-484,830.77
Net cash flows generated from the operating activities	231,297.67

**31 December  
2021**  
(Audited)

Total assets	2,683,453.33
Net assets attributable to the parent company	-788,852.41
Total liabilities	3,472,305.74
Accounts receivables	539,665.77
Total amounts involved in contingencies	580,930.17

*Note 1:* The total amount involved in contingencies represents the contingent liabilities resulted from the credit guarantees provided by C&C Trucks for the financing facilities granted by relevant banks for C&C Trucks' s dealers and clients to buy vehicle products.

*Note 2:* Upon completion of the Restructuring Transaction, the gearing ratio of C&C Trucks will be less than 70%.

### **3. Credit status**

Based on the Company's reasonable enquiries, C&C Trucks is not a dishonest person subject to enforcement.

#### **(IV) Risk Prevention Measures Taken**

According to the Restructuring Agreement, the shareholders of each party shall provide guarantees to the financial institutions in proportion to their equity interests within two months after the completion date of the Restructuring Transaction, so as to complete the replacement of the existing guarantees. At the same time, after the restructuring, the financial and capital position of C&C Trucks will be significantly improved and will have certain external financing capability by then. In addition, the Group will also actively assist the restructured C&C Trucks to establish new financing channels to repay the shareholders' loans given by the Group as soon as possible. Therefore, the risks of the Group's external financial assistance arising from the Restructuring Transaction are within the controllable range and will not have significant impact on the daily operation of the Company.

#### **(V) Accumulative Financial Assistance to External Parties by the Company**

As of 30 November 2022, the balance of financial assistance to external parties by the Company, other than this external financial assistance, was approximately RMB57.87 million, representing 0.13% of the Company's latest audited net assets attributable to the parent company. The Company has no overdue financial assistance to external parties.

## **V. OPINION OF THE BOARD**

The relevant resolution on the adjustment to the agreement related to the Restructuring Transaction and the Financial Assistance was considered and approved at the sixteenth meeting in 2022 of the tenth session of the Board of the Company on 23 December 2022, and no related/connected Directors were required to abstain from voting.

The provision of the external financial assistance is the result of voluntary negotiation between the parties. It is entered into in line with the principle of voluntariness, equality, mutual benefit, fairness and impartiality. The Company comprehensively evaluated the asset quality, business situation, industry prospect, solvency, credit status and performance ability of the target of assistance, and believed that the financial assistance risk was controllable and would not have a significant impact on the daily operation of the Company.

## **VI. OPINION OF INDEPENDENT DIRECTORS**

After verification of the external financial assistance, the independent Directors of the Company expressed their independent opinions as follows:

1. The financial assistance provided by the Group to C&C Trucks was formed in the ordinary course of business development and on normal commercial terms or better with controllable risks, and in compliance with the relevant laws and regulations and the Articles of Association, as well as in the interests of the Group and all shareholders.
2. The procedures for the consideration of the above financial assistance matters were in compliance with the relevant laws and regulations as well as the Articles of Association, and adhered to the principles of fairness, openness and impartiality. No circumstances were found to be detrimental to the interests of the Group and all shareholders, especially minority shareholders.

## **VII. IMPLICATIONS OF THE LISTING RULES**

Since all applicable percentage ratios in respect of each of the above-mentioned Financial Assistance are less than 5%, the Financial Assistance does not constitute a discloseable transaction under Chapter 14 of the Hong Kong Listing Rules, and is exempt from reporting, announcement and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

## **VIII. OTHERS**

The Company will fulfill its information disclosure obligations in a timely manner in accordance with the relevant laws and regulations and other requirements and in light of the progress of the relevant matters.



## DEFINITIONS

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

“Articles of Association”	the articles of association of China International Marine Containers (Group) Co., Ltd.
“Board”	the board of Directors of the Company
“C&C Trucks” or “Target Company”	C&C Trucks Co., Ltd., a company established in the PRC with limited liability
“Capital Increase Agreement”	the Capital Increase Agreement Among China International Marine Containers (Group) Co., Ltd., Chery Commercial Vehicle (Anhui) Co., Ltd., Wuhu Industrial Investment Fund Co., Ltd., Wuhu Xingzhong Venture Capital Co., Ltd. and C&C Trucks Co., Ltd. in respect of C&C Trucks Co., Ltd. proposed to be entered into by the Company, Chery Commercial Vehicle, Wuhu Industrial Fund and Xingzhong VC
“Chery Commercial Vehicle”	Chery Commercial Vehicle (Anhui) Co., Ltd. (奇瑞商用車(安徽)有限公司), a company established in the PRC with limited liability
“Chery Holding”	Chery Holding Group Co. Ltd. (奇瑞控股集團有限公司), a company established in the PRC with limited liability
“Company” or “CIMC Group”	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 in January 1980, 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



“Equity Transfer Agreement”	the Equity Transfer Agreement Between Wuhu Tairui Automobile Co., Ltd. and China International Marine Containers (Group) Co., Ltd. in respect of the 26.11465% equity interests in C&C Trucks Co., Ltd. proposed to be entered into by the Company, C&C Trucks and its current shareholder Wuhu Tairui, was renamed as the Equity Transfer Agreement Between Chery Holding Group Co. Ltd. and China International Marine Containers (Group) Co., Ltd. in respect of the 26.11465% equity interests in C&C Trucks Co., Ltd. after adjustment
“Financial Assistance”	collectively, financial assistance formed by shareholders’ loans of not more than RMB150 million in aggregate retained by C&C Trucks at the exclusion date of the Restructuring Transaction and financial assistance that may increase from the exclusion date up to the end of June 2023 of not more than RMB350 million
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“New Strategic Investors”	Chery Commercial Vehicle, Wuhu Industrial Fund and Xingzhong VC, collectively as new strategic investors of the Target Company
“PRC”	the People’s Republic of China
“Restructuring Agreement”	the Restructuring Agreement Regarding C&C Trucks Co., Ltd. proposed to be entered into by the Company, Chery Commercial Vehicle, Wuhu Industrial Fund, Xingzhong VC and C&C Trucks
“Restructuring Transaction”	the proposed introduction of Chery Commercial Vehicle, Wuhu Industrial Fund and Xingzhong VC as the New Strategic Investors to the Target Company through entering into by relevant parties the Restructuring Agreement, the Wuhu Tairui Equity Transfer Agreement, the Equity Transfer Agreement and the Capital Increase Agreement, which were considered and approved at the ninth meeting in 2022 of the tenth session of the Board on 12 October 2022

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of share(s) of the Company
“Wuhu Industrial Fund”	Wuhu Industrial Investment Fund Co., Ltd., a company established in the PRC with limited liability
“Wuhu Tairui”	Wuhu Tairui Automobile Co., Ltd., a company established in the PRC with limited liability
“Xingzhong VC”	Wuhu Xingzhong Venture Capital Co., Ltd. (蕪湖市興眾風險投資有限公司), a company established in the PRC with limited liability

This announcement is available for reviewing on the website of the Company at <http://www.cimc.com> and the website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk>.

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

Hong Kong, 23 December 2022

*As at the date of this announcement, the Board comprises Mr. MAI Boliang (Chairman) as an executive Director; Mr. ZHU Zhiqiang (Vice-chairman), Mr. HU Xianfu (Vice-chairman), Mr. SUN Huirong and Mr. DENG Weidong as non-executive Directors; and Mr. YANG Xiong, Mr. ZHANG Guanghua and Ms. LUI FUNG Mei Yee, Mabel as independent non-executive Directors.*