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## **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 People's Republic of China with limited liability)*

**(Stock Code: 2039)**

## **ANNOUNCEMENT REGARDING THE DISPOSAL OF EQUITY INTEREST IN AN ASSOCIATE – SHOUZHONG INVESTMENT**

### **EQUITY TRANSFER AGREEMENT**

The Board hereby announces that on 12 March 2018, CIMC Transportation, being a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Shouzhong (Hong Kong) and Shougang Concord, pursuant to which CIMC Transportation (as the seller) intends to dispose of its 44.94382% equity interest in Shouzhong Investment to Shouzhong (Hong Kong) (as the buyer) at a consideration of RMB209,884,269, and Shougang Concord shall issue 1,047,931,056 Consideration Shares to CIMC Transportation or its designated persons to settle the consideration for the Disposal.

Upon completion of the Disposal, the Company will indirectly hold 5.526% of the issued shares of Shougang Concord, and Shouzhong Investment will remain as a non-wholly owned subsidiary of Shougang Concord.

### **IMPLICATIONS UNDER HONG KONG LISTING RULES**

As all the applicable percentage ratios in respect of the transaction contemplated under the Equity Transfer Agreement are less than 5%, the transaction contemplated under the Equity Transfer Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

### **IMPLICATIONS UNDER SHENZHEN LISTING RULES**

As Shougang Concord is a related legal person of the Company, the transaction contemplated under the Equity Transfer Agreement constitutes a related-party transaction under the Shenzhen Listing Rules. As the relevant percentage ratios are below 5%, the transaction is not required to be proposed at the general meeting of the Company for consideration.

## I. OVERVIEW

The Board hereby announces that on 12 March 2018, CIMC Transportation entered into the Equity Transfer Agreement with Shouzhong (Hong Kong) and Shougang Concord, pursuant to which CIMC Transportation (as the seller) intends to dispose of its 44.94382% equity interest in Shouzhong Investment to Shouzhong (Hong Kong) (as the buyer) at a consideration of RMB209,884,269, and Shougang Concord shall issue 1,047,931,056 Consideration Shares to CIMC Transportation or its designated persons to settle the consideration for the Disposal.

## II. EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out below:

**Date:** 12 March 2018

**Parties:**

- (1) CIMC Transportation, an indirect wholly-owned subsidiary of the Company, as the seller;
- (2) Shouzhong (Hong Kong), as the buyer; and
- (3) Shougang Concord, as the issuer of the Consideration Shares.

**Transaction Proposal:** CIMC Transportation conditionally agreed to transfer and Shouzhong (Hong Kong) conditionally agreed to acquire 44.94382% equity interest in Shouzhong Investment held by CIMC Transportation. As the sole controlling shareholder of Shouzhong (Hong Kong), Shougang Concord agreed to issue the Consideration Shares to CIMC Transportation or its designated persons for the settlement of the consideration for the Disposal.

**Consideration for the Disposal:** The consideration for the Disposal is RMB209,884,269, which was arrived at on an arm's length basis after the parties made reference to, *inter alia*: (1) the registered capital of Shouzhong Investment shall be attributable to the equity interest of Shouzhong Investment under the Disposal; (2) the current business operations of Shouzhong Investment; (3) the additional control over Shouzhong Investment acquired by Shougang Concord upon acquiring Shouzhong's equity interest (through Shouzhong (Hong Kong)) under the Disposal; and (4) the market outlook of car parking services in the PRC.

**Payment method of the Consideration:** The consideration of the Disposal was calculated at the exchange rate of HK\$1.00 to RMB0.80923 based on the middle rate for the exchange of Renminbi to Hong Kong dollars announced by China Foreign Exchange Trading Center on 9 March 2018 as authorised by the People’s Bank of China. The consideration will be paid by Shougang Concord by way of issuing 1,047,931,056 Consideration Shares to CIMC Transportation or its designated persons at the issue price of HK\$0.2475 per share. The Consideration Shares represent approximately 5.526% of the total number of the issued share of Shougang Concord as enlarged by the issuance of the Consideration Shares.

The Consideration Shares shall rank pari passu with the issued ordinary shares of Shougang Concord in all respects on the issue date of the Consideration Shares, including the rights to receive any dividends or distributions declared by Shougang Concord on or after the issue date. Shougang Concord shall apply to the Hong Kong Stock Exchange for permission of the listing of, and trading in, the Consideration Shares.

**Issue Price of the Consideration Shares:** The issue price of HK\$0.2475 per Consideration Share was arrived at after arm’s length negotiations between the parties with reference to the prevailing market prices of the Shougang Concord Shares. The issue price of the Consideration Shares represents:

- (i) a premium of approximately 2.27% to the closing price of HK\$0.242 per Shougang Concord Share as quoted on the Hong Kong Stock Exchange on 12 March 2018 (the date of the Equity Transfer Agreement);
- (ii) a premium of approximately 8.55% to the average closing price of HK\$0.228 per Shougang Concord Share as quoted on the Hong Kong Stock Exchange for the last five trading days up to and including 9 March 2018 (including the trading date immediately before the date of the Equity Transfer Agreement); and
- (iii) a premium of approximately 5.50% to the average closing price of HK\$0.2346 per Shougang Concord Share as quoted on the Hong Kong Stock Exchange for the last ten trading days up to and including 9 March 2018 (including the trading date immediately before the date of the Equity Transfer Agreement).

- Conditions Precedent:** Completion of the Disposal shall be subject to the satisfaction or waiver (as the case may be) of the following conditions:
- (i) Shougang Concord has fulfilled the procedures to be followed under the Hong Kong Listing Rules in respect of the transactions under the Equity Transfer Agreement, including the obtaining of approval from its shareholders when required;
  - (ii) the Hong Kong Stock Exchange has approved the listing of, and dealing in, all the Consideration Shares;
  - (iii) The transfer of the equity interest in Shouzhong Investment by CIMC Transportation has been approved, registered or filed with the relevant competent examination and approval authority; and
  - (iv) the warranties provided by CIMC Transportation under the Equity Transfer Agreement remaining true, accurate, and not misleading in any respect.

Shouzhong (Hong Kong) reserves the right to waive condition (iv) above. If the above conditions have not been fulfilled before 30 April 2018 or such later date as the parties may agree, the Equity Transfer Agreement shall be terminated.

**Effectiveness and Completion:** The Equity Transfer Agreement shall become effective upon the signing by all parties. The completion date for the Disposal shall be the fifth working day after all the conditions precedent are fulfilled (or waived) or such other date as the parties to the agreement agree.

### III. INFORMATION ON SHOUZHONG INVESTMENT

Shouzhong Investment is a company established in the PRC with limited liability in 2016. As at the date of this announcement, Shouzhong Investment is owned 44.94382% by CIMC Transportation, 44.94382% by Shougang Concord (through its wholly-owned subsidiaries, Shouzhong (Hong Kong) and Sonic Victory Limited, respectively) and 10.11236% by Beijing Jianshi Tongxin Management Consultancy Centre (Limited Partnership)\* (北京堅石同心管理諮詢中心(有限合夥)). Since Shougang Concord is entitled to nominate majority of the directors for the board of Shouzhong Investment, therefore, Shouzhong Investment is deemed as a non-wholly owned subsidiary of Shougang Concord. Shouzhong Investment is principally engaged in the business of car parking facilities investment and operation in the PRC, with a focus on public carparks in places with heavy traffic, such as airport, train terminus and hospital. Shouzhong Investment provides services including the design, construction, operation and management of smart car parking systems, as well as complete or tailored solutions and services. The business strategy of Shouzhong Investment is to expand its operations through acquisition of carparks, entering into long-term leases and franchise agreements with carpark owners and/or cooperation with private enterprises, state-owned enterprises and government agencies. As at the date of this announcement, Shouzhong Investment and its subsidiaries and associates jointly operates over 10,000 parking spaces.

The major consolidated financial results of Shouzhong Investment are extracted below:

	<i>Unit: RMB thousand</i>	
	31 December 2016 <i>(audited)</i>	31 December 2017 <i>(unaudited)</i>
Total assets	236,248	<b>451,972</b>
Total liabilities	1,827	<b>70,667</b>
Total receivables	<u>327</u>	<b>127,470</b>
Net assets attributable to the parent company	234,421	<b>370,952</b>
	2016 <i>(audited)</i>	2017 <i>(unaudited)</i>
Revenue	–	<b>2,131</b>
Net profit attributable to the parent company	(5,579)	<b>(22,967)</b>
Net cash flows from operating activities	(4,066)	<b>(63,278)</b>

As at the date of this announcement, Shouzhong Investment is an associate of the Company and its financial accounts are not consolidated into the financial report of the Company.

The equity interest in Shouzhong Investment to be disposed by CIMC Transportation is not subject to any mortgage, charge or other third-party rights. None of the related assets is involved in any significant disputes, litigations or arbitrations, or any enforcement measures such as seizure and freezing.

#### IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

After reorganization following the sale of its traditional steel business in 2016, Shougang Concord strived to develop its urban infrastructure operation business with a focus on smart parking business. In September and December 2017, Shougang Concord held 44.94382% equity interest in Shouzhong Investment by acquiring 40% equity interest in Shouzhong Investment from Shougang Fund, a subsidiary of its controlling shareholder, Shougang Group, and the equity interest in Shouzhong Investment held by Sonic Victory Limited from VMS Proprietary Investment Limited, respectively. According to the development plan of Shougang Concord, it will further expand its foothold in mergers and acquisitions of car parking related business across the globe in the future. The Company decided to proceed with the Disposal after careful consideration by comprehensively analysing sector characteristics of Shouzhong Investment, the competitive resources of Shougang Concord and the strategic cooperation relationship between the Group and Shougang Group. The Disposal will reinforce the resource sharing and complementary strengths of the Group and Shougang Concord in terms of the development of smart car parking business and smart operation of urban infrastructure, paving the way for the strategic cooperation between the Group and Shougang Group. The Disposal will not cause any negative impact on the normal operation of principal business segments of the Group. The Directors, including the independent non-executive Directors, consider that the terms of the Equity Transfer Agreement were arrived at after arm's length negotiations between the parties on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### V. GENERAL INFORMATION ON CIMC TRANSPORTATION, SHOUZHONG (HONG KONG) AND SHOUGANG CONCORD

CIMC Transportation is a wholly-owned subsidiary of the Company. It is principally engaged in investment holding and trading.

Shouzhong (Hong Kong) is a wholly-owned subsidiary of Shougang Concord. Shouzhong (Hong Kong) is principally engaged in investment holding.

Shougang Concord is a limited company listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 697.HK). Shougang Concord and its subsidiaries are principally engaged in (i) the trading of iron ores, steel and related products; (ii) the operation of car parking systems and related services in the PRC, with a focus on smart car parking systems; and (iii) the provision of private fund management services in the PRC.

#### VI. FINANCIAL IMPACT OF THE EQUITY TRANSFER AGREEMENT ON THE GROUP

As at the date of this announcement, Shouzhong Investment is an associate of the Company and its financial accounts are not consolidated into the financial report of the Company. Upon completion of the Disposal, the Group will hold 5.526% of the issued shares of Shougang Concord and Shouzhong Investment will remain as a non-wholly owned subsidiary of Shougang Concord. The Disposal will not give rise to any change to the scope of consolidation for the accounting of the financial statements of the Company, nor will it cause any significant impact on the consolidated financial results of the Company for 2018.

#### VII. IMPLICATIONS UNDER HONG KONG LISTING RULES

As all the applicable percentage ratios in respect of the transaction contemplated under the Equity Transfer Agreement are less than 5%, the transaction contemplated under the Equity Transfer Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

## VIII. IMPLICATIONS UNDER SHENZHEN LISTING RULES

As Shougang Concord is a related legal person of the Company, the transaction contemplated under the Equity Transfer Agreement constitutes a related-party transaction under the Shenzhen Listing Rules. As the relevant percentage ratios are below 5%, the transaction is not required to be proposed at the general meeting of the Company for consideration.

## IX. DEFINITIONS

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

“A Share(s)”	the domestic shares with a nominal value of RMB1.00 each in the registered share capital of the Company, the shares of which are listed on the Shenzhen Stock Exchange and traded in RMB.
“Board”	the board of Directors of the Company.
“CIMC Transportation”	CIMC Transportation Equipment (International) Holdings Ltd., a limited company incorporated in Hong Kong <u>and</u> a wholly-owned subsidiary of the Company.
“Company”	China International Marine Containers (Group) Co., Ltd., a joint stock limited company incorporated in January 1980 under <u>PRC laws</u> , 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.
“Consideration Shares”	<u>the 1,047,931,056 Shougang Concord Shares issued by Shougang Concord to CIMC Transportation or its designated persons pursuant to the Equity Transfer Agreement, for the settlement of the consideration for the Disposal.</u>
“Director(s)”	director(s) of the Company.
“Disposal”	the disposal of the 44.94382% equity interest in Shouzhong Investment by CIMC Transportation <u>to Shouzhong (Hong Kong)</u> pursuant to the Equity Transfer Agreement, and the issuance of <u>the</u> Consideration Shares to CIMC Transportation or its designated persons by Shougang Concord for the settlement of the <u>consideration.</u>

“Equity Transfer Agreement”	the Equity Transfer Agreement Relating to Acquiring 44.94382% Equity Interest in Shouzhong Investment Management Co., Ltd.* ( <u>首中投資管理有限公司</u> ) dated 12 March 2018 entered into between CIMC Transportation, Shouzhong (Hong Kong) and Shougang Concord in relation to the Disposal.
“Group”	the Company and its subsidiaries.
“H Share(s)”	the overseas-listed foreign share(s) with a nominal value of RMB1.00 each in the registered share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars.
“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.
“PRC”	the People’s Republic of China, <u>which</u> , for the purposes of this announcement only, <u>excludes</u> Hong Kong, the Macau Special Administrative Region and Taiwan;
“related legal person”	has the meaning ascribed to it under the Shenzhen Listing Rules.
“RMB”	Renminbi, the lawful currency of the <u>PRC</u> .
“Share(s)”	the shares of the Company, including the A Share(s) and the H Share(s).
“Shareholder(s)”	holder(s) of <u>the Shares</u> .
“Shenzhen Listing Rules”	the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange.
“Shouzhong Investment”	Shouzhong Investment Management Co., Ltd.* ( <u>首中投資管理有限公司</u> ), a company established under <u>PRC laws</u> with limited liability and an associate of the Company; as at the date of this announcement, 44.94382% of its shares are held by CIMC Transportation.
“Shougang Concord”	Shougang Concord International Enterprises Company Limited, being a company incorporated in Hong Kong <u>and</u> the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 697.HK).



“Shougang Concord Shares” the ordinary shares of Shougang Concord.

“Shougang Group” Shougang Group Co., Ltd.\* (首鋼集團有限公司), a company incorporated under PRC laws with limited liability and the controlling shareholder of Shougang Concord.

“Shouzhong (Hong Kong)” Shouzhong (Hong Kong) Limited, a limited company incorporated in Hong Kong and a wholly-owned subsidiary of Shougang Concord.

“%” per cent.

This announcement is published on the website of the Company (<http://www.cimc.com>) and the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) for review.

By order of the Board  
**China International Marine Containers (Group) Co., Ltd.**  
**YU Yuqun**  
*Company Secretary*

Hong Kong, 12 March 2018

*As at the date of this announcement, the Board comprises Mr. WANG Hong (Chairman), Mr. WANG Yuhang (Vice-chairman), Mr. HU Xianfu and Mr. LIU Chong as non-executive Directors; Mr. MAI Boliang as an executive Director; and Mr. PAN Chengwei, Mr. PAN Zhengqi and Mr. WONG Kwai Huen, Albert as independent non-executive Directors.*

\* *For identification purposes only.*