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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 26 June 2023, the Company entered into the Framework Agreements with CMOEI 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 services to the CMOEI Group.

IMPLICATION OF HONG KONG LISTING RULES

As the date of this announcement, CMOEI is a wholly-owned subsidiary of China Merchants, which is a Substantial Shareholder of the Company, and therefore CMOEI Group is a connected person of the Company. Therefore, the transactions between the Group and the CMOEI Group under the Framework Agreements constitute the Continuing Connected Transactions of the Company under Chapter 14A 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 26 June 2023, the Resolutions regarding the Continuing Connected Transactions/Ordinary Related-party Transactions with China Merchants Offshore Engineering Investment Shenzhen Co., Ltd. (深圳市招商局海工投資有限公司) were considered and approved at the twelfth meeting in 2023 of the tenth session of the Board of the Company. As Mr. HU Xianfu, the vice chairman and Mr. DENG Weidong, a Director of the Company, hold positions in China Merchants or its subsidiaries, they are deemed to be materially interested in the Continuing Connected Transactions. Therefore, Mr. HU Xianfu and Mr. DENG Weidong 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.

HISTORICAL ACTUAL TRANSACTIONS

The actual transactions between the Group and the CMOEI Group for the three years ended 31 December 2020, 2021 and 2022 were as follows:

Unit: RMB in thousand

Connected person	The scope of the Continuing Connected Transactions	The content of the Continuing Connected Transactions	For the year ended 31 December 2020	For the year ended 31 December 2021	For the year ended 31 December 2022
CMOEI Group	Sale of goods to the CMOEI Group by the Group	Sales of LNG storage tanks and labour protection gears	-	314	410

THE FRAMEWORK AGREEMENTS

On 26 June 2023, the Company entered into the Framework Agreements with CMOEI 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

26 June 2023

Parties

- (a) The Company (for itself and on behalf of its subsidiaries); and
- (b) CMOEI (for itself and on behalf of its subsidiaries and associates).

Nature of the transactions

The details of the transactions under the Framework Agreements are as follows:

Parties	The scope of the Continuing Connected Transactions	The content of the Continuing Connected Transactions
The Company and CMOEI	Sale of goods and provision of services to the CMOEI Group by the Group	Sale of LNG tanks and labour protection gears, and provision of shipping agency services, etc.

According to the terms of the Framework Agreements, the CMOEI Group 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 services to be provided by the Group to the CMOEI Group shall be the market price. The details are as follows:

Supply of goods and 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, 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 (if applicable). 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.

The Continuing Connected Transactions under the Framework Agreements are mainly in relation to the sales of goods by the Group to the CMOEI Group, mainly including LNG storage tanks, which are the main business products of the Group. The Group has a wide range of customers, and there are 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 the CMOEI Group and the relevant members of the Group under the Framework Agreements.

Valid term

The Framework Agreements shall be valid upon signing by both parties and the Company's compliance with the relevant procedures under the Shenzhen Listing Rules and the Hong Kong Listing Rules, with a valid period from 1 January 2023 to 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 thousand

Connected person	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
CMOEI Group	Sale of goods and provision of services to the CMOEI Group by the Group	200,000	200,000	200,000

The Proposed Caps have been determined with reference to, among other things, the following factors: 1) the historical transactions of goods and services between the Group and the CMOEI Group; 2) the estimated annual transaction demand for goods and services for the next three years ending 31 December 2025 between the CMOEI Group 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

Since this year, the Group has recorded improving performance in the marine engineering market, and the rapid growth in global orders for green-powered vessels have driven the increase in demand for LNG storage tanks. Given that the Group's subsidiaries in the energy, chemical and liquid food equipment segment are able to meet customers' needs in terms of production and professional capacities, quality and delivery time and their pricing is competitive in the market, it's expected to record a higher growth in business volume as compared to previous years. 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 connected persons.

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 Continuing Connected Transactions have been considered and approved at the twelfth meeting in 2023 of the tenth session of the Board of the Company held on 26 June 2023. Mr. HU Xianfu and Mr. DENG Weidong, 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 good 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. HU Xianfu, the vice chairman and Mr. DENG Weidong, 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 a world leading equipment and solution provider in the logistics and energy industries and is principally engaged in the manufacture of containers, road transportation vehicles, energy/chemical/liquid food equipment, offshore engineering equipment, airport facilities 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 recycled load business, logistics services business, finance and asset management and other businesses. Through business expansion and technology development, the Group has formed an industry cluster focusing on key equipment and solutions provided for the logistics and energy industries.

CMOEI

China Merchants Offshore Engineering Investment Shenzhen Co., Ltd. (深圳市招商局海工投資有限公司), a company established in the PRC with limited liability, is a wholly-owned subsidiary of China Merchants, a Substantial Shareholder of the Company, and is mainly engaged in investment management. The Continuing Connected Transactions are mainly in relation to the sale of LNG tanks, etc by the subsidiaries of the Company to the wholly-owned subsidiaries of CMOEI, the business scopes of which include the design and manufacturing of vessels, etc.

IMPLICATION OF HONG KONG LISTING RULES

As the date of this announcement, CMOEI is a wholly-owned subsidiary of China Merchants, which is a Substantial Shareholder of the Company, and therefore CMOEI Group is a connected person of the Company. Therefore, the transactions between the Group and the CMOEI Group under the Framework Agreements constitute the Continuing Connected Transactions of the Company under Chapter 14A 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 26 June 2023, the Resolutions regarding the Continuing Connected Transactions/Ordinary Related-party Transactions with China Merchants Offshore Engineering Investment Shenzhen Co., Ltd. (深圳市招商局海工投資有限公司) were considered and approved at the twelfth meeting in 2023 of the tenth session of the Board of the Company. As Mr. HU Xianfu, the vice chairman and Mr. DENG Weidong, a Director of the Company, hold positions in China Merchants or its subsidiaries, they are deemed to be materially interested in the Continuing Connected Transactions. Therefore, Mr. HU Xianfu and Mr. DENG Weidong 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.

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
“China Merchants”	China Merchants Group Limited (招商局集團有限公司), a state-owned enterprise established under the laws of the PRC, which is directly administered by the State-owned Assets Supervision and Administration Commission of the State Council. As at the date of this announcement, it holds 24.49% equity interests in the Company through its subsidiaries and is a Substantial Shareholder of the Company
“CMOEI”	China Merchants Offshore Engineering Investment Shenzhen Co., Ltd. (深圳市招商局海工投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of China Merchants, a Substantial Shareholder of the Company
“CMOEI Group”	CMOEI and its subsidiaries and associates
“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 CMOEI on 26 June 2023 in relation to the supply of commodities and provision of services to the CMOEI Group by the Group, which shall be valid upon signing by both parties and the Company’s compliance with the relevant approval procedures under the Shenzhen Listing Rules and the Hong Kong Listing Rules, with a valid period from 1 January 2023 to 31 December 2025
“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
“independent third party(ies)”	parties who are not the connected persons of the Company
“PRC”	the People’s Republic of China
“Proposed Caps”	the proposed annual transaction caps for the 3 years from 1 January 2023 to 31 December 2025 under the Framework Agreements entered into between the Company and CMOEI
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of share(s) 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, 26 June 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.