

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



中國國際海運集裝箱（集團）股份有限公司

CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2039)

ANNOUNCEMENT ON CHANGE IN ACCOUNTING POLICY

This announcement is published by China International Marine Containers (Group) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) in the Mainland of China pursuant to the provisions of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and is made simultaneously in Hong Kong pursuant to Rule 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Inside Information Provisions (as defined under the Hong Kong Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong).

IMPORTANT NOTICE:

1. The Resolution on the Change in Accounting Policy was considered and approved at the 16th meeting of the 8th Session of the Board of Directors of the Company in 2016, pursuant to which it is agreed the Company to change the accounting policy on the measurement of its investment property from historical cost measurement to fair value measurement (the “**Change in Accounting Policy**”) in accordance with *Accounting Standards for Business Enterprises No. 28 – Changes in Accounting Policies and Estimates and Corrections of Errors*.
2. According to the preliminary calculation by the Company based on the currently-available information: on the date of the Change in Accounting Policy, the consolidated net assets of the Company is expected to increase by approximately RMB200 million; and it is expected that the Change of Accounting Policy will lead to an increase of approximately RMB10 million in the consolidated net profit of the Group for 2016. A valuer with qualifications to practise securities-related business will be appointed by the Company at the end of 2016 to conduct valuation for the fair value of the Company’s investment properties as at the date of the relevant balance sheet, and the confirmation of the ultimate effects as a result of the Change of the Accounting Policy will be made with reference to the audit results of the auditors of the Company. The Company will perform its obligation of information disclosure in a timely manner based on the progress of the valuation and auditing.
3. According to the *Guidelines for the Standardised Operation of Companies Listed on the Main Board of Shenzhen Stock Exchange and the Articles of Association of China International Marine Containers (Group) Co., Ltd. (the “Articles of Association”)*, the Change in Accounting Policy is not subject to consideration and approval by shareholders at the general meeting of the Company.

4. Risk warning: After the Change in Accounting Policy, any substantial changes in the real estate market where the investment properties held by the Company are located may result in changes in fair value of such investment properties, which could increase the risk of volatilities in the Company's future performance. Investors are advised to be aware of the risks associated with the investment.

I. SUMMARY OF THE CHANGE IN ACCOUNTING POLICY

In accordance with the requirements under *Accounting Standards for Business Enterprises No.3 – Investment Real Estates*, the *Accounting Standards for Business Enterprises No. 28 – Changes in Accounting Policies and Estimates and Corrections of Errors*, the *Guidelines for the Standardised Operation of Companies Listed on the Main Board of Shenzhen Stock Exchange* and the *Articles of Association*, and to reflect the value of the Company's investment properties in an objective and fair manner, and to help the management and the investors of the Company to obtain knowledge of the financial conditions of the Company in a timely manner, as approved by the 16th meeting of the 8th Session of the Board of Directors of the Company in 2016, the Company decided to make the change of the measurement of its investment property from historical cost measurement model to fair value measurement model. The details are as follows:

1. Date of the Change

The date on which the 16th meeting of the 8th Session of the Board of Directors of the Company in 2016 considers and approves the Resolution on the Change in Accounting Policy.

2. Details of the Change

The accounting policy adopted prior to the Change in Accounting Policy is that the Company measures the investment properties through the historical cost measurement model, by which the cost will be stated in the balance sheet less accumulated depreciation, amortization and provision for impairment. The investment properties' useful life, net residual value and depreciation (amortisation) method applied are reviewed and adjusted as appropriate at each year-end.

The accounting policy to be adopted after the Change in Accounting Policy is that the Company will make a follow-up measurement to the investment properties through the fair value measurement model. No provision for depreciation or amortization will be made and the carrying amount of the investment properties will be adjusted on the fair value of the investment properties as at the date of the balance sheet. The difference between the fair value and the initial carrying amount will be included in profit or loss of the period. To ensure the comparability of the accounting information, enterprises shall not change the adopted pattern of measurement to investment properties without justification. When the fair value pattern is adopted for the measurement to investment properties, a change to the cost pattern from the fair value pattern is not allowed.

3. Reasons for the Change

- (1) In compliance with *Accounting Standards for Business Enterprises*

According to *Accounting Standards for Business Enterprises No.3 – Investment Real Estates*, an enterprise can make a follow-up measurement to the investment properties through the cost measurement model or the fair value measurement model. To make a measurement through the fair value model, all of the following conditions shall be met: (1) there is an active trading market of real estate in the location of the investment property; and (2) the enterprise is able to obtain the market prices of the identical or similar real estates and other relevant information from the trading market of property, so as to be able to reasonably estimate the fair value of the investment property.

The investment properties held by the Company are mainly located in the first-tier cities and second tier cities in the coastal areas of China and can satisfy with the above-mentioned conditions by measured through external valuation or appraisal. Therefore, it is in compliance with *Accounting Standards for Business Enterprises* for the Company to change the accounting policy for the measurement of its investment properties from the cost measurement model to the fair value measurement model.

- (2) to better reflect the financial position of the Company in an objective and fair manner

The value of the properties in the region where in investment properties held by the Company are located has been rising during recent years. Under the cost measurement model, the carrying amount of the investment properties has been decreasing due to depreciation and amortization. Accordingly, it is unable to record the appreciation of the value of investment properties and the Company has been undervalued. With the economic growth and active trading on real estate in these regions, the Company considers that through the fair value measurement model for the follow-up measurement of its investment properties, the Company can better reflect the value of the investment properties in an objective and fair manner, keep the management and investors of the Company informed of the financial position of the Company and provide useful information for decision making of the management and investors of the Company, which will be in the interest of the Company and the Company's shareholders as a whole. Therefore, the Company decided to make a follow-up measurement to the investment properties through the fair value model.

4. The Procedures for Considering and Approving the Change

On 29 December 2016, the Resolution on the Change in Accounting Policy was considered and approved at the 16th meeting of the 8th Session of the Board of Directors and the 6th meeting of the 8th Session of the Supervisory Committee of the Company for 2016 respectively, and the independent directors have expressed their opinions on the Change in Accounting Policy.

According to the *Guidelines for the Standardised Operation of Companies Listed on the Main Board* and the *Articles of Association* and other relevant regulations, the Change in Accounting Policy is not subject to consideration and approval by the shareholders of the Company at the general meeting.

II. IMPACT OF THE CHANGE IN ACCOUNTING POLICY ON THE COMPANY

According to the preliminary calculation by the Company based on the currently-available information: as at the date of the Change in Accounting Policy, the consolidated net assets of the Company is expected to increase by approximately RMB200 million, and it is expected that the Change in Accounting Policy will lead to an increase of approximately RMB10 million in the consolidated net profit of the Group for 2016. A valuer with qualifications to practise securities-related business will be appointed by the Company at the end of 2016 to conduct valuation for the fair value of the Company's investment properties as at the date of the relevant balance sheet, and the confirmation of the ultimate effects as a result of the Change of Accounting Policy will be made with reference to the audit results of the auditors of the Company.

III. EXPLANATION OF THE BOARD OF DIRECTORS ON THE REASONABLENESS OF THE CHANGE IN ACCOUNTING POLICY

The Board of Directors of the Company believe that the change of the subsequent measurement of its investment properties from cost measurement model to fair value measurement model is in compliance with the *Accounting Standards for Business Enterprises*. It will be helpful in reflecting the value of the Company's investment properties in a more objective and fair manner, and help the management and the investors of the Company to obtain knowledge of the financial conditions and operating results of the Company in a timely manner. In addition, as there are active markets for lease and trading of properties in the regions where the investment properties of the Company are located, from which the Company can obtain market prices and other relevant information on the similar or comparable properties and make scientific and reasonable estimation of the fair value of the investment properties. Thus the fair value of the investment properties can be obtained continuously and reliably. Accordingly, it is reasonable and feasible for the Company to adopt the fair value measurement model in the subsequent measurement of its investment properties.

Based on the above, the Board of Directors of the Company agrees the Company to change the subsequent measurement of its investment properties from the cost measurement model to the fair value measurement model.

IV. OPINIONS OF THE INDEPENDENT DIRECTORS

Pursuant to the *Company Law of the People's Republic of China*, the *Guiding Opinions on the Establishment of Independent Director System in the Listed Companies*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, the *Rules Governing the Listing of Securities on Shenzhen Stock Exchange*, the *Guidelines for the Standardised Operation of Companies Listed on the Main Board of Shenzhen Stock Exchange (revised 2015)* and the Articles of Association, we, as the independent directors of the Company, have reviewed the Resolution on the Change in Accounting Policies which has been submitted to the Board of Directors of the Company for consideration, and expressed our independent opinions as follows:

1. The change of the Company in its accounting policies in accordance with the relevant accounting standards for business enterprises will enable the Company to reflect its financial conditions and operating results in an objective and fair manner, which is in the interests of the Company and the shareholders as a whole.

2. The decision-making procedure of the Company for the change in its accounting policies is in compliance with the relevant laws and the Articles of Association, and the interests of the Company and its shareholders, especially the small and medium shareholders, were not adversely affected during the process.

V. OPINIONS OF THE SUPERVISORY COMMITTEE OF THE COMPANY

The Resolution on the Change in Accounting Policy was considered and approved at the 6th meeting of the 8th Session of the Supervisory Committee of the Company for 2016 on 29 December 2016:

1. It is agreed that the Company will change the measurement of the investment properties from historical cost model to fair value model in accordance with *Accounting Standards for Business Enterprises No. 28 – Changes in Accounting Policies and Estimates and Corrections of Errors*.
2. It is agreed that the date of the Change of Accounting Policy shall be the date on which the Board of Directors approves the Resolution on the Change in Accounting Policy.
3. The Supervisory Committee of the Company is of the opinion that: the change of the Company in its accounting policies in accordance with the relevant accounting standards for business enterprises will enable the Company to reflect its financial conditions and operating results in an objective and fair manner. The decision-making procedure is in compliance with the relevant laws and the Articles of Association and is in the interests of the Company and the shareholders as a whole.

VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolutions of the 16th Meeting of the 8th Session of the Board of Directors for 2016;
2. Resolutions of the 6th Meeting of the 8th Session of the Supervisory Committee of the Company for 2016; and
3. Opinion of independent directors.

This announcement is available for reviewing on the website of the Company at <http://www.cimc.com> and the website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk>.

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

Hong Kong, 29 December 2016

As at the date of this announcement, the Board comprises Mr. WANG Hong (Chairman), Mr. WANG Yuhang (Vice-chairman), Mr. WANG Zhixian 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.