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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)**

- (1) PROPOSED NON-PUBLIC ISSUANCE OF A SHARES;  
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;  
(3) PROPOSED ADOPTION OF THE SHAREHOLDERS' RETURN PLAN;  
AND  
(4) PROPOSED AMENDMENTS TO THE EQUITY  
TRUST PLAN OF CIMC VEHICLE (GROUP) CO., LTD**

#### **Proposed Non-public Issuance of A Shares**

At the Board meeting of the Company held on 8 April 2016, the Board approved the proposed issuance of not more than 386,263,593 new A Shares (including 386,263,593 A Shares) to the subscribers that meet the relevant requirements and terms at the Issuance Price.

Gross proceeds to be raised from the proposed Non-public Issuance of A Shares will not exceed RMB6.0 billion. The Issuance Price of the new A Shares under the Non-public Issuance of A Shares will be not less than RMB13.86 per A Share, which is 90% of the average trading price of the A Shares during the 20 trading days preceding the Price Determination Date of RMB15.40 per A Share (the average trading price of A Shares over the 20 trading days preceding the Price Determination Date = the total turnover of A Shares over the 20 trading days preceding the Price Determination Date/the total trading volume of A Shares over 20 trading days preceding the Price Determination Date).

#### **Proposed Amendments to the Articles of Association**

The Board has resolved to propose to the Shareholders certain amendments to the Articles of Association in accordance with the Notice Regarding Further Implementation of Cash Dividends Distribution by Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) (Zheng Jian Fa [2012] No.37), the Listed Companies Regulatory Guidance No.3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號 – 上市公司現金分紅》) (Zheng Jian Hui Gong Gao [2013] No.43), the Guidance on the Articles of Association of Listed Companies (《上市公司章程指引》) (CSRC Announcement [2014] No.47) and the Rules Governing Shareholders' General Meeting of Listed Companies (《上市公司股東大會規則》) (CSRC Announcement [2014] No.46). The proposed amendments to the Articles of Association are subject to approval by the Shareholders by way of special resolution at the AGM.

## **Proposed adoption of the Shareholders' Return Plan**

To further increase the transparency of the profit distribution policy of the Company, improve the decision-making and supervision system of profit distribution of the Company, ensure the continuity and stability of profit distribution, generate positive returns for investors and steer investors towards long-term and reasonable investment, the shareholders' return plan for the coming three years (2016-2018) of China International Marine Containers (Group) Co., Ltd. is formulated by the Company pursuant to the Notice Regarding Further Implementation of Cash Dividends Distribution by Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) (Zheng Jian Fa [2012] No.37) and the Listed Companies Regulatory Guidance No.3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號 – 上市公司現金分紅》) (CSRC Announcement [2013] No.43) issued by the CSRC, and the Articles of Association, taking into account the Company's profitability, operating growth plan, return to shareholders, social capital costs and external financing environment.

## **Proposed Amendments to the Equity Trust Plan of CIMC Vehicle (Group) Co., Ltd.**

At the Board meeting of the Company held on 8 April 2016, the Board approved the proposed amendments to the Equity Trust Plan of CIMC Vehicle (Group) Co., Ltd..

A circular containing, among other things, details of the Non-public Issuance of A Shares, the proposed amendments to the Articles of Association, the proposed approval of the Shareholders' Return Plan and the proposed amendments to the Equity Trust Plan of CIMC Vehicle (Group) Co., Ltd. will be despatched to the Shareholders in due course.

**The Company advises its Shareholders and potential investors to note that the proposed Non-public Issuance of A Shares is subject to certain conditions being satisfied, and consequently the proposed Non-public Issuance of A Shares may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## A. PROPOSED NON-PUBLIC ISSUANCE OF A SHARES

The Board announces that on 8 April 2016, the Board resolved to propose the Non-public Issuance of A Shares.

### 1. Structure of the Non-public Issuance of A Shares

Class of shares to be issued and the nominal value:	A Shares with a par value of RMB1.00 each.
Subscribers:	<p>The new A Shares under the Non-public Issuance of A Shares are proposed to be issued to not more than 10 investors, including securities investment fund management companies, securities companies, trust investment companies, finance companies, insurance institutional investors, qualified foreign institutional investors and other qualified investors including domestic institutional investors and individual investors that meet the requirements of the CSRC.</p> <p>A securities investment fund management company subscribing through over two funds managed by it will be regarded as one subscriber. Trust investment companies may only pay the subscription price with their own funds.</p> <p>After the Company obtains the approval in respect of the Non-public Issuance of A Shares from the CSRC, the Board and the sponsor (lead underwriter) will decide the ultimate subscribers based on the relevant requirements of the CSRC and the price offered by subscribers, following the price priority principle.</p> <p>All subscribers shall subscribe the new A Shares under the Non-public Issuance of A Shares in cash.</p>
Number of A Shares to be issued:	<p>The number of A Shares to be issued under the Non-public Issuance of A Shares will not be more than 386,263,593 A Shares (including 386,263,593 A Shares).</p> <p>To the extent of the issuance above, the Board and its authorized representative(s) shall determine the number of the A Shares to be issued in accordance with the authorization granted by the Shareholders at the AGM and the relevant requirements of Detailed Implementation Rules for the Non-Public Issuance of Stocks by Listed Companies (《上市公司非公开发售股票实施细则》) and based on the bid prices offered by the subscribers after consultation with the sponsor (lead underwriter). Gross proceeds to be raised will not exceed RMB6.0 billion.</p>

Number of A Shares to be issued will be adjusted according to the gross proceeds to be raised, ex-rights or ex-dividend Issuance Price in cases of ex-rights or ex-dividend matters such as distribution of dividend, dividend payout, and placement of shares, bonus issuance and conversion of capital reserve into share capital during the period from the Price Determinate Date to the date of the completion of the Non-public Issuance A Shares.

Method of issuance: Non-public offering. The new A Shares will be issued within 6 months after the Company obtains the relevant approval from the CSRC.

Price Determination Date, Issuance Price and pricing principle: The Price Determination Date of the Non-public Issuance of A Shares is the date of the announcement of the Board's resolutions passed at Year 2016's third meeting of the seventh session of the Board (i.e. 9 April 2016).

The Issuance Price under the Non-public Issuance of A Shares shall not be less than RMB13.86 per share, which is 90% of the average trading price of A Shares during the 20 trading days preceding the Price Determination Date, i.e. RMB15.40 per A Share (the average trading price of A Shares over the 20 trading days preceding the Price Determination Date = the total turnover of shares over the 20 trading days preceding the Price Determination Date/ the total trading volume of shares over 20 trading days preceding the Price Determination Date).

The Issuance Price will be adjusted accordingly in cases of ex-rights or ex-dividend matters such as distribution of dividend, dividend payout, and placement of shares, bonus issuance and conversion of capital reserve into share capital during the period from the Price Determination Date to the date of the completion of the Non-public Issuance of A Shares.

After obtaining the relevant approval from the CSRC, the Board shall determine the final Issuance Price based on the authorization granted by the Shareholders at the AGM, after consultation with the sponsor (lead underwriter), having regard to the price offered by subscribers, following the price priority principle.

Rights attached to the new A Shares:	The new A Shares to be issued under the Non-public Issuance of A Shares will rank pari passu with the existing A Shares and H Shares in all respects, provided that the new A Shares to be issued under the Non-public Issuance of A Shares shall be subject to the lock-up period for 12 months from the date of the issuance of these A Shares.
Conditions for the Non-public Issuance of A Shares:	The Non-public Issuance of A Shares is subject to: <ol style="list-style-type: none"> <li>(1) the approvals by the Shareholders at the AGM and the Class Meetings, respectively; and</li> <li>(2) the approval by the CSRC.</li> </ol>
Gross Proceeds from the Non-public Issuance of A Shares:	Gross proceeds to be raised from the Non-public Issuance of A Shares will not exceed RMB6 billion before deduction of the fees and expenses relating to the Non-public Issuance of A Shares.
Use of proceeds:	After deducting all applicable costs and expenses in association with the Non-public Issuance of A Shares, net proceeds from the Non-public Issuance of A Shares are proposed to be used in the followings:

<b>No.</b>	<b>Name of Project</b>	<b>Proceeds to be utilized</b> <i>(RMB in million)</i>
(1)	Capital Increase Project of CIMC Financial Leasing Co., Ltd.	2,000.00
(2)	CIMC Fenggang Logistics Equipments Manufacturing Project (Phase I)	593.42
(3)	Relocation Project of Qingdao CIMC Special Reefer Co., Ltd. (Phase I)	116.67
(4)	Multimodal Transport Company Project	78.00
(5)	Zhihui Garden Project of Songshan Lake (Phases I, II and III)	449.87
(6)	Zhigu Project of Songshan Lake (Phases II, III and IV)	962.04
(7)	Replenish working capital	1,800.00
<b>Total</b>	–	<b>6,000.00</b>

**(1) Capital Increase Project of CIMC Financial Leasing Co., Ltd.**

CIMC Financial Leasing Co., Ltd. (中集融資租賃有限公司, “CIMC Leasing”) was established on 30 July 2007. The existing shareholding structure of CIMC Leasing is as follows:

<b>Name of Shareholder</b>	<b>Capital contribution (US\$10,000)</b>	<b>Percentage (%)</b>
Company	5,250	75.00
China International Marine Containers (Hong Kong) Limited (中國國際海運 集裝箱(香港)有限公司) (Note)	<u>1,750</u>	<u>25.00</u>
<b>Total</b>	<b><u>7,000</u></b>	<b><u>100.00</u></b>

*Note: China International Marine Containers (Hong Kong) Limited is a wholly-owned subsidiary of the Company.*

To improve CIMC Leasing’s ability of specialization and its specialized operation, the Company proposes to inject capital of RMB2.0 billion into CIMC Leasing. CIMC Leasing will build three major specialized operating platforms: 1) specialized operating platform for domestic business which mainly focuses on the business of domestic vehicles, energy and chemical equipment and airport facilities; 2) specialized operating platform for international business, which is positioned as a specialized operating platform of marine shipping and modular construction; and 3) specialized operating platform for third-party business, which mainly focuses on external businesses such as intelligent electronics, medical and new energy.

The total investment of this project amounts to RMB2.0 billion. The entire proceeds of RMB2.0 billion from the Non-public Issuance of A Shares will be used for the capital increase in CIMC Leasing.

**(2) CIMC Fenggang Logistics Equipments Manufacturing Project (Phase I)**

This project is implemented by Dongguan Southern CIMC Logistic Equipment Manufacturing Co., Ltd. (東莞南方中集物流裝備製造有限公司), a wholly-owned subsidiary of the Company. This project aims to build the new generation of container manufacturing base in Fenggang, Dongguang, i.e., CIMC Fenggang Logistics Equipments Manufacturing Base, and to further consolidate the solid foundation of CIMC's container business in Guangdong Province.

The total investment of Phase I of the project amounts to RMB956.89 million, including RMB363.47 million of land consideration, investment of RMB530.53 million in fixed assets and investment of RMB62.89 million in initial working capital. The proceeds of RMB593.42 million from the Non-public Issuance of A Shares will be used for this project and the shortfall will be funded by the Company's own funds.

The internal return rate of this project is expected to be approximately 16.4%.

**(3) Relocation Project of Qingdao CIMC Special Reefer Co., Ltd. (Phase I)**

This project is implemented by Qingdao CIMC Special Reefer Co., Ltd. (青島中集特種冷藏設備有限公司, "QDCSR"), a wholly-owned subsidiary of the Company. The project mainly involves construction of a new special reefer container factory, production lines and ancillary facilities in CIMC Qingdao Cold Chain High-Tech Industrial Park (中集青島冷鏈高新技術產業園), to achieve an annual production capacity of 20,000 units of special reefer containers in the new factory.

The total investment of Phase I of this project amounts to RMB270.80 million. The total accumulative investment amounts to RMB154.13 million. The proceeds of RMB116.67 million from the Non-public Issuance of A Shares will be used for this project. Upon completion, the facilities are expected to achieve an annual production capacity of 10,000 units of special reefer containers.

The internal return rate of this project is expected to be approximately 28.0%.



**(4) Multimodal Transport Company Project**

This project is jointly implemented by a subsidiary of the Company, CIMC Multimodal Transport Development Co., Ltd. (中集多式聯運發展有限公司, “Multimodal Transport Company”), which is established on 29 March 2016. This project aims to maximize the group’s comprehensive advantages such as the group’s advantages in branding, equipment, finance and services and to promote the widespread application of CIMC products in multimodal transport industry; to utilize the online advanced technologies to effectively link different modes of transport so as to increase logistics efficiency and reduce logistics costs; and to create a CIMC-featured domestic multimodal transport platform to achieve the “industry + online” multimodal transport platform.

The total investment of this project amounts to RMB100.00 million, comprising of the investment of RMB84.00 million in purchasing special logistic equipment, the investment of RMB14.00 million in the construction of information and positioning system platform and the investment of RMB2.00 million as the start-up cost. The proceeds of RMB78.00 million from the Non-public Issuance of A Shares will be used for this project.

It is expected that by the year of 2017, the multimodal transport business will achieve a net margin of approximately 4.0%.

**(5) Zhihui Garden Project of Songshan Lake (Phases I, II and III)**

Zhihui Garden Project of Songshan Lake (Phases I, II and III) are implemented by Dongguan CIMC Innovation Industrial Park Development Co., Ltd. (東莞中集創新產業園發展有限公司), a subsidiary of the Company. This project, upon completion, will provide residential facilities for the Songshan Lake High-Tech Industrial Development Zone in Dongguan, Guangdong Province (廣東省東莞松山湖高新技術產業開發區, “Songshan Lake High-Tech Park”), which will facilitate the recruitment of tenants and professional talents to the Songshan Lake High-Tech Park and further promote the overall development of the Songshan Lake High-Tech Park.



The total investment of this project amounts to RMB820.48 million, including land cost of RMB262.47 million. RMB449.87 million is intended to be funded by the proceeds from the Non-public Issuance of A Shares for this project.

The entire sales revenue of this project is expected to be approximately RMB1,147.18 million with net profit margin of approximately 13.9% and rate of return of approximately 19.3%.

**(6) Zhigu Project of Songshan Lake (Phases II, III and IV)**

This project is implemented by Dongguan CIMC Innovation Industrial Park Development Co., Ltd.. This project is located in the Songshan Lake High-Tech Park. This project involves the construction of garden villas, medium- and high-rise R&D buildings and multi-story R&D buildings as well as common ancillary service facilities. This project, upon completion, will provide comprehensive commercial ancillary facilities and a convenient office and living environment for the Songshan Lake High-Tech Park, satisfying the business needs of the enterprises stationed in the Songshan Lake High-Tech Park.

The total investment of this project amounts to RMB1 billion, including land cost of RMB37.96 million. The proceeds of RMB962.04 million from the Non-public Issuance of A Shares will be used for this project.

The entire sales revenue of this project is expected to be approximately RMB1,319.79 million with net profit margin of approximately 11% and rate of return of approximately 14.6%.

**(7) Replenish Working capital**

The Company plans to use RMB1.8 billion from the proceeds of the Non-public Issuance of A Shares to replenish its working capital, fund the operational needs for future business development of the Company, optimize the gearing ratio of the Company, expand the financing channels of the Company and further enhance the overall profitability.

Before receiving proceeds from the Non-public Issuance of A Shares, the Company will, depending on the actual situations of the progress of the projects, finance these projects by its self-funded capital which shall be replaced once the proceeds from the Non-public Issuance of A Shares have been received according to procedures required by relevant regulations.

If the amount of the actual proceeds to be raised from the Non-public Issuance of A Shares are less than the aggregate amount of the proceeds proposed to be invested in the aforementioned projects, the Company will make up for the shortfall through its self-funded capital. Based on the actual proceeds raised from the issuance, the Board may adjust and eventually decide the projects to be invested in, investment priorities and investment amount into each project, in conformity with relevant laws and regulations.

- Lock-up Arrangement:** The new A Shares to be subscribed for by the subscribers shall not be transferred within 12 months from the date of the completion of the issuance of the new A Shares and subject to the requirement of the CSRC and the Shenzhen Stock Exchange upon expiry.
- Validity Period of the resolution:** The resolution with respect to the Non-public Issuance of A Shares shall be valid for 12 months from the date of consideration and approval at the AGM and the Class Meetings. In any event that the approval for the Non-public Issuance of A Shares from the CSRC has not been obtained by the Company within such period, the validity period of the resolution will be automatically extended to the date of the completion of the Non-public Issuance of A Shares.
- Listing Application:** The Company will make an application to the Shenzhen Stock Exchange for the granting of the listing of, and permission to deal in, all new A Shares to be issued under the Non-public Issuance of A Shares. Upon expiry of the lock-up period, the new A Shares can be traded on the Shenzhen Stock Exchange.
- Arrangement relating to the accumulated undistributed profits of the Company prior to the Non-public Issuance of A Shares:** To safeguard the interest of the existing and new shareholders after completion of the Issuance, all the existing and new shareholders after the Issuance will be entitled to the accumulated but undistributed profits of the Company proportionate to their shareholding in the Company after completion of the Non-public Issuance of A Shares.

## 2. Effects of the Non-public Issuance of A Shares on the Shareholding Structure of the Company

The following table sets out the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Non-public Issuance of A Shares, assuming that 386,263,593 new A Shares will be issued under the Non-public Issuance of A Shares and no other change to the shareholding structure:

	As at the date of this announcement		Immediately after the completion of the Non-public Issuance of A Shares	
	<i>Number of Shares in issuance</i>	<i>% (approx.)</i>	<i>Number of Shares in issuance</i>	<i>% (approx.)</i>
A Shares				
– Existing A Shares	1,261,701,777	42.36	1,261,701,777	37.50
– New A Shares to be issued	–	–	386,263,593	11.48
H Shares	1,716,576,609	57.64	1,716,576,609	51.02
<b>Total</b>	<b>2,978,278,386</b>	<b>100.00</b>	<b>3,364,541,979</b>	<b>100.00</b>

*Note: The percentages shown are rounded to the nearest 2 decimal places.*

## 3. Reasons for and benefit of the proposed Non-public Issuance of A Shares

The Directors (including the independent non-executive Directors) believe that the Non-public Issuance of A Shares will benefit the Company in respect of its business operation and financial position. With respect to the business operation, the proceeds from the issuance can be used as additional capital investment in the areas from R&D, production, supply chain, marketing to global market expansion to better promote the business development of the Company, enhance the industry chain and cope with industry cyclical fluctuations. With respect to the financial position, the Non-public Issuance of A Shares will satisfy the capital demand of projects included in use of proceeds and provide additional working capital, which in turn may benefit the Company in reducing financial risks and optimizing its overall financial position. Accordingly, the Directors (including the independent non-executive Directors) consider that the Non-public Issuance of A Shares is in the interest of the Company and its Shareholders as a whole.

The Directors (including the independent non-executive Directors) further believe that the proposed Non-public Issuance of A Shares is fair and reasonable.

#### 4. Fund raising activities in the past twelve months

Date of Completion	Fund Raising Activity	Net Proceeds Raised	Use of Net Proceeds
31 December 2015	Placing of 286,096,100 new H Shares under the general mandate at HK\$13.48 per H Share	HK\$3,856.58 million	Use as working capital of the Company

Save for the fund raising activity disclosed above, the Company had not conducted any other equity securities related fund raising activities during the twelve months immediately before the date of this announcement.

#### B. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board has resolved to propose to the Shareholders certain amendments to the Articles of Association in accordance with the Notice Regarding Further Implementation of Cash Dividends Distribution by Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) (Zheng Jian Fa [2012] No.37), the Listed Companies Regulatory Guidance No.3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號 – 上市公司現金分紅》) (Zheng Jian Hui Gong Gao [2013] No.43), the Guidance on the Articles of Association of Listed Companies (《上市公司章程指引》) (CSRC Announcement [2014] No.47) and the Rules Governing Shareholders' General Meeting of Listed Companies (《上市公司股東大會規則》) (CSRC Announcement [2014] No.46). The proposed amendments to the Articles of Association are subject to approval by the Shareholders by way of special resolution at the AGM. The full text of the proposed amendments to the Articles of Association is set out in the appendix to this announcement.

The proposed amendments to the Articles of Association are prepared in the Chinese language and the English version is therefore a translation only. In the event of any discrepancy between the English translation and the Chinese version of the Articles of Association, the Chinese version shall prevail.

#### C. PROPOSED ADOPTION OF THE SHAREHOLDERS' RETURN PLAN

To further increase the transparency of the profit distribution policy of the Company, improve the decision-making and supervision system of profit distribution of the Company, ensure the continuity and stability of profit distribution, generate positive returns for investors and steer investors towards long-term and reasonable investment, the shareholders' return plan for the coming three years (2016-2018) of China International Marine Containers (Group) Co., Ltd. is formulated by the Company pursuant to the Notice Regarding Further Implementation of Cash Dividends Distribution by Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) (Zheng Jian Fa [2012] No.37) and the Listed Companies Regulatory Guidance No.3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號 – 上市公司現金分紅》) (CSRC Announcement [2013] No.43) issued by the CSRC, and the Articles of Association, taking into account the Company's profitability, operating growth plan, return to shareholders, social capital costs and external financing environment. Details are set out as follows:

## **1. Considerations in the Formulation of the Shareholders' Return Plan**

The Company is committed to maintaining a balance between the reasonable investment returns of the Shareholders and the sustainable development of the Company. When formulating this Shareholders' Return Plan, the Company took into account factors such as the actual conditions of the Company's operating development, the needs and requests of the Shareholders, social capital costs and external financing environment as well as took into full consideration of the current and future profitability, cash flows, development stages, capital requirements of the projects, banking facilitates and debt financing. The Company has established a sustainable, stable and scientific return plan and mechanism for investors and made specific and systematic arrangements for the profit distribution of the Company, in order to ensure the continuity and stability of the profit distribution policy.

## **2. Principles for Formulation of the Shareholders' Return Plan**

The Company will mainly adhere to the basic principles of cash dividends distribution, proactively implement profit distribution methods in the form of cash payment. It will focus on providing investors with reasonable investment return as well as the Company's sustainable development and the Shareholders' best interest, so as to maintain continuity and stability of the profit distribution policy and to comply with relevant laws and regulations.

## **3. Shareholders' Return Plan for the Coming Three Years (2016 – 2018)**

- (1) The Company adopts to distribute profits in cash, in shares or in a combination of both cash and shares or as otherwise permitted by the laws and regulations. The Company shall state the priority of cash dividends over share dividends in profit distribution.
- (2) Pursuant to the relevant laws and regulations such as the Company Law of the People's Republic of China (《中華人民共和國公司法》) and the Articles of Association, where conditions for cash dividend distribution are met, coupled with the sustainable operations and long-term development of the Company, in the next three years, the Company's accumulated profit for distribution in cash shall not be less than 30% of the average annual realized distributable profit for such three years. The actual proportion of dividend distribution for each year shall be proposed by the Board based on the annual profitability of the Company and the future plan for use of proceeds.

The Board shall take various factors into consideration, including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangements, and differentiate the following circumstances to propose a differentiated policy for cash dividend distribution pursuant to the procedures stipulated in the Articles of Association of the Company:

- i. Where the Company is in a developed stage with no substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution;
- ii. Where the Company is in a developed stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution;
- iii. Where the Company is in a developing stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution;

In the case that it is difficult to distinguish the Company's stage of development but the Company has significant capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding provisions.

- (3) The Company may distribute profits in the form of shares to match its share capital expansion with business growth provided that the minimum cash dividend payout ratio, an optimal share capital base and shareholding structure are maintained.
- (4) After the end of each accounting year, the Board shall propose a profit distribution plan and submit it to the general meeting for consideration and approval. The Board may propose an interim dividend distribution depending on the then profitability, cash flows, stages of development and funding requirements of the Company. The Company is open to the advice and supervision of all the Shareholders, independent directors and the supervisory committee about the Company's distribution plans. Independent directors may solicit opinion of minority Shareholders, put forth profit distribution proposal and submit it directly to the Board for consideration and approval. Before the cash dividend distribution plan is considered at the general meeting, the Company will fully hear the opinions and demands of minority Shareholders and timely answer questions raised by minority Shareholders.
- (5) After the profit distribution plan is approved at the general meeting of the Company, the Board shall distribute the dividends (or shares) within two months after such general meeting.



#### **4. Period for formulating the shareholders' return plan and relevant decision-making mechanism**

The Company shall review the shareholders' return plan for the next three years at least every three years. The Company shall evaluate and make necessary amendments to the profit distribution policy and determine the shareholders' return plan for such period, after considering opinions of the Shareholders (particularly the public Shareholders), independent directors and supervisors.

The Board shall formulate or adjust the annual or interim profit distribution plan based on various factors such as the operating conditions, profitability, cash flows, stages of development and the then funding requirements of the Company, opinions of the Shareholders (particularly the minority Shareholders) and independent directors, after carefully studying and discussing the profit distribution policy of the Company (especially the timing, conditions and minimum proportion, conditions for adjustment and requirements for decision-making procedures involved in implementing the distribution of cash dividends, etc.), which shall be implemented upon obtaining the approval from the Shareholders at the general meeting of the Company. The Company shall strictly adhere to the cash dividend policy as determined under the Articles of Association and the specific plan for distribution of cash dividends as considered and approved at the general meeting. If the Company needs to adjust or change the cash dividend policy as determined under the Articles of Association, it is required to satisfy the conditions under the Articles of Association and implement corresponding decision-making procedures after detailed discussion. The adjustment or changes shall be approved by not less than two-thirds of the Shareholders who present at such general meeting.

#### **5. Information disclosure on the profit distribution of the Company**

The Company shall disclose in details in its regular reports the formulation and implementation of the profit distribution policy (especially cash dividend distribution policy), the compliance with relevant provisions of the Articles of Association or resolutions of general meeting(s), the accuracy and clarity of the standard and proportion of profit distribution, the completeness of relevant decision-making procedures and mechanisms, the fulfillment of obligations and contributions of the independent directors, whether or not the minority Shareholders' opinions and demands have been fully taken into consideration and whether or not the legal rights of the minority Shareholders have been fully protected. For adjustment or change of cash dividend distribution policy, it is also required to explain whether the conditions and procedures of adjustment or change meet the requirements in details.

Where there is a change in the Company's control resulting from securities issuance, material asset restructuring, merger, division or acquisition, the Company shall disclose in details the cash dividend policy and relevant arrangements after such offering, issuance, restructuring or change in the control, as well as the Board's explanation of the aforesaid in the prospectus, offering proposal, material asset restructuring report, report of change in equity or acquisition report.



## 6. Matters not covered in the Shareholders' Return Plan

Any matters not covered in the Shareholders' Return Plan shall be governed by the relevant laws, regulations, regulatory documents and the Articles of Association. The right to interpret the Shareholders' Return Plan shall vest in the Board. The Shareholders' Return Plan and its amendments will come into force from the date of approval of the resolution at the general meeting.

The Shareholders' Return Plan is written in Chinese and there is no official English translation in respect thereof. The English translation is for reference only. In the case of any inconsistency between the English and Chinese version, the Chinese version shall prevail.

### D. PROPOSED AMENDMENTS TO THE EQUITY TRUST PLAN OF CIMC VEHICLE (GROUP) CO., LTD.

At the Board meeting held on 8 April 2016, the Board approved the proposed amendments to the Equity Trust Plan of CIMC Vehicle (Group) Co., Ltd.. Further details of the proposed amendment to the Equity Trust Plan of CIMC Vehicle (Group) Co., Ltd will be included in the circular despatched to the Shareholders in due course.

A circular containing, among other things, details of the Non-public Issuance of A Shares, the proposed amendments to the Articles of Association, the proposed approval of the Shareholders' Return Plan for the Coming Three Years and the proposed amendment to the Equity Trust Plan of CIMC Vehicle (Group) Co., Ltd. will be despatched to the Shareholders in due course.

**The Company advises its Shareholders and potential investors to note that the proposed Non-public Issuance of A Shares is subject to certain conditions being satisfied, and consequently the proposed Non-public Issuance of A Shares may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.**

### DEFINITIONS

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

“A Shareholders”	holders of A Shares;
“A Shareholders’ Class Meeting”	the class meeting of A Shareholders to be convened by the Company to consider and, if thought fit, approve, among other things, the Non-public Issuance of A Shares;
“A Share(s)”	the ordinary shares issued by the Company, with a par value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange;
“Articles of Association”	the articles of association of China International Marine Containers (Group) Co., Ltd.;
“Board”	the board of directors of the Company;

“Class Meetings”	the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting to be convened by the Company to consider and, if thought fit, approve, among other things, the Non-public Issuance of A Shares;
“Company”	China International Marine Containers (Group) Co., Ltd., a joint stock company incorporated in the PRC with limited liability;
“CSRC”	the China Securities Regulatory Commission;
“Directors”	the directors of the Company;
“AGM”	the annual general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Non-public Issuance of A Shares, the proposed amendments to the Articles of Association, the proposed adoption of the Shareholders’ Return Plan and the proposed amendments to the Equity Trust Plan of CIMC Vehicle (Group) Co., Ltd.;
“H Shareholders”	holders of the H Shares;
“H Shareholders’ Class Meeting”	the class meeting of H Shareholders to be convened by the Company to consider and, if thought fit, approve, among other things, the Non-public Issuance of A Shares;
“H Share(s)”	the ordinary shares issued by the Company, with a par value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Issuance Price”	the issuance price of not less than RMB13.86 per A Share under the Non-public Issuance of A Shares;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Non-public Issuance of A Shares”	the proposed issuance of not more than 386,263,593 new A Shares (including 386,263,593 A Shares) to the subscribers by the Company at the Issuance Price;
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Price Determination Date”	9 April 2016;

“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	the shareholders of the Company;
“Shareholders’ Return Plan”	the proposed Shareholders’ Return Plan for the Coming Three Years (2016-2018) of China International Marine Containers (Group) Co., Ltd.;
“trading day”	a day on which the Shenzhen Stock Exchange is open for dealing or trading in securities; and
“%”	per cent.

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

Hong Kong, 9 April 2016

*As at the date of this announcement, the Board comprises Mr. WANG Hong (Chairman), Mr. ZHANG Liang (Vice Chairman) and Mr. WU Shuxiong as non-executive directors; Mr. MAI Boliang as executive director; and Mr. LI Kejun, Mr. PAN Chengwei and Mr. WONG Kwai Huen, Albert as independent non-executive directors.*

## APPENDIX: PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Particulars of amendments to the Articles of Association are as follows.

No.	Existing Articles	Revised Articles
	<b>CHAPTER 1: GENERAL PROVISIONS</b>	<b>CHAPTER 1: GENERAL PROVISIONS</b>
1	<b>Article 6.</b> The registered capital of the Company is RMB2,662,396,051.	<b>Article 6.</b> The registered capital of the Company is RMB2,977,819,686.
	<b>CHAPTER 3: SHARES</b>	<b>CHAPTER 3: SHARES</b>
2	<p><b>Article 20.</b> After the inception of the Company, a total of 598,396,051 ordinary shares have been issued, including 1,167,915,542 domestic-listed domestic-invested shares and 1,430,480,509 domestic-listed foreign-invested shares.</p> <p>Under the current shareholding structure of the Company, there are 2,662,396,051 ordinary shares, including 1,231,915,542 domestic-listed domestic-invested shares and 1,430,480,509 overseas-listed foreign-invested shares, representing 46.25% and 53.73% of the total number of issued ordinary shares of the Company respectively.</p> <p>As approved by a special resolution passed at the shareholders' general meeting and authorized by securities regulatory bodies under the State Council, the Company's domestic-listed foreign-invested shares were migrated to and listed on The Stock Exchange of Hong Kong Limited by way of introduction and traded as overseas-listed foreign-invested shares.</p> <p>Following the aforesaid migration and listing of the domestic-listed foreign-invested shares by way of introduction on The Stock Exchange of Hong Kong Limited and traded as overseas-listed foreign-invested shares, the Company's share capital consists of 2,662,396,051 ordinary shares, among which 1,430,480,509 shares are held by holders of overseas-listed foreign-invested shares (H Shares) and 1,231,915,542 shares are held by holders of domestic-listed domestic-invested shares, representing 53.73% and 46.25% of the total number of issued ordinary shares of the Company respectively.</p>	<p><b>Article 20.</b> After the inception of the Company, a total of 2,598,396,051 ordinary shares have been issued, including 1,167,915,542 domestic-listed domestic-invested shares and 1,430,480,509 domestic-listed foreign-invested shares.</p> <p>As approved by a special resolution passed at the shareholders' general meeting and authorized by securities regulatory bodies under the State Council, the Company's domestic-listed foreign-invested shares were migrated to and listed on The Stock Exchange of Hong Kong Limited by way of introduction and traded as overseas-listed foreign-invested shares.</p> <p>Following the aforesaid migration and listing of the domestic-listed foreign-invested shares by way of introduction on The Stock Exchange of Hong Kong Limited and traded as overseas-listed foreign-invested shares, the Company's share capital consists of 2,662,396,051 ordinary shares, among which 1,430,480,509 shares are held by holders of overseas-listed foreign-invested shares (H Shares) and 1,231,915,542 shares are held by holders of domestic-listed domestic-invested shares, representing 53.73% and 46.25% of the total number of issued ordinary shares of the Company respectively.</p> <p>Under the current shareholding structure of the Company, there are 2,977,819,686 ordinary shares, including 1,261,243,077 domestic-listed domestic-invested shares and 1,716,576,609 overseas-listed foreign-invested shares, representing 42.35% and 57.65% of the total number of issued ordinary shares of the Company respectively.</p>

	<b>CHAPTER 5: SHAREHOLDER AND SHAREHOLDERS' GENERAL MEETING</b>	<b>CHAPTER 5: SHAREHOLDER AND SHAREHOLDERS' GENERAL MEETING</b>
3	<p><b>Article 75.</b> Apart from holding on-site meetings, the Company shall facilitate its shareholders to attend shareholders' general meetings through such platforms as trading system operated by Shenzhen Stock Exchange and internet voting system when one the following matters are submitted to shareholders' general meetings for consideration and approval:</p> <ol style="list-style-type: none"> <li>(1) Material asset reorganization of the Company, where the total price of the assets purchased represents a premium of 20% or above over the audited net carrying amount of the assets purchased;</li> <li>(2) The material assets purchased or sold or amount guaranteed by the Company in a year is 30% higher than the latest audited total assets of the Company;</li> <li>(3) Shareholders repay the debts due to the Company with the equity or assets in kind of the Company they hold;</li> <li>(4) A subsidiary that has significant influence over the Company goes public overseas;</li> <li>(5) Relevant matters that have a significant impact on the shareholders' interest.</li> </ol>	<p><b>Article 75.</b> For the convenience of shareholders, the Company shall provide secure, cost-efficient and accessible online and other channels for participation in shareholders' general meetings in accordance with applicable laws, administrative regulations and rules of the CSRC or the Article of Association.</p>

<p>4</p>	<p><b>Article 115.</b> When voting in the shareholders’ general meeting, a shareholder (including its proxy(ies)) shall exercise its voting rights in respect of the number of voting shares it represents, except in the adoption of cumulative voting system on the election of directors, supervisors as required under Article 131 of these Articles of Association. Each share shall have one vote, but when voting, shall comply with any privilege or restriction appended on the voting rights of any class of shares existing at the time being, and shall comply with the requirements under the relevant applicable laws, regulations and these Articles of Association. If according to the “Hong Kong Listing Rules”, any of its schedules, any listing agreements, other contracts and agreements entered into pursuant to the above documents and decisions of the Hong Kong Stock Exchange, the voting rights of any shareholder in respect of any voting are not exercisable, or any restriction in respect of the exercise of the voting rights, while he has not complied with the relevant requirements, the voting rights of such shareholder shall be deemed as invalid and shall not be counted.</p> <p>The shares of the Company held by itself have no voting rights and shall not be counted into the total number of shares carrying voting rights at the shareholders’ general meeting.</p>	<p><b>Article 115.</b> When voting in the shareholders’ general meeting, a shareholder (including its proxy(ies)) shall exercise its voting rights in respect of the number of voting shares it represents, except in the adoption of cumulative voting system on the election of directors, supervisors as required under Article 131 of these Articles of Association. Each share shall have one vote, but when voting, shall comply with any privilege or restriction appended on the voting rights of any class of shares existing at the time being, and shall comply with the requirements under the relevant applicable laws, regulations and these Articles of Association. If according to the “Hong Kong Listing Rules”, any of its schedules, any listing agreements, other contracts and agreements entered into pursuant to the above documents and decisions of the Hong Kong Stock Exchange, the voting rights of any shareholder in respect of any voting are not exercisable, or any restriction in respect of the exercise of the voting rights, while he has not complied with the relevant requirements, the voting rights of such shareholder shall be deemed as invalid and shall not be counted.</p> <p>When the shareholders’ general meeting considers matters that could materially affect the interest of middle and small investors, the votes by middle and small investors shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.</p> <p>The shares of the Company held by itself have no voting rights and shall not be counted into the total number of shares carrying voting rights at the shareholders’ general meeting.</p>
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	<b>CHAPTER 6: THE BOARD OF DIRECTORS</b>	<b>CHAPTER 6: THE BOARD OF DIRECTORS</b>
5	<p><b>Article 163.</b> The Board shall exercise the following authority and powers:</p> <ol style="list-style-type: none"> <li>(1) to convene general meetings and report to the meetings;</li> <li>(2) to implement the resolutions passed at general meetings;</li> <li>(3) to determine the Company’s business plans and investment schemes;</li> <li>(4) to prepare the Company’s annual financial budget and final accounts;</li> <li>(5) to formulate the Company’s profit distribution plan and loss recovery plan;</li> <li>(6) to formulate proposals for increases or reductions of the Company’s registered capital and for the issuance and listing of corporate bonds or other securities;</li> <li>(7) to draft plans for material acquisition, share repurchase, merger, division, dissolution or change in corporate form;</li> <li>(8) to determine matters relating to the Company’s external investment, asset acquisition and disposal, asset mortgage, external guarantee, asset management mandate and connected transaction within the authorisation of the general meeting;</li> <li>(9) to determine the establishment of the Company’s internal management structure;</li> </ol>	<p><b>Article 163.</b> The Board shall exercise the following authority and powers:</p> <ol style="list-style-type: none"> <li>(1) to convene general meetings and report to the meetings;</li> <li>(2) to implement the resolutions passed at general meetings;</li> <li>(3) to determine the Company’s business plans and investment schemes;</li> <li>(4) to prepare the Company’s annual financial budget and final accounts;</li> <li>(5) to formulate the Company’s profit distribution plan and loss recovery plan;</li> <li>(6) to formulate proposals for increases or reductions of the Company’s registered capital and for the issuance and listing of corporate bonds or other securities;</li> <li>(7) to draft plans for material acquisition, share repurchase, merger, division, dissolution or change in corporate form;</li> <li>(8) to determine matters relating to the Company’s external investment, asset acquisition and disposal, asset mortgage, external guarantee, asset management mandate and connected transaction within the authorisation of the general meeting;</li> <li>(9) to determine the establishment of the Company’s internal management structure;</li> </ol>



<p>(10) to appoint or dismiss the Company's President and the secretary of the Board; and pursuant to the president's nominations, to appoint or dismiss senior officers including vice presidents and chief financial officer of the Company and to decide on their remuneration, rewards and penalties;</p> <p>(11) to formulate the Company's basic management system;</p> <p>(12) to formulate the proposed amendments to these Articles of Association;</p> <p>(13) to deal with information disclosures of the Company;</p> <p>(14) to propose to the general meeting for appointment or replacement of the accounting firms serving as the auditors of the Company;</p> <p>(15) to receive work report submitted by the president and to review his performance;</p> <p>(16) to exercise other duties and powers specified in the laws, administrative regulations, rules of regulatory authorities or these Articles of Association.</p> <p>The Board's resolutions on the matters set out in the preceding paragraph, save for items (6), (7) and (12) which shall require the consent of two-thirds or more of the directors, shall be passed by a simple majority of all directors.</p>	<p>(10) to appoint or dismiss the Company's President and the secretary of the Board; and pursuant to the president's nominations, to appoint or dismiss senior officers including vice presidents and chief financial officer of the Company and to decide on their remuneration, rewards and penalties;</p> <p>(11) to formulate the Company's basic management system;</p> <p>(12) to formulate the proposed amendments to these Articles of Association;</p> <p>(13) to deal with information disclosures of the Company;</p> <p>(14) to propose to the general meeting for appointment or replacement of the accounting firms serving as the auditors of the Company;</p> <p>(15) to receive work report submitted by the president and to review his performance;</p> <p>(16) to evaluate and determine the nature and extent of risks the Company is willing to take in achieving its strategic objectives, and to ensure that the Company establishes and maintains appropriate and effective risk management and internal control systems;</p> <p>(17) to supervise the management on the design, implementation and monitoring of the risk management and internal control systems;</p> <p>(18) to exercise other duties and powers specified in the laws, administrative regulations, rules of regulatory authorities or these Articles of Association.</p> <p>The Board's resolutions on the matters set out in the preceding paragraph, save for items (6), (7) and (12) which shall require the consent of two-thirds or more of the directors, shall be passed by a simple majority of all directors.</p>
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6	<p><b>Article 221.</b> The main functions of the Audit Committee are:</p> <ol style="list-style-type: none"> <li>(1) to make proposals re the appointment or replacement of the external auditor;</li> <li>(2) to supervise the internal audit system of the Company and its implementation;</li> <li>(3) to be responsible for the communication between the external auditing and the internal auditing;</li> <li>(4) to examine the financial information of the Company and the disclosure thereof;</li> <li>(5) to examine the internal control system of the Company;</li> <li>(6) other matters authorized by the Board of Directors.</li> </ol>	<p><b>Article 221.</b> The main functions of the Audit Committee are:</p> <ol style="list-style-type: none"> <li>(1) to make proposals re the appointment or replacement of the external auditor;</li> <li>(2) to supervise the internal audit system of the Company and its implementation;</li> <li>(3) to be responsible for the communication between the external auditing and the internal auditing;</li> <li>(4) to examine the financial information of the Company and the disclosure thereof;</li> <li>(5) to examine the Company's risk management and internal control systems;</li> <li>(6) other matters authorized by the Board of Directors.</li> </ol>
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	<b>CHAPTER 7: PRESIDENT AND OTHER SENIOR MANAGEMENT PERSONNEL</b>	<b>CHAPTER 7: PRESIDENT AND OTHER SENIOR MANAGEMENT PERSONNEL</b>
7	<p><b>Article 228.</b> The President shall report to the Board of Directors and have the following duties and powers:</p> <ol style="list-style-type: none"> <li>(1) to be in charge of the production, operation and management of the Company, and to report his work to the Board of Directors;</li> <li>(2) to organize and implement the resolutions adopted by the Board of Directors, the annual business plans and investment plans of the Company;</li> <li>(3) to draft schemes for the establishment of the Company’s internal management departments;</li> <li>(4) to draft the basic management systems of the Company;</li> <li>(5) to formulate the detailed rules and regulations of the Company;</li> <li>(6) to make proposals regarding the appointment or removal of the vice president and chief financial officers of the Company;</li> <li>(7) to appoint or remove managerial officers other than those to be appointed or removed by the Board of Directors;</li> <li>(8) to formulate plans for the remunerations, benefits, awards and punishments of the employees of the Company and determine the employment and removal of such employees;</li> <li>(9) to propose to convene an interim meeting of the Board of Directors; and</li> <li>(10) other duties and powers authorized by these Articles of Association and the Board of Directors.</li> </ol>	<p><b>Article 228.</b> The President shall report to the Board of Directors and have the following duties and powers:</p> <ol style="list-style-type: none"> <li>(1) to be in charge of the production, operation and management of the Company, and to report his work to the Board of Directors;</li> <li>(2) to organize and implement the resolutions adopted by the Board of Directors, the annual business plans and investment plans of the Company;</li> <li>(3) to draft schemes for the establishment of the Company’s internal management departments;</li> <li>(4) to draft the basic management systems of the Company;</li> <li>(5) to formulate the detailed rules and regulations of the Company;</li> <li>(6) to make proposals regarding the appointment or removal of the vice president and chief financial officers of the Company;</li> <li>(7) to appoint or remove managerial officers other than those to be appointed or removed by the Board of Directors;</li> <li>(8) to formulate plans for the remunerations, benefits, awards and punishments of the employees of the Company and determine the employment and removal of such employees;</li> <li>(9) to design, implement and monitor the risk management and internal control systems of the Company;</li> <li>(10) to report to the Board, the president is accountable to the Board for ensuring the effectiveness of the risk management and internal control systems;</li> <li>(11) to propose to convene an interim meeting of the Board of Directors; and</li> <li>(12) other duties and powers authorized by these Articles of Association and the Board of Directors.</li> </ol>

	<b>CHAPTER 10: FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDIT</b>	<b>CHAPTER 10: FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDIT</b>
8	<p><b>Article 286.</b> The Company adopts a continuous and stable profit distribution policy, and shall make dividend distributions in profit-making years. The Company may distribute dividend in the form of cash, bonus shares or both. In addition to annual cash dividend, the Company may also distribute interim cash dividend, provided that the accumulated cash distribution of profit for the last three years shall not be less than 30% of the average annual distributable profit of the Company of the last three years.</p> <p>In the event that any adjustments or alterations are required to be made to the Company’s cash dividend distribution policy as a result of new requirements of national laws and regulations and new provisions promulgated by securities regulatory authorities in relation to profit distribution policy of listed companies, as well as any material changes in external business environment or its own operating conditions, the Board shall submit a proposal to be voted on at a general meeting after the independent directors have given their opinions thereon and the supervisory committee has approved such proposal. The Company shall give full consideration to minority shareholders’ opinions in this regard, and when convening a shareholders’ general meeting, shall provide online voting and other channels for minority shareholders to participate in voting at such meeting. Any resolution of the shareholders’ general meeting shall be passed by votes representing more than two-thirds of voting rights held by shareholders present at such shareholders’ general meeting.</p> <p>Any amount paid up in advance of calls on a share shall carry interest, but shall not entitle the holder of the share to receive, by way of advance payment, the dividend declared and distributed thereafter.</p>	<p><b>Article 286.</b> The Company adopts a continuous and stable profit distribution policy, and shall make dividend distributions in profit-making years. The Company may distribute dividend in the form of cash, bonus shares or both. When the conditions for cash dividend are satisfied, cash dividend shall the priority method of profit distribution. In addition to annual cash dividend, the Company may also distribute interim cash dividend, provided that the accumulated cash distribution of profit for the last three years shall not be less than 30% of the average annual distributable profit of the Company of the last three years.</p> <p>In the event that any adjustments or alterations are necessary to be made to the cash dividend distribution policy stated in the Articles of Association as a result of new requirements of laws and regulations and new provisions promulgated by securities regulatory authorities in relation to profit distribution policy of listed companies, as well as any material changes in external business environment or the Company’s own operating conditions, the Board shall submit a proposal to be voted on at a general meeting after the independent directors have given their opinions thereon and the supervisory committee has approved such proposal. The Company shall give full consideration to minority shareholders’ opinions in this regard, and when convening a shareholders’ general meeting, shall provide online voting and other channels for minority shareholders to participate in voting at such meeting. Any resolution of the shareholders’ general meeting shall be passed by votes representing more than two-thirds of voting rights held by shareholders present at such shareholders’ general meeting.</p> <p>Any amount paid up in advance of calls on a share shall carry interest, but shall not entitle the holder of the share to receive, by way of advance payment, the dividend declared and distributed thereafter.</p>

<p>9</p>	<p><b>Article 287.</b> The profit distribution plan of the Company shall be proposed and prepared by the Board in accordance with the provisions of these Articles of Association and the actual operating condition of the Company. When formulating and considering the profit distribution plan, especially the specific proposal on cash dividend distribution, the Board shall conduct research and analysis on certain matters such as the timing, conditions, minimum proportion and conditions for adjustment in respect of the cash dividend distribution, and the independent directors shall expressly give their independent opinions on such proposal. The profit distribution plan of the Company shall be submitted to the shareholders' general meeting for approval after being considered and passed by the Board. Also, minority shareholders' opinions and requests shall be fully taken into consideration when the profit distribution plan is considered at the shareholders' general meeting.</p> <p>After the profit distribution plan has been resolved at the shareholders' general meeting, the Board of the Company shall complete the distribution of dividends (or shares) within two months after the meeting. The amount of cash dividends to be distributed to the holders of overseas-listed shares shall be converted from Renminbi into Hong Kong dollar at the median rate announced by the People's Bank of China on the first business day immediately following the day on which the resolution has been passed at the shareholders' general meeting of the Company.</p>	<p><b>Article 287.</b> The Board of the Company shall take various factors into consideration, including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangements, and differentiate the following circumstances to propose a differentiated policy for cash dividend distribution pursuant to the procedures stipulated in these Articles of Association:</p> <ol style="list-style-type: none"> <li>(1) Where the Company is in a developed stage with no substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution;</li> <li>(2) Where the Company is in a developed stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution;</li> <li>(3) Where the Company is in a developing stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution.</li> </ol> <p>In the case that it is difficult to distinguish the Company's stage of development but the Company has significant capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding provisions.</p>
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<p>The Company shall make detailed disclosures of its formulation and implementation of the cash dividend policy and the compliance thereof in its periodic reports. In the event of any adjustment or alteration to the cash dividend policy, the Company shall fully describe whether the conditions and procedures for such adjustment or alteration are compliant and transparent.</p>	<p>The profit distribution plan of the Company shall be proposed and prepared by the Board in accordance with the provisions of these Articles of Association and the actual operating condition of the Company. When formulating and considering the profit distribution plan, especially the specific proposal on cash dividend distribution, the Board shall conduct research and analysis on certain matters such as the timing, conditions, minimum proportion and conditions for adjustment in respect of the cash dividend distribution, and the independent directors shall expressly give their independent opinions on such proposal. Independent directors may solicit opinion of minority shareholders, put forth profit distribution proposal and submit it directly to the Board for consideration and approval.</p> <p>The profit distribution plan of the Company shall be submitted to the shareholders' general meeting for approval after being considered and passed by the Board. Before the cash dividend distribution plan is considered at the shareholders' general meeting, different channels should be used to proactively communicate and interact with shareholders, in particular, the minority shareholders, and the Company shall fully hear the opinions and demands of minority shareholders and timely answer the questions raised by minority shareholders. Also, minority shareholders' opinions and requests shall be fully taken into consideration when the profit distribution plan is considered at the shareholders' general meeting.</p>
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		<p>The listed company shall disclose in details in its annual report the formulation and implementation of the cash dividend policy, and state the following matters:</p> <ol style="list-style-type: none"><li>(1) whether the policy is in compliance with the requirements of the Articles of Association or the resolutions passed at the shareholders' general meeting;</li><li>(2) whether the basis and ratio of the distribution of dividends are clear;</li><li>(3) whether the relevant decision-making procedures and systems are sound;</li><li>(4) whether the independent directors have duly performed their duties;</li><li>(5) whether there are enough channels for minority shareholders to express their views and concerns, and whether their legal interests are sufficiently protected, etc.</li></ol> <p>If the cash dividend policy is to be adjusted or altered, it shall be disclosed in details whether the conditions and procedures of such adjustments or alternation is in compliance and transparent.</p>
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After the profit distribution plan has been resolved at the shareholders' general meeting, the Board of the Company shall complete the distribution of dividends (or shares) within two months after the meeting. The amount of cash dividends to be distributed to the holders of overseas-listed shares shall be converted from Renminbi into Hong Kong dollar at the median rate announced by the People's Bank of China on the first business day immediately following the day on which the resolution has been passed at the shareholders' general meeting of the Company.

The Company shall make detailed disclosures of its formulation and implementation of the cash dividend policy and the compliance thereof in its periodic reports. In the event of any adjustment or alteration to the cash dividend policy, the Company shall fully describe whether the conditions and procedures for such adjustment or alteration are compliant and transparent.

Where there is a change in the Company's control resulting from securities issuance, reverse merger, material asset restructuring, merger and division or acquisition, the Company shall disclose in details the cash dividend policy and relevant arrangements after the offering or issuance, restructuring or change in the control, as well as the Board's explanation of the aforesaid in the prospectus, offering proposal, report of material asset restructuring, report of change in equity or report of acquisition.

	<b>CHAPTER 11: NOTICE AND ANNOUNCEMENTS</b>	<b>CHAPTER 11: NOTICE AND ANNOUNCEMENTS</b>
10	<p><b>Article 309.</b> The Company has designated any one of the Securities Times, China Securities Journal and Shanghai Securities News as the journal for publishing in China the Company’s announcements and other information which needed to be disclosed. The Company has also designated any one of Hong Kong Economic Journal, South China Morning Post, Hong Kong Commercial Daily, Wen Wei Pao and Ta Kung Pao as the journal for publishing outside of China the Company’s announcements and other information which needed to be disclosed.</p> <p>The Company has designated <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> as the website for publishing the Company’s announcements and other information which needed to be disclosed.</p> <p>If the abovementioned newspapers or website fail to disclose the Company’s information in a timely manner, the Company shall disclose its information through other newspapers or websites designated by the China Securities Regulatory Commission.</p>	<p><b>Article 309.</b> The Company has designated any one of the Securities Times, China Securities Journal and Shanghai Securities News as the journal for publishing the Company’s announcements and other information which needed to be disclosed in relation to the A Shares. The Company has also designated the website of CNINFO (<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>) as the website for publishing the Company’s announcements and other information which needed to be disclosed in relation to the A Shares. The Company has designated the website of The Hong Kong Stock Exchange Limited (<a href="http://www.hkexnews.hk">www.hkexnews.hk</a>) as the website for publishing the Company’s announcements and other information which needed to be disclosed in relation to the H Shares.</p> <p>If the Company’s information cannot be disclosed in a timely manner through abovementioned newspapers or website, the Company shall disclose its information through other newspapers or websites designated by the China Securities Regulatory Commission and the Hong Kong Stock Exchange.</p>