

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2 February 2024, the Company entered into the Framework Agreements with China Merchants Hoi Tung to agree on the Proposed Caps in respect of the transactions for the three years from 1 January 2024 to 31 December 2026. The Group will continue to provide goods and services to China Merchants Hoi Tung Group, and receive goods, etc. provided by China Merchants Hoi Tung Group.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, China Merchants Hoi Tung is a subsidiary of China Merchants, which is a substantial shareholder of the Company, and therefore China Merchants Hoi Tung Group is a connected person of the Company. Therefore, the transactions between the Group and China Merchants Hoi Tung Group under the Framework Agreements constitute the Continuing Connected Transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

Given that (i) on 26 June 2023, the Company entered into the relevant framework agreements (the “**CMOEI Agreement**”) with China Merchants Offshore Engineering Investment Shenzhen Co., Ltd., which provided that the Group shall sell goods and provide services to the counterparty on an ongoing basis, and agreed on the caps in respect of the transaction amounts for the three years from 1 January 2023 to 31 December 2025; and (ii) on 28 December 2023, the Company entered into the framework agreements with China Merchants Shekou Industrial Zone Holdings Co., Ltd. (the “**China Merchants Shekou Agreements**”), which provided that the Group shall provide goods to the counterparty on an ongoing basis, and receive goods and services provided by the counterparty, and agreed on the proposed caps in respect of the transactions for the three years from 1 January 2024 to 31 December 2026. China Merchants Hoi Tung, China Merchants Shekou Industrial Zone Holdings Co., Ltd. and China Merchants Offshore Engineering Investment Shenzhen Co., Ltd. are subsidiaries of China Merchants, therefore, the transaction under the Framework Agreements shall be aggregated with the proposed caps under the CMOEI Agreement and the China Merchants Shekou Agreements.

As one or more of the applicable percentage ratios (as defined under the Hong Kong Listing Rules) 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 2 February 2024, the Resolutions regarding the Continuing Connected Transactions/Ordinary Related-party Transactions with China Merchants Hoi Tung Trading Company Limited (招商局海通貿易有限公司) and Its Subsidiaries were considered and approved at the 1st meeting in 2024 of the tenth session of the Board of the Company. As Mr. HU Xianfu, the vice chairman of the Company and Mr. DENG Weidong, a Director, 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 contemplated Continuing Connected Transactions 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 China Merchants Hoi Tung Group for the three years ended 31 December 2021, 2022 and 2023 were as follows:

Unit: RMB in thousand

The scope of the connected/related-party transactions	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ended 31 December 2023
Purchase of goods, etc. from China Merchants Hoi Tung Group by the Group	–	215	14,125

THE FRAMEWORK AGREEMENTS

On 2 February 2024, the Company entered into the Framework Agreements with China Merchants Hoi Tung to agree on the Proposed Caps in respect of the transactions for the three years from 1 January 2024 to 31 December 2026. The Group will continue to provide goods and services to China Merchants Hoi Tung Group, and receive goods, etc. provided by China Merchants Hoi Tung Group.

Principal Terms of the Framework Agreements

Signing date

2 February 2024

Parties

- (1) The Company (for itself and on behalf of its subsidiaries); and
- (2) China Merchants Hoi Tung (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 connected transactions	The content of the connected transactions
The Company and China Merchants Hoi Tung	Purchase of goods, etc. from China Merchants Hoi Tung Group by the Group	Purchase of marine equipment, etc.
	Sales of goods and provision of services, etc. to China Merchants Hoi Tung Group by the Group	Sales of logistics and energy equipment and components and other goods and provision of logistics transportation and other services, etc.

According to the terms of the Framework Agreements, China Merchants Hoi Tung 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 an arm's length basis and on normal commercial terms, and the price of goods and/or services to be provided by the Group and China Merchants Hoi Tung Group to each other shall be the market price. The details are as follows:

1. Sales of goods and provision of services, etc. to connected persons by the Group:
 - (a) Regarding sales 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. Market price data will be collected by independent third parties such as industry associations.
 - (b) Regarding provision of services, where the bidding process is required, the bidding price shall prevail; where there is no bidding process, the price shall be determined with reference to the price for the same or similar business activities carried out by the third parties who have no affiliation or relationship with the parties at the time of entering into the relevant agreement and/or the market price.
2. Purchase of goods, etc. from connected persons by the Group:

Regarding purchase 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. Market price data will be collected by independent third parties such as industry associations.

The abovementioned 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 comprehensive analysis on the profitability of the provision or receiving of similar goods and/or services to or from different customers (including connected persons and independent third-party customers), and revert the analysis results to the business departments for their reference in making pricing adjustment decisions.

When the Group sells commodities such as logistics and energy equipment and components, and provides services such as logistics and transportation to China Merchants Hoi Tung Group, the Group will collect market rate data for various products and services provided by independent third parties on a regular basis. The Group purchases marine equipment products from China Merchants Hoi Tung Group and will seek the latest quotation from independent third-party suppliers on a regular basis to ensure that the prices of the purchased commodities, etc. are comparable to the prevailing market prices.

Payment method

Payments will be made in accordance with the terms in the specific contracts to be entered into between China Merchants Hoi Tung 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 complying with the approval procedures under the Shenzhen Listing Rules and the Hong Kong Listing Rules by the Company, with a valid period commencing from 1 January 2024 to 31 December 2026.

The Proposed Caps and basis of determination

The Proposed Caps in respect of the Continuing Connected Transactions agreed for the three years ending 31 December 2024, 2025 and 2026 are set out as below:

Unit: RMB in thousand

Connected Persons	The scope of the Continuing Connected Transactions	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
China Merchants Hoi Tung Group	Purchase of goods, etc. from China Merchants Hoi Tung Group by the Group	120,000	120,000	120,000
	Sale of goods and provision of services, etc. to China Merchants Hoi Tung Group by the Group	10,000	10,000	10,000

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 China Merchants Hoi Tung Group in 2021–2023.
- 2) The expected growth in demand for the Group's relevant business in the next three years ending 31 December 2026, driven by the expected development of related industries worldwide.

In terms of, among others, procurement of marine equipment and commodities by the Group: Driven by new decarbonization regulations, the new energy shipbuilding industry is experiencing an upswing. This, combined with the aging characteristics of ships in the shipping industry, has led shipowners to accelerate the replacement of older vessels, further increasing the demand for clean energy ships. In the coming years, there will be a significant increase in the number of newly added new energy-powered ships, with a rapid growth in orders for such vessels. Meanwhile, as the subsidiaries of the Group have possessed shipbuilding capacities through the acquisition of shipyards in recent years, and the orders and deliveries of vessels from 2024 onwards are expected to increase significantly as compared with the previous years, we anticipate a substantial increase in new equipment procurement needs due to the rise in shipbuilding orders.

In terms of sales of goods and provision of services by the Group: Although the Group did not sell goods or provide services to China Merchants Hoi Tung Group in the past three years, the Group is a global leader in supplying equipment and solutions for the logistics and energy industries, therefore, the Group is a potential supplier of China Merchants Hoi Tung Group and there are potential transactions with China Merchants Hoi Tung Group. Accordingly, the Group has projected the transaction quota for the provision of goods such as logistics and energy equipment and components as well as services such as logistics and transportation to China Merchants Hoi Tung Group.

- 3) China Merchants Hoi Tung Group has a competitive edge in maritime equipment trading, and its business dealings with the Group are expected to increase in the next three years:

As a wholly-owned subsidiary of China Merchants Group, China Merchants Hoi Tung is the only comprehensive commercial and trading platform under China Merchants Group. It is also one of the largest agents in the Chinese maritime product market and one of the most active ship brokers. Its primary business covers trade in the food and transportation sectors, boasting a mature market network and extensive experience in China's transportation and maritime fields. When shipowners sign shipbuilding contracts with the Group, the construction process involves the procurement of various types of equipment. The selection of specific suppliers shall be decided by the shipowners according to the price comparison and bargaining results reported by the Group. Typically, agents, who aggregate the project needs of multiple shipyards, possess strong bargaining power. As a highly qualified and resource-rich agent, China Merchants Hoi Tung Group represents numerous materials manufacturers as mainstream brands commonly used by shipowners, making it more likely for China Merchants Hoi Tung Group to be chosen by shipowners. Therefore, the Group expects to continue purchasing maritime equipment and related goods from China Merchants Hoi Tung Group.

- 4) The estimated price fluctuation.

Taking into account the aforementioned factors, the anticipated procurement demand between the Group and China Merchants Hoi Tung Group is expected to increase to some extent over the next three years as compared to the past. Meanwhile, the Group anticipates selling products and providing services to China Merchants Hoi Tung Group. Accordingly, the Group intends to enter into the Framework Agreements with China Merchants Hoi Tung and set the caps for the above annual transaction amounts.

The Proposed Caps under the Framework Agreements represent the transaction demand corresponding to the Group's business plan for the next three years, notwithstanding the increase in the proposed annual caps as compared with the actual historical transaction amounts.

INTERNAL CONTROL MEASURES

The Company has established a series of measures and policies, including contract policies, connected/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 Framework Agreements. The Company's auditing and monitoring department conducts annual internal tests 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 connected/related party transactions, which will provide emails regarding aggregated analysis of the connected/related party transactions of the Group, including the name of counterparty, transaction year, total transaction amount incurred so far and quota ratio, so that the Company can conduct regular monitoring of connected/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 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 after arm's length negotiations 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

At the 1st special meeting of independent non-executive Directors in 2024 of the tenth session of the Board held by the Company, all the 3 independent non-executive Directors agreed to submit the Continuing Connected Transactions to the 1st meeting in 2024 of the tenth session of the Board for consideration.

The relevant resolutions on the Continuing Connected Transactions have been considered and approved at the 1st meeting in 2024 of the tenth session of the Board of the Company held on 2 February 2024. Mr. HU Xianfu and Mr. DENG Weidong, both being related Directors, have abstained from voting, and other non-related Directors unanimously approved the resolutions.

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, 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.

China Merchants Hoi Tung

China Merchants Hoi Tung Trading Company Limited. (招商局海通貿易有限公司), a company established in Hong Kong with limited liability, is a subsidiary of China Merchants, a substantial shareholder of the Company. China Merchants is 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. The principal operations of China Merchants Hoi Tung are the supply of ships, port machinery and equipment, marine spare parts, communication and navigation instruments and electronic product trade, as well as the supply of tobacco, alcohol and food. Key consolidated financial data of China Merchants Hoi Tung is as follow:

Unit: RMB100 million

	January- November 2023 (unaudited)
Operating revenue	66.24
Profit before tax	6.38
Net profit attributable to the parent company	4.74
	30 November 2023 (unaudited)
Total assets	79.10
Net assets attributable to the parent company	52.28

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, China Merchants Hoi Tung is a subsidiary of China Merchants, which is a substantial shareholder of the Company, and therefore China Merchants Hoi Tung Group is a connected person of the Company. Therefore, the transactions between the Group and China Merchants Hoi Tung Group under the Framework Agreements constitute the Continuing Connected Transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

Given that (i) on 26 June 2023, the Company entered into the relevant framework agreements (the “**CMOEI Agreement**”) with China Merchants Offshore Engineering Investment Shenzhen Co., Ltd., which provided that the Group shall sell goods and provide services to the counterparty on an ongoing basis, and agreed on the caps in respect of the transaction amounts for the three years from 1 January 2023 to 31 December 2025 between both parties; and (ii) on 28 December 2023, the Company entered into the framework agreements with China Merchants Shekou Industrial Zone Holdings Co., Ltd. (the “**China Merchants Shekou Agreements**”), which provided that the Group shall provide goods to the counterparty on an ongoing basis, and receive goods and services provided by the counterparty, and agreed on the proposed caps in respect of the transactions for the three years from 1 January 2024 to 31 December 2026. China Merchants Hoi Tung, China Merchants Shekou Industrial Zone Holdings Co., Ltd. and China Merchants Offshore Engineering Investment Shenzhen Co., Ltd. are subsidiaries of China Merchants, therefore, the transaction under the Framework Agreements shall be aggregated with the proposed caps under the CMOEI Agreement and the China Merchants Shekou Agreements.

As one or more of the applicable percentage ratios (as defined under the Hong Kong Listing Rules) 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 2 February 2024, the Resolutions regarding the Continuing Connected Transactions/Ordinary Related-party Transactions with China Merchants Hoi Tung Trading Company Limited (招商局海通貿易有限公司) and Its Subsidiaries were considered and approved at the 1st meeting in 2024 of the tenth session of the Board of the Company. As Mr. HU Xianfu, the vice chairman of the Company and Mr. DENG Weidong, a Director, 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 contemplated Continuing Connected Transactions 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:

“Articles of Association”	the Articles of Association of China International Marine Containers (Group) Co., Ltd.
“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
“China Merchants Hoi Tung”	China Merchants Hoi Tung Trading Company Limited (招商局海通貿易有限公司), a limited liability company established in Hong Kong and a wholly-owned subsidiary of China Merchants which is a substantial shareholder of the Company
“China Merchants Hoi Tung Group”	China Merchants Hoi Tung and its subsidiaries and their 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 and China Merchants Hoi Tung on 2 February 2024 in relation to the supply of goods and services, etc. to China Merchants Hoi Tung Group by the Group and the receiving of goods, etc. provided by China Merchants Hoi Tung Group, which will be valid upon signing by both parties and complying with the approval procedures under the Shenzhen Listing Rules and the Hong Kong Listing Rules by the Company, with a valid period commencing from 1 January 2024 to 31 December 2026
“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 three years from 1 January 2024 to 31 December 2026 under the Framework Agreements entered into between the Company and China Merchants Hoi Tung
“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”	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 (<http://www.cimc.com>) and the HKEXnews website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>).

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

Hong Kong, 2 February 2024

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