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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)

CONTINUING CONNECTED TRANSACTIONS

THE FRAMEWORK AGREEMENTS

On 24 February 2023, the Company entered into the Framework Agreement – CIMC Leasing and Framework Agreement – Huijin Intelligent with CIMC Leasing and Huijin Intelligent respectively to agree on the Proposed Caps in respect of the transactions for the three years from 1 January 2023 to 31 December 2025. The Group will continue to provide goods and/or services to Leasing Company and Huijin Company, as well as receive the goods and services provided by Leasing Company (the “**Connected Transactions**”).

IMPLICATION OF HONG KONG LISTING RULES

As the date of this announcement, Shenzhen Capital Group and its wholly-owned subsidiary Shenzhen Capital (Hong Kong) Container Investment Co., Ltd. in aggregate hold 29.74% of the Company’s issued shares and therefore Shenzhen Capital Group is the largest Shareholder of the Company, CIMC Leasing and Huijin Intelligent are subsidiaries of Shenzhen Capital Group. Under Chapter 14A of the Hong Kong Listing Rules, as Leasing Company and Huijin Company are connected persons of the Company, the transactions between the Group and Leasing Company and Huijin Company under the Framework Agreements constitute the Continuing Connected Transactions of the Company.

As the transactions under the Framework Agreements were entered into between parties who are connected with one another within a period of 12 months, the transactions contemplated thereunder shall be aggregated as required under the Rule 14A.81 of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Hong Kong Listing Rules) in respect of the Proposed Caps under the Framework Agreements exceed 0.1% but are less than 5%, the Framework Agreements constitute the Continuing Connected Transactions of the Company and are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders’ approval requirement under Chapter 14A of the Hong Kong Listing Rules.

On 24 February 2023, the Resolutions regarding the Continuing Connected Transactions/Ordinary Related-party Transactions with the Relevant Subsidiaries of Shenzhen Capital Operation Group Co., Ltd. were considered and approved at the second meeting in 2023 of the tenth session of the Board of the Company. As Mr. Zhu Zhiqiang, the vice chairman of the Company, and Mr. Sun Huirong, a Director of the Company, hold positions in Shenzhen Capital Group or its subsidiaries, they are deemed to be materially interested in the Continuing Connected Transactions. Therefore, Mr. Zhu Zhiqiang and Mr. Sun Huirong have abstained from voting on the resolutions in relation to the Continuing Connected Transactions contemplated proposed to the Board. Save as disclosed above, none of the members of the Board is materially interested in the Continuing Connected Transactions.

IMPLICATION OF SHENZHEN LISTING RULES

As the date of this announcement, Shenzhen Capital Group is the largest Shareholder of the Company, and CIMC Leasing and Huijin Intelligent are subsidiaries of Shenzhen Capital Group. According to Chapter 6 of the Shenzhen Listing Rules, CIMC Leasing and its subsidiaries, Huijin Intelligent and its subsidiaries are related legal persons of the Company, and the transactions under the Framework Agreements constitute ordinary related-party transactions of the Company.

HISTORICAL ACTUAL TRANSACTIONS

The respective actual transactions between the Group and Leasing Company and Huijin Company for the years ended 31 December 2020, 2021 and 2022 are as follows:

Unit: RMB in hundred million

Connected persons	The scope of the Continuing Connected Transactions	The content of the Continuing Connected Transactions	For the	For the	For the
			year ended 31 December 2020	year ended 31 December 2021	year ended 31 December 2022 (unaudited)
Leasing Company	Sale of goods and provision of services to the other party by the Group	Sale of containers, vehicles, energy and chemical equipment, and provision of logistics services, etc.	12.54	15	9.61 (Note)
	Purchase of goods and receiving of services from the other party by the Group	Purchase of logistics equipment and other goods and receiving financial leasing, operating leasing, entrusted leasing, consulting and other services, etc.	0.72	0.6	2.20 (Note)
Huijin Company	Provision of services to the other party by the Group	Provision of logistics and other services, etc.	–	0.15	0.10

Note: This is the annual transaction data of the Group and the Leasing Company in 2022. On 27 May 2022, CIMC Leasing completed the change of industrial and commercial registration and equity delivery and became a subsidiary of Shenzhen Capital Group. CIMC Leasing was no longer consolidated into the consolidated statements of the Group and became an associate of the Group.

THE FRAMEWORK AGREEMENTS

On 24 February 2023, the Company entered into the Framework Agreements with CIMC Leasing and Huijin Intelligent respectively in respect of the proposed Continuing Connected Transactions. Each transaction under the Framework Agreements will be conducted in the ordinary and usual course of business of the Group and will be agreed on an arm's length basis with terms which are fair and reasonable to the Group.

Principal Terms of the Framework Agreements

Signing date

24 February 2023

Parties

- (a) The Company (for itself and on behalf of its subsidiaries) signed the Framework Agreement – CIMC Leasing with CIMC Leasing (for itself and on behalf of its subsidiaries, etc.);
- (b) The Company (for itself and on behalf of its subsidiaries) signed the Framework Agreement – Huijin Intelligent with Huijin Intelligent (for itself and on behalf of its subsidiaries, etc.).

Nature of the transactions

The details of the two Framework Agreements are as follows:

Parties	The scope of the Continuing Connected Transactions	The content of the Continuing Connected Transactions
(1) The Company and CIMC Leasing	Sale of goods and provision of services to the other party by the Group Purchase of goods and receiving of services from the other party by the Group	Sale of containers, vehicles, energy and chemical equipment, and provision of logistics services, etc. Purchase of logistics equipment and other goods and receiving financial leasing, operating leasing, entrusted leasing, consulting and other services, etc.
(2) The Company and Huijin Intelligent	Provision of services to the other party by the Group	Provision of logistics and other services, etc.

According to the terms of the Framework Agreements, Leasing Company, Huijin Company and the relevant members of the Group shall enter into specific contracts for subsequent goods or services to agree on specific transaction terms respectively.

Pricing policies

In accordance with the Framework Agreements, the pricing policies of the Continuing Connected Transactions shall be determined on arm's length basis and on normal commercial terms, and the price of goods and/or services to be provided between the Group and Leasing Company and Huijin Company, respectively, shall be the market price. The details are as follows:

- (1) Supply of goods and/or provision of services to connected persons by the Group:
 - (a) Regarding supply of goods, where the bidding process is required, the bidding price shall prevail. Where there is no bidding process and the commodities involved are leased items in the financial leasing business (direct leasing), the price determined by the Company and the lessee in the financial leasing business (connected persons shall not interfere/intervene in the transaction price in principle) shall prevail, except for the circumstance in which commodities involved are leased items in the financial leasing business (leaseback); in other circumstances, prices will be determined with reference to market prices (including comparable local, domestic or international market prices) based on the type and quality of the commodities. Market price data will be collected by independent third parties such as industry associations; and
 - (b) Regarding provision of services, where there is a bidding process, the bidding price shall prevail; where there is no bidding process, the price shall be determined with reference to the price of the same or similar business activities carried out by the parties with unrelated third parties and/or market price when entering into the relevant agreement.
- (2) Purchase of goods and receiving of services from connected persons by the Group:
 - (a) Regarding purchase of goods, where there is a bidding process, the bidding price shall prevail; where there is no bidding process, the price shall be determined with reference to the price of similar goods purchased from independent third parties and/or market price (including the comparable local, domestic or international market price) based on the goods' type and quality (if applicable). The market price data shall be collected through independent third parties such as industry associations; and
 - (b) Regarding receiving of services, where there is a bidding process, the bidding price shall prevail; where there is no bidding process, the price shall be determined with reference to the price of the same or similar business activities carried out by the parties with unrelated third parties and/or market price when entering into the relevant agreement.

The Continuing Connected Transactions under the Framework Agreements are mainly in relation to the sales of goods by the Group to counterparties, including containers, vehicles, energy and chemical equipment, which are the main business products of the Group with a wide range of customers, and there are quotations from a number of customers who are independent third parties in the market for reference. The above mentioned prices and terms will not deviate from the prices and terms of transactions with at least two independent third parties who carry out the same or similar business activities during the same period. In addition, the relevant departments of the Group will regularly conduct a comprehensive analysis of the profitability of the supply or receiving of similar goods and/or services to and from different customers (including connected persons and independent third-party customers), and reflect the analysis results to the business departments for reference in making pricing adjustment decisions.

Payment method

Payments will be made in accordance with the terms in the specific contracts to be entered into between Leasing Company and Huijin Company and the relevant members of the Group under the Framework Agreements.

Valid term

The Framework Agreements shall be valid upon performing approval process and signing by all parties and the Company's compliance with the relevant procedures under the Shenzhen Listing Rules and Hong Kong Listing Rules, and shall expire on 31 December 2025.

PROPOSED CAPS AND BASIS OF DETERMINATION

The Proposed Caps in respect of the Continuing Connected Transactions agreed for the three years ending 31 December 2023, 2024 and 2025 are set out respectively as below:

Unit: RMB in hundred million

Connected persons	The scope of the Continuing Connected Transactions	For the year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025
Leasing Company	Sale of goods and provision of services to the other party by the Group	14.1	14.1	14.1
	Purchase of goods and receiving of services from the other party by the Group	1.0	1.0	1.0
Huijin Company	Provision of services to the other party by the Group	0.5	0.5	0.5

The Proposed Caps have been determined with reference to, among other things, the following factors: 1) the historical transactions of goods and/or services between the Group and Leasing Company and Huijin Company, respectively; 2) the estimated annual transaction demand for goods and/or services for the next three years ending 31 December 2025 between Leasing Company and Huijin Company and the Group, respectively, derived from the expected development of the global related industry; and 3) the estimated price fluctuation.

INTERNAL CONTROL MEASURES

The Company has established a series of measures and policies, including contract policies, related-party transaction management methods and internal control management methods, to ensure that the Continuing Connected Transactions will be carried out in accordance with the agreements. The Company's auditing and monitoring department conducts annual internal assessments on the internal control measures of the Company to ensure that the internal control measures in respect of the Continuing Connected Transactions remain comprehensive and effective, and reports the test results to the audit committee of the Board, the Board and the supervisory committee of the Company. The Company has also launched an early warning system for related party transactions, which will provide emails regarding aggregated analysis of the related party transactions of the Group, including the name of counterparty, transaction year, total transaction amount so far and quota ratio, so that the Company can conduct regular monitoring of related party transactions. The Company's external auditors conduct an annual audit on the Company's internal control measures in respect of financial reporting and an annual review on the Continuing Connected Transactions pursuant to the requirements under the Hong Kong Listing Rules.

REASONS FOR AND BENEFIT OF THE CONTINUING CONNECTED TRANSACTIONS

The entering into of the Framework Agreements is in line with the actual needs for the operation and development of the Group's principal businesses. The conducting of the Continuing Connected Transactions will not prejudice the interests of the Company and the Shareholders, especially the minority Shareholders, nor adversely affect the independence of the Company. The conducting of such transactions will not give rise to reliance of the principal businesses of the Company on related parties.

The Directors, including the independent non-executive Directors, are of the view that the Framework Agreements were entered into on normal commercial terms on arm's length basis in the ordinary and usual course of business of the Group with terms which are fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

CONSIDERATION BY THE COMPANY

The relevant resolutions on the Connected Transactions have been considered and approved at the second meeting in 2023 of the tenth session of the Board of the Company held on 24 February 2023. Mr. Zhu Zhiqiang and Mr. Sun Huirong, both being related Directors, have abstained from voting, and other non-related Directors unanimously approved the resolutions. The independent Directors of the Company have conducted a prior review and issued independent opinions.

PRIOR APPROVAL AND INDEPENDENT OPINIONS OF INDEPENDENT DIRECTORS OF THE COMPANY

1. Upon prior review, the independent Directors of the Company believe that the Continuing Connected Transactions comply with the requirements of relevant laws and regulations and the Articles of Association of China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司) (the “**Articles of Association**”) and are formed during the business development of the Group. The Framework Agreements signed by the parties were entered into on normal commercial terms or better terms on arm’s length basis in the ordinary and usual course of business. The terms are fair and reasonable, and in the interest of the Group and all Shareholders as a whole, and conducive to the sustained and stable development of the Company.
2. The consideration and voting procedures for the Continuing Connected Transactions comply with the requirements of relevant laws and regulations and the Articles of Association. The transactions followed the principles of fairness, openness and impartiality. Mr. Zhu Zhiqiang, the vice chairman and Mr. Sun Huirong, a Director, as connected persons/related parties, have abstained from voting, and no circumstance was found that would harm the interests of the Group and all Shareholders, especially the minority Shareholders.

GENERAL INFORMATION OF THE PARTIES

The Company

The Company is a joint stock company established in the PRC with limited liability, the H shares and A shares of which are listed on the Main Board of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, respectively. The Group is principally engaged in the manufacture of containers, road transportation vehicles, airport facilities and logistics equipment/fire and rescue equipment, energy/chemical/liquid food equipment and offshore engineering equipment as well as the provision of relevant services, including the design and manufacture of international standard dry containers, reefer containers, special-purpose containers, tank containers, wooden container floorboards, road tank trucks, natural gas processing equipment and static tanks, road transportation vehicles, heavy trucks, jack-up drilling platforms, semi-submersible drilling platforms, special vessels, passenger boarding bridges and bridge-mounted equipment, airport ground support equipment, fire safety and rescue vehicles, automated logistics system and intelligent parking system and relevant services. In addition, the Group is also engaged in logistics services business, finance and asset management and other businesses. Through business expansion and technology upgrading, the Group has formed an industry cluster focusing on key equipment and solutions provided for the logistics and energy industries.

CIMC Leasing

Name of company:	CIMC Financial Leasing Co., Ltd.
Date of Establishment:	30 July 2007
Registered Address:	Units A, C, D, G and H, 20th Floor, Tower 1, China Merchants Plaza, No. 1166, Wanghai Road, Shekou, Nanshan District, Shenzhen
Legal Representative:	Zhu Zhiqiang
Registered Capital:	RMB1,481.37685683 million
Information of Equity:	As at the date of this announcement, Shenzhen Capital Group, Shenzhen City Energy Group Co., Ltd., a subsidiary of Shenzhen Capital Group, the Company, China International Marine Containers (Hong Kong) Limited, a wholly-owned subsidiary of the Company, and Tianjin Kairuikang Enterprise Management Consulting Partnership (Limited Partnership) hold 39.4335%, 13.8850%, 21.3216%, 24.1102% and 1.2497% of CIMC Leasing, a subsidiary of Shenzhen Capital Group, respectively.
Principal Businesses:	Financial leasing business; leasing business; purchase of leased properties from domestic and abroad; residual value disposal and repair of leased properties (on-site repair only); lease transaction consulting and guarantee business; as well as other businesses approved by the approving department. Domestic freight forwarding; loading, unloading and transportation; leasing of machinery and equipment; warehousing services for general goods (excluding dangerous chemicals and items that require permits and approvals); low-temperature storage (excluding dangerous chemicals and items that require permits and approvals).

Key consolidated financial data of CIMC Leasing:

Unit: RMB in hundred million

	2022 (Unaudited)
Revenue	13.97
Profit before tax	5.11
Net profit attributable to the parent company	3.74
	31 December 2022 (Unaudited)
Total assets	225.34
Net assets attributable to the parent company	42.89

Huijin Intelligent

Name of company:	Shenzhen Huijin Intelligent Industry Co., Ltd.* (深圳市匯進智能產業股份有限公司)
Date of Establishment:	14 September 2018
Registered Address:	Rooms 822, 823, 825 and 826, China South Development Tower, No. 1 Hua Nan Main Road, Hehua Community, Pinghu Street, Longgang District, Shenzhen
Legal Representative:	Zhou Yunfu (周雲福)
Registered Capital:	RMB360 million
Information of Equity:	As at the date of this announcement, Shenzhen Capital Group, Shenzhen Yuanzhifuhai No. 6 Investment enterprise LP and Shenzhen Yuanzhifuhai No.17 Investment enterprise LP hold 65.1714%, 26.7699% and 8.0587% of Huijin Intelligent, a subsidiary of Shenzhen Capital Group, respectively.
Principal Businesses:	Research and development of intelligent industrial technology; investment in and establishment of industries.

Key consolidated financial data of Huijin Intelligent:

Unit: RMB in hundred million

	January to October 2022 (Unaudited)
Revenue	18.19
Profit before tax	1.63
Net profit attributable to the parent company	1.31
	31 October 2022 (Unaudited)
Total assets	23.90
Net assets attributable to the parent company	17.32

IMPLICATION OF HONG KONG LISTING RULES

As the date of this announcement, Shenzhen Capital Group and its wholly-owned subsidiary Shenzhen Capital (Hong Kong) Container Investment Co., Ltd. in aggregate hold 29.74% of the Company's issued shares and therefore Shenzhen Capital Group is the largest Shareholder of the Company, CIMC Leasing and Huijin Intelligent are subsidiaries of Shenzhen Capital Group. Under Chapter 14A of the Hong Kong Listing Rules, as Leasing Company and Huijin Company are connected persons of the Company, the transactions between the Group and Leasing Company and Huijin Company under the Framework Agreements constitute the Continuing Connected Transactions of the Company.

As the transactions under the Framework Agreements were entered into between parties who are connected with one another within a period of 12 months, the transactions contemplated thereunder shall be aggregated as required under the Rule 14A.81 of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Hong Kong Listing Rules) in respect of the Proposed Caps under the Framework Agreements exceed 0.1% but are less than 5%, the Framework Agreements constitute the Continuing Connected Transactions of the Company and are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

On 24 February 2023, the Resolutions regarding the Continuing Connected Transactions/Ordinary Related-party Transactions with the Relevant Subsidiaries of Shenzhen Capital Operation Group Co., Ltd. were considered and approved at the second meeting in 2023 of the tenth session of the Board of the Company. As Mr. Zhu Zhiqiang, the vice chairman of the Company, and Mr. Sun Huirong, a Director of the Company, hold positions in Shenzhen Capital Group or its subsidiaries, they are deemed to be materially interested in the Continuing Connected Transactions. Therefore, Mr. Zhu Zhiqiang and Mr. Sun Huirong have abstained from voting on the resolutions in relation to the Continuing Connected Transactions contemplated proposed to the Board. Save as disclosed above, none of the members of the Board is materially interested in the Continuing Connected Transactions.

IMPLICATION OF SHENZHEN LISTING RULES

As the date of this announcement, Shenzhen Capital Group is the largest Shareholder of the Company, and CIMC Leasing and Huijin Intelligent are subsidiaries of Shenzhen Capital Group. According to Chapter 6 of the Shenzhen Listing Rules, CIMC Leasing and its subsidiaries, Huijin Intelligent and its subsidiaries are related legal persons of the Company, and the transactions under the Framework Agreements constitute ordinary related-party transactions of the Company.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“CIMC Leasing”	CIMC Financial Leasing Co., Ltd. (中集融資租賃有限公司)
“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 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
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Continuing Connected Transactions”	the continuing connected transactions contemplated under the Framework Agreements
“Director(s)”	the director(s) of the Company

“Framework Agreements”	the agreements entered into by the Company with CIMC Leasing and Huijin Intelligent respectively on 24 February 2023 in relation to (i) the supply of commodities and/or provision of services to Leasing Company and Huijin Company by the Group; and (ii) the receiving of commodities and services from Leasing Company by the Group, which shall be valid upon performing approval process and signing by all parties and the Company’s compliance with the relevant approval procedures under the Shenzhen Listing Rules and Hong Kong Listing Rules, and shall expire on 31 December 2025. The details are as follows:
	<ol style="list-style-type: none"> (1) The Company signed the Framework Agreement - CIMC Leasing with CIMC Leasing; (2) The Company signed the Framework Agreement - Huijin Intelligent with Huijin Intelligent.
“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
“Huijin Company”	Huijin Intelligent and its subsidiaries, etc
“Huijin Intelligent”	Shenzhen Huijin Intelligent Industry Co., Ltd. (深圳市匯進智能產業股份有限公司)
“independent third party(ies)”	parties who are not the connected persons of the Company
“Leasing Company”	CIMC Leasing and its subsidiaries, etc
“PRC”	the People’s Republic of China
“Proposed Caps”	the transaction caps for the 3 years from 1 January 2023 to 31 December 2025 under the Framework Agreements entered into between the Company and CIMC Leasing and Huijin Intelligent respectively
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of share(s) of the Company

“Shenzhen Capital Group”	Shenzhen Capital Operation Group Co., Ltd.* (深圳市資本運營集團有限公司), a company established in the PRC with limited liability. As at the date of this announcement, Shenzhen Capital Group and its wholly-owned subsidiary, Shenzhen Capital (Hong Kong) Container Investment Co., Ltd. hold 29.74% of the Company’s issued shares and therefore Shenzhen Capital Group is the largest Shareholder of the Company
“Shenzhen Listing Rules”	the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“%”	per cent

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, 24 February 2023

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.

* for identification purposes only