

Stock Code: 000039, 200039 Short Form of Stock: CIMC, CIMC-B No.: [CIMC] 2010-019

## **China International Marine Containers (Group) Co., Ltd. Public Notice on Taking Part in New Share Allotment Launched by Subsidiary**

*China International Marine Containers (Group) Co., Ltd. (hereinafter referred to as the Company) and all members of its Board of Directors hereby ensure that this public notice is factual, accurate and complete, and that it contains no false information, misleading statements or material omissions.*

### **I. Overview**

CIMC Raffles Offshore (Singapore) Limited (formerly known as “Yantai Raffles Shipyard Limited”; hereinafter referred to as “CIMC Raffles”), with the Company holding 50.01% of its equities, intends to, on the basis of one additional share for every two existing shares, issue 136,782,500 shares of renounceable non-underwritten additional shares at an issue price of USD 0.735 for each additional share to raise gross proceeds of approximately USD 100.5 million.

### **II. Purposes of the new share allotment and use of the raised proceeds**

The said new share allotment is being undertaken by CIMC Raffles to raise funds to improve the facilities in the existing shipyards and build new shipyards, to strengthen its balance sheet structure, and for future investments and working capital.

#### **(I) Improve its facilities in the existing shipyards and build new shipyards**

One of CIMC Raffles’ key strategies is to continue to improve its facilities to enhance its competitive advantage. CIMC Raffles believes that these investments will bring tremendous benefits to CIMC Raffles and its subsidiaries (“CIMC Raffles Group”), enabling the CIMC Raffles Group to improve and increase its production capacity, efficiency and safety.

CIMC Raffles’ planned investments in capital expenditure include the second phase of an 18-metre deepwater wharf at its main shipyard located in Yantai, Shandong, which will give CIMC Raffles a significant competitive advantage in building semi-submersible drilling rigs, floating production storage and offloading (FPSO) vessels, floating production unit vessels and other similar vessels. At its shipyard located in Haiyang, Shandong, workshops will be built to bring more construction work under cover so as to minimize the effect of adverse weather on production.

#### **(II) Strengthen the balance sheet structure of CIMC Raffles**

Besides heavy capital investment in yard infrastructure, the construction of an offshore marine facility typically spreads over a period of 18 to 50 months and

requires significant resources. A strong balance sheet structure is essential to enable the CIMC Raffles to secure the required banking facilities for the purpose of its operations and expansion on favorable and competitive terms.

In this regard, the new share allotment will strengthen the balance sheet of CIMC Raffles. Part of the proceeds from the new share allotment will also be used to repay some of the existing borrowings of the CIMC Raffles. The improved balance sheet structure of CIMC Raffles is expected to enhance its ability to win new orders and secure corresponding project financing.

### (III) Supply future investment capital and running capital

Future investments will be made as and when opportunities are identified, and may include strategic joint ventures with third parties with a view to developing and expanding the CIMC Raffles Group's market, partnership with significant players in the supply chain in the offshore marine facilities industry, and construction or purchase of oil drilling rigs or other offshore marine facilities for leasing to third parties.

## III. Principal terms of allotment scheme

### (I) Allotment option

Based on the total number of 273,565,000 issued shares as at the date of this announcement of CIMC Raffles (5 Jul. 2010), and assuming that no new Shares will be issued after the date of this Announcement and before the Books Closure Date, an aggregate of 136,782,500 shares will be allotted and issued.

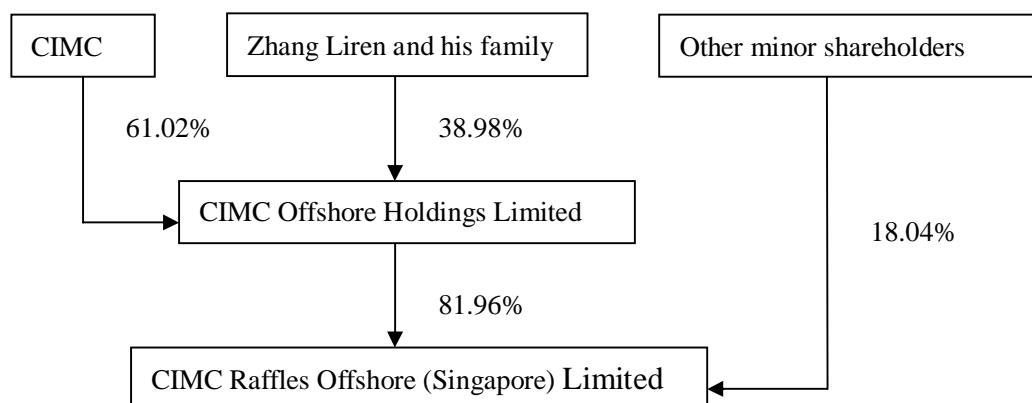
The allotment shares be offered on the basis of for one share for every two existing Shares held as at the Books Closure Date

### (II) Issue price

The issue price is USD 0.735 for each allotment share.

### (III) Irrevocable undertaking

As at the date of this announcement, CIMC Offshore Holdings Limited ("CIMC Offshore Holdings") holds directly and indirectly 81.96% of the total number of issued shares. The Company holds 61.02% shares of CIMC Offshore Holdings.



CIMC Offshore Holdings has given an irrevocable undertaking dated 5 July 2010 to CIMC Raffles in relation to the allotment shares (“Irrevocable Undertaking”), pursuant to which it undertook to accept and pay for its provisional allotment shares in full, and to apply and pay for all excess other shares which are not allotted or otherwise taken up under the Rights Issue. CIMC Offshore Holdings will rank last in priority in the allocation of excess Rights Shares.

Based on the above irrevocable undertaking, the Company, as the controlling shareholder of CIMC Raffles, will subscribe 50.01% of allotment shares at least with capital contribution of USD 50,267,569; in case that other shareholders of CIMC Raffles refuse or give up allotment option, the Company will subscribe 68.05% of allotment shares at most, with capital contribution of USD 68,414,161.

#### **IV. Influence on finance of the Company**

This contribution will not specially influenced liabilities of the Company for 2010. It is estimated that the equity of CIMC Raffles held by the Company will increase.

The Board of Directors of  
China International Marine Containers (Group) Co., Ltd  
6 Jul. 2010