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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD.**, you should at once hand this circular and the accompanying form of proxy and reply slip to the purchaser or transferee or to licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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) DISCLOSEABLE AND CONNECTED TRANSACTION – ENTERING INTO THE RELOCATION COMPENSATION AGREEMENT BY SOUTHERN CIMC;**
(2) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR; AND
(3) PROPOSED APPOINTMENT OF SUPERVISOR

IMPORTANT NOTICE: PLEASE NOTE THAT THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD. WITH INFORMATION REGARDING THE DISCLOSEABLE AND CONNECTED TRANSACTION – ENTERING INTO THE RELOCATION COMPENSATION AGREEMENT BY SOUTHERN CIMC, THE PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR AND THE PROPOSED APPOINTMENT OF SUPERVISOR, SO THAT THE SHAREHOLDERS OF CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD. MAY MAKE AN INFORMED DECISION ON VOTING IN RESPECT OF THE RESOLUTIONS TO BE PROPOSED AT THE 2017 1ST EGM.

The 2017 1st EGM will be held at Ming Wah International Convention Centre, No.8, Gui Shan Road, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC at 2:45 p.m. on Tuesday, 26 September 2017. Notice of the 2017 1st EGM setting out the Resolutions to be proposed at the 2017 1st EGM, together with the form of proxy and reply slip were published on the website of the Hong Kong Stock Exchange and despatched to the Shareholders on 11 August 2017.

Whether or not you are able to attend the 2017 1st EGM, you are requested to complete and return the form of proxy despatched to the Shareholders on 11 August 2017 in accordance with the instructions printed thereon, as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the 2017 1st EGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2017 1st EGM (or any adjournment thereof) should you so wish.

23 August 2017

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings.

“2017 1 st EGM”	the first extraordinary general meeting of the Company in 2017 to be convened on 26 September 2017, to consider and, if thought fit, approve the Resolutions
“A Share(s)”	domestic share(s) in the registered share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in RMB
“Articles of Association”	the Articles of Association of China International Marine Containers (Group) Co., Ltd
“Board”	the board of Directors of the Company
“China Merchants CIMC Investment”	China Merchants (CIMC) Investment Limited (招商局國際(中集)投資有限公司), a substantial Shareholder holding 24.51% of the issued Shares as at the Latest Practicable Date
“China Merchants Group”	China Merchants Group Limited, a state-owned enterprise established in the PRC and directly managed by the SASAC, and is the controlling shareholder of CM CIMC Investment, a substantial Shareholder
“China Merchants Shekou”	China Merchants Shekou Industrial Zone Holdings Co., Ltd. (招商局蛇口工業區控股股份有限公司) (formerly known as China Merchants Shekou Industrial Zone Company Limited (招商局蛇口工業區有限公司)), a limited liability company established under the laws of the PRC and an indirectly non-wholly owned subsidiary of China Merchants Group
“Company”	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司), a joint stock company with limited liability established under the laws of the PRC in January 1980, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, respectively

DEFINITIONS

“Compensation”	the compensation of RMB494,894,588 in aggregate, which shall be paid by China Merchants Shekou to Southern CIMC pursuant to the Relocation Compensation Agreement
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	director(s) of the Company
“Erected Buildings”	the buildings, such as factories and offices, invested and constructed by the Group on the Leasehold Land
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas-listed foreign share(s) in the registered share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Share Registrar”	Computershare Hong Kong Investor Services Limited, the H Share Registrar of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“independent third party(ies)”	independent third party(ies) who is(are) not connected persons of the Company and independent from and not connected with the Directors, chief executives, controlling Shareholders and substantial Shareholders of the Company and any of its subsidiaries or their respective associates
“Land Handover Date”	the date of return of the Leasehold Land determined by both parties in accordance with the Relocation Compensation Agreement

DEFINITIONS

“Latest Practicable Date”	18 August 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Leasehold Land”	three land parcels (Shekou land lot numbers SKS201-04, SKS201-01 and SKS201-08) located at the north side of Gangwan Avenue, Shekou, Shenzhen, Guangdong Province, PRC with a total area of 61,005.5 square meters and to be returned by Southern CIMC to China Merchants Shekou in accordance with the Relocation Compensation Agreement
“Listing Rules”	the Hong Kong Listing Rules and the Shenzhen Listing Rules
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Prince Bay Project Land”	the land parcel K202-0014 of Prince Bay, Shekou, Shenzhen acquired by China Merchants Shekou at Shenzhen Land and Real Estate Exchange Center on 30 June 2011
“Relocation and Compensation”	the relocation and return of the Leasehold Land by Southern CIMC and the Compensation paid by China Merchants Shekou pursuant to the Relocation Compensation Agreement
“Relocation Compensation Agreement”	the relocation compensation agreement entered into between China Merchants Shekou and Southern CIMC on 3 August 2017
“Resolutions”	the ordinary resolutions to be considered and, if thought fit, approved at the 2017 1 st EGM, including (i) the Resolution on the Return of Leasehold Land and Relocation and Compensation for the Prince Bay Project Land between Southern CIMC and China Merchants Shekou; (ii) the Resolution in Relation to the By-election of Mr. HU Xianfu as a non-executive Director of the Eighth Session of the Board; and (iii) the Resolution in Relation to the By-election of Mr. WANG Hongyuan as a Supervisor representing Shareholders of the Eighth Session of the Supervisory Committee

DEFINITIONS

“RMB”	Renminbi yuan, the lawful currency of the People’s Republic of China
“Share(s)”	the share(s) of the Company, including the A Share(s) and H Share(s)
“Shareholder(s)”	the holder(s) of the Share(s)
“Shenzhen Listing Rules”	the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange
“Southern CIMC”	Shenzhen Southern CIMC Containers Manufacture Co., Ltd.* (深圳南方中集集裝箱製造有限公司), a limited liability company established under the laws of the PRC, and a wholly-owned subsidiary of the Company
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	supervisory committee of the Company
“Valuation Report”	the valuation report of Guo Zhong Lian Ping Bao Zi (2017) No. 2-0657 issued by the Valuer for the determination of the Compensation
“Valuer”	Guo Zhong Lian Land Real Estate Assets Appraisal Co., Ltd*(國眾聯資產評估土地房地產估價有限公司), a valuer which possesses business qualifications relating to securities and futures jointly engaged by China Merchants Shekou and the Company, and is an independent third party
“%”	per cent

* *For identification purpose only.*

EXPECTED TIMETABLE

2017

Latest time for lodging transfers of the H Shares to qualify for attendance and voting at the 2017 1 st EGM	4:30 p.m., Friday, 25 August
H Share register closed.	Saturday, 26 August to Tuesday, 26 September (both dates inclusive)
Latest date for lodging reply slips for the 2017 1 st EGM.	Wednesday, 6 September
Latest time for lodging proxy forms for the 2017 1 st EGM	2:45 p.m., Monday, 25 September
2017 1 st EGM	2:45 p.m., Tuesday, 26 September
H Share register re-open	Wednesday, 27 September

LETTER FROM THE BOARD



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)

Board of Directors:

Non-executive Directors

Mr. WANG Hong (*Chairman*)

Mr. WANG Yuhang (*Vice Chairman*)

Mr. LIU Chong

Executive Director

Mr. MAI Boliang

Independent Non-executive Directors

Mr. PAN Chengwei

Mr. PAN Zhengqi

Mr. WONG Kwai Huen, Albert

***Legal Address, Registered Address
and Address of Head Office:***

8th Floor, CIMC R&D

Centre 2 Gangwan Avenue Shekou

Nanshan District Shenzhen

Guangdong, the PRC

23 August 2017

To the Shareholders

Dear Sir or Madam,

- (1) DISCLOSEABLE AND CONNECTED TRANSACTION – ENTERING INTO THE
RELOCATION COMPENSATION AGREEMENT BY SOUTHERN CIMC;
(2) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR; AND
(3) PROPOSED APPOINTMENT OF SUPERVISOR**

I. INTRODUCTION

Reference is made to (i) the announcement of the Company dated 3 August 2017 in relation to the Relocation Compensation Agreement entered into between Southern CIMC and China Merchants Shekou; (ii) the announcement of the Company dated 7 August 2017 in relation to the resignation of non-executive Director and Supervisor; (iii) the announcement of the Company dated 11 August 2017 in relation to the proposed appointment of non-executive Director and Supervisor; and (iv) the notice of the 2017 1st EGM dated 11 August 2017.

The purpose of this circular is to provide more details of the Relocation Compensation Agreement and the proposed appointment of the non-executive Director and Supervisor and the relevant information for you to make an informed decision on voting in respect of the Resolutions to be proposed at the 2017 1st EGM.

LETTER FROM THE BOARD

II. DISCLOSEABLE AND CONNECTED TRANSACTION – ENTERING INTO THE RELOCATION COMPENSATION AGREEMENT BY SOUTHERN CIMC

A. Background

The Group has successively leased the Leasehold Land from China Merchants Shekou Industrial Zone Company Limited, the former entity of China Merchants Shekou, since 1980, and has invested and constructed the Erected Buildings such as factories and offices thereon for the production and operation of the Company and Southern CIMC. In 2007, Southern CIMC renewed the lease for the Leasehold Land with China Merchants Shekou.

On 30 June 2011, China Merchants Shekou acquired the Prince Bay Project Land at the Shenzhen Land and Real Estate Exchange Center. As the land use-rights owner, China Merchants Shekou will conduct boundary measurement, development and construction to the Prince Bay Project Land. As the Leasehold Land is located within the area of the Prince Bay Project Land and due to the development and construction needs of China Merchants Shekou for the Prince Bay Project Land, after friendly negotiation between both parties, Southern CIMC agreed to relocate and return the Leasehold Land to China Merchants Shekou and China Merchants Shekou agreed to pay the Compensation for the relocation and return of the Leasehold Land.

The Board announced that on 3 August 2017 Southern CIMC and China Merchants Shekou entered into the Relocation Compensation Agreement, pursuant to which China Merchants Shekou agreed to pay the Compensation to Southern CIMC for the relocation and return of the Leasehold Land.

B. The Relocation Compensation Agreement

The principal terms of the Relocation Compensation Agreement are set out as follows:

<i>Date</i>	3 August 2017
<i>Parties</i>	(i) Southern CIMC, a wholly-owned subsidiary of the Company; and (ii) China Merchants Shekou, a non-wholly owned subsidiary of China Merchants Group, a substantial Shareholder, and a connected person of the Company.

LETTER FROM THE BOARD

Return of the Leasehold Land

Southern CIMC shall return the Leasehold Land to China Merchants Shekou or its nominee in full within five working days upon the Relocation Compensation Agreement becoming effective and after the removal of the Erected Buildings. Both parties shall sign a land handover letter on the date of return.

From the date of signing of the land handover letter by both parties, the return of the Leasehold Land will be regarded as completed. The leasing (usage) relationship in relation to the Leasehold Land between both parties shall be terminated from 31 July 2017.

Southern CIMC shall pay the rent (or usage fee) for the period from 1 January 2011 to 31 July 2017 in an aggregate amount of RMB30,523,085.17 to China Merchant Shekou in full on the date of signing of the land handover letter. Such rent and usage fee are calculated in accordance with the area of the Leasehold Land and under the basis of the rental level for 2010 determined in the relevant agreement of the Leasehold Land.

Compensation and basis of determination

China Merchants Shekou agreed to pay the Compensation to Southern CIMC, as lessee of the Leasehold land, in an amount of RMB494,894,588.

The Compensation was determined by China Merchants Shekou and Southern CIMC after arm's length negotiations after taking into account: (1) the investment and construction cost of the Erected Buildings on the Leasehold Land of Southern CIMC; and (2) the relocation fees incurred and the losses arising from the suspended production and operation assumed by Southern CIMC following a series of relocation arrangements in cooperation with the development of Prince Bay Project Land, and based on the appraised value set out in the Valuation Report issued by the Valuer.

According to the Valuer's evaluation using 30 June 2017 as the reference date and by cost method on the relocation losses of Southern CIMC arising from the return of the Leasehold Land caused by the overall development of the Prince Bay Project Land, the appraised value has been determined to be RMB494,894,588 after taking consideration of the expenses relating to the buildings, relocation of equipment and the suspension of production and operation.

Payment method of the Compensation

Both parties agreed that the Compensation shall be fully paid to the designated bank account of Southern CIMC by China Merchants Shekou within three working days from the signing of the land handover letter.

LETTER FROM THE BOARD

Defined obligations and liabilities

Southern CIMC shall be responsible for handling the claims made to China Merchants Shekou or its nominee and assume full liability for compensation arising from the use of the Leasehold Land or the Erected Buildings by Southern CIMC or those related to the Erected Buildings prior to and including the Land Handover Date. No responsibility shall be assumed by Southern CIMC for the abovementioned liabilities which occurred after the Land Handover Date (excluding the Handover Date).

The obligations and expenses involved in the return of the Leasehold Land by Southern CIMC to China Merchants Shekou or its nominee shall be assumed by Southern CIMC.

Effectiveness and Completion

The Relocation Compensation Agreement shall become effective upon satisfaction of all the following conditions, whichever is the latest: (i) the signing of the Relocation Compensation Agreement and stamping with official seal by the representatives of China Merchants Shekou and Southern CIMC; (ii) the Relocation Compensation Agreement was approved by the eligible governing authorities of China Merchants Shekou; and (iii) the Relocation Compensation Agreement was approved by the eligible governing authorities of Southern CIMC or the Company.

Both parties shall satisfy all the above-mentioned conditions precedent to the Relocation Compensation Agreement as soon as possible and no later than 60 days after the signing of the Relocation Compensation Agreement.

C. Information On The Leasehold Land

The Leasehold Land consists of the three land parcels (Shekou land lot numbers SKS201-01, SKS201-04 and SKS201-08) located at the north side of Gangwan Avenue, Shekou, Shenzhen, Guangdong Province, the PRC, with a total area of 61,005.5 square meters. The land use rights of the three land parcels are owned by China Merchants Shekou and were leased to Southern CIMC for its usage, and the Group has invested and constructed the Erected Buildings on the Leasehold Land. The Leasehold Land is located within the area of the Prince Bay Project Land to be developed and constructed by China Merchants Shekou.

D. Use Of Proceeds

As some expenses incurred by Southern CIMC in relation to the relocation from the Leasehold Land had been paid in the previous years as disclosed under the section “II. F. – Financial Effects of entering into the Relocation Compensation Agreement on the Group” of this circular, the amount of the Compensation received after deducting taxes and other expenses will be used for dividends distribution of Southern CIMC.

LETTER FROM THE BOARD

E. Reasons For And Benefits Of Entering Into The Relocation Compensation Agreement

Entering into the Relocation Compensation Agreement is beneficial for the Group to capitalise on the opportunities from urban development, upgrade and reconstruction of Shenzhen City and realise the commercial values of its existing resources, so as to increase the Group's overall benefit and returns of the Shareholders and is consistent with the overall strategic growth objective and the long-term interests of the Group.

The Directors (including the independent non-executive Directors but excluding the connected Directors) are of the view that (i) the terms of the Relocation Compensation Agreement, which were arrived at after arm's length negotiations between both parties, are fair and reasonable; (ii) the Compensation was determined according to the Valuation Report; and (iii) the Relocation and Compensation is in the interests of the Company and the Shareholders as a whole.

F. Financial Effects Of Entering Into The Relocation Compensation Agreement On The Group

In order to facilitate the overall development needs of the Prince Bay Project Land, Southern CIMC has gradually arranged the relocation and production suspension since 2007. Meanwhile, in order to address the inadequate production capacity caused by the relocation from the Leasehold Land and the production suspension of Southern CIMC, the Group has invested and commenced production with the new container production lines in Pingshan, Shenzhen. Therefore, the transaction contemplated under the Relocation Compensation Agreement will not negatively impact the normal production and operation of the Group.

The major direct costs/expenses incurred by Southern CIMC due to the production suspension and relocation from the Leasehold Land with an amount of approximately RMB151.4 million were recognized over the previous financial years, including an aggregate of approximately RMB28.2 million in relocation expenses incurred during 2007-2016, an aggregate of approximately RMB40.9 million in fixed assets depreciation incurred during 2007-2016 (which comprised RMB15.6 million in 2007, RMB12.3 million in 2008, RMB8.9 million in 2009, RMB0.9 million in 2010, RMB0.7 million in 2011 and RMB0.5 million in each years from 2012 to 2016, respectively), and approximately RMB82.3 million in fixed assets impairment incurred in 2009. For illustration purpose in this circular, the gain of the Group from the Compensation after deducting the abovementioned cost/expenses of the Group directly related to the relocation incurred in the previous financial years before calculating the taxation is approximately RMB343.5 million.

The transaction contemplated under the Relocation Compensation Agreement is expected to provide a positive impact on the consolidated financial results of 2017 of the Company. The specific figures in the audit results prepared by the auditor the Company shall prevail.

LETTER FROM THE BOARD

G. General Information

The Company is a joint stock limited company with limited liability established in the PRC, with its H Shares listed on the Main Board of the Hong Kong Stock Exchange and its A Shares listed on the Shenzhen Stock Exchange. The Group is principally engaged in the container manufacturing business, road transportation vehicle business, energy, chemical and liquid food equipment business, offshore engineering business, logistic service business and airport facilities equipment business.

Southern CIMC is a limited liability company established in the PRC and as at the Latest Practicable Date, is a wholly-owned subsidiary of the Company. Southern CIMC is principally engaged in the manufacturing and repairing of containers, processing and manufacturing of different related mechanical parts, structural parts and equipment, design and manufacturing of new special machinery and equipment for road and port and container stockpiling business (excluding dangerous goods).

China Merchants Shekou is a joint stock limited company with limited liability established in the PRC and is a non-wholly owned subsidiary of China Merchants Group, a substantial Shareholder. China Merchants Shekou is principally engaged in urban and park zones integrated development and operation.

H. Consideration By The Board And The Supervisory Committee

The Relocation and Compensation was considered and approved at the ninth meeting of 2017 of the Eighth Session of the Board. Mr. WANG Hong and Mr. WANG Zhixian, non-executive Directors as nominated by China Merchants Group and thus as connected Directors having material interests, abstained from voting on the relevant resolution.

The Relocation and Compensation was also considered and approved at the fourth meeting of 2017 of the Eighth Session of the Supervisory Committee. Mr. LV Shengzhou, a Supervisor as nominated by China Merchants Group and thus having material interests, abstained from voting on the relevant resolution.

I. Implications Under The Listing Rules

Implications under the Hong Kong Listing Rules

As one or more the applicable percentage ratio(s) in respect of the transaction contemplated under the Relocation Compensation Agreement exceed(s) 5% but fall(s) below 25%, the transaction contemplated under the Relocation Compensation Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules, and is therefore subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

LETTER FROM THE BOARD

As at the Latest Practicable Date, China Merchants Shekou is an indirect non wholly-owned subsidiary of China Merchants Group, a substantial Shareholder, and is therefore a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. The transaction contemplated under the Relocation Compensation Agreement therefore constitutes a connected transaction of the Company. As all the applicable percentage ratios (other than the profits ratio) in respect of the connected transaction contemplated under the Relocation Compensation Agreement are more than 0.1% but less than 5%, the transaction is exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Implications under the Shenzhen Listing Rules

The transaction contemplated under the Relocation Compensation Agreement constitutes a related-party transaction of the Company under the Shenzhen Listing Rules and is therefore subject to the independent Shareholders' approval requirement. Accordingly, the 2017 1st EGM will be convened to consider and, if thought fit, approve the Resolutions. The holders of A Shares and the holders of H Shares of the Company are both entitled to attend and vote at the 2017 1st EGM.

As at the Latest Practicable Date, China Merchants CIMC Investment, an indirect wholly-owned subsidiary of China Merchants Group, directly held 730,557,217 H Shares, representing approximately 24.51% of the total issued share capital of the Company. Therefore, China Merchants CIMC Investment has material interests in the return of Leasehold Land and the Relocation and Compensation, and will abstain from voting at the 2017 1st EGM on the relevant resolution.

III. PROPOSED APPOINTMENT OF THE NON-EXECUTIVE DIRECTOR

The Board announced on 7 August 2017 that it has received the written resignation from Mr. WANG Zhixian who tendered his resignation from the position of a non-executive Director and all the positions in the Risk Management Committee and the Remuneration and Appraisal Committee of the Board due to a change in job assignments. Mr. WANG Zhixian's resignation has taken effect from the date of the Board's receipt of his written resignation.

The Board further announced on 11 August 2017 that it has proposed to nominate Mr. HU Xianfu ("Mr. HU") as a non-executive Director of the Eighth Session of the Board. According to the Articles of Association, the proposed appointment of a non-executive Director shall be subject to the approval by the Shareholders at a general meeting. The related resolution will be put forward at the 2017 1st EGM for the Shareholders' consideration and approval by way of ordinary resolution.

LETTER FROM THE BOARD

Biographical detail of Mr. HU is set out as follows:

Mr. HU Xianfu, Han Chinese, was born in Tongcheng, Anhui, in October 1969. He graduated from the department of engineering management of Wuhan University of Water Transportation Engineering, with a degree in finance and accounting in June 1992. He started his career in September 1992, and obtained his master degree in business administration (MBA) from Shanghai University of Finance and Economics in May 2009. His major work experiences were as follows: From July 1992 to June 1996, after graduating, he had been assigned to work at the China Merchants Group Ltd., Guangzhou office, then he took an internship at the Shekou Hai Hong Chemical Company* (蛇口海虹化工公司) and was later transferred to the Finance Department of China Merchants Group (Shekou office) since 1994. He was later transferred to China Merchants Development Co., Ltd* (招商局發展有限公司), which was subsequently merged and restructured as China Merchants Industry Holdings Co., Ltd., and served successively as financial manager of China Merchants Heavy Industry and also as vice-manager and manager of China Merchants Industry Holdings from September 1996 to October 2005. He held positions as chief financial officer of Yiu Lian Dockyards (Shekou) Limited and China Merchants Heavy Industry (Shenzhen) Co., Ltd. from October 2005 to January 2011. He also served as the deputy general manager and the chief financial officer of Yiu Lian Dockyards (Shekou) Limited and China Merchants Heavy Industry (Shenzhen) Co., Ltd. from February 2011 to April 2015. Since April 2015 to date, he has served as the deputy general manager and the chief financial officer of China Merchants Industry Holdings Co., Ltd.

As at the Latest Practicable Date, save as disclosed above and to the best of the Company's knowledge, Mr. HU (i) does not hold any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any position in the Company or its subsidiaries; (iii) does not have any interest, deemed interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong); (iv) does not have any relationship with any other existing Directors, senior management, Supervisors or substantial Shareholders (as defined in the Hong Kong Listing Rules) of the Company; (v) has not been subject to punishment by the China Securities Regulatory Commission and other competent authorities nor been disciplined by any stock exchange; and (vi) is not a dishonest person subject to enforcement.

Save as disclosed above, in terms of the appointment of Mr. HU, there is no other information required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Hong Kong Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

Upon the passing of the resolution regarding the proposed appointment of Mr. HU as a non-executive Director by the Shareholders at the 2017 1st EGM, the Company will enter into a service contract with Mr. HU with a term commencing from the date of the appointment and terminating upon the expiration of the term of the Eighth Session of the Board. It is expected that Mr. HU will not receive any remuneration for serving as a non-executive Director.

LETTER FROM THE BOARD

IV. PROPOSED APPOINTMENT OF THE SUPERVISOR

The Board announced on 7 August 2017 that the Supervisory Committee received the written resignation from Mr. LV Shengzhou who tendered his resignation from the position of the Supervisor representing Shareholders due to a change in work arrangement. Mr. LV Shengzhou's resignation will result in the total number of Supervisors falling below the minimum quorum; therefore, according to the Articles of Association, Mr. LV Shengzhou's resignation will not come into effect until a new Supervisor is elected at the Company's general meeting to fill the vacancy. Mr. LV Shengzhou shall continue to fulfill the duties of a Supervisor before his resignation takes effect.

The Board further announced on 11 August 2017 that the Supervisory Committee has proposed to nominate Mr. WANG Hongyuan (“**Mr. WANG**”) as the Supervisor representing Shareholders of the Eighth Session of the Supervisory Committee. According to the Articles of Association, the proposed appointment of a Supervisor shall be subject to the approval by the Shareholders at a general meeting. The related resolution will be put forward at the 2017 1st EGM for the Shareholders' consideration and approval by way of ordinary resolution.

Biographical detail of Mr. WANG is set out as follows:

Mr. WANG Hongyuan, Han Chinese, was born in Laizhou, Shandong, in August 1975. He graduated from the Institute of Navigation of Dalian Maritime University majoring in ocean vessel driving in July 1997. He started his career in July 1997 and obtained a master's degree from the Transportation Management College of Dalian Maritime University as a full-time postgraduate student from August 2001 to June 2003. His major work experiences are as follows: successively worked as third officer, second officer, and practice officer for the vessel assigned to Panama from Shandong Shipping Group* (山東航運集團) from July 1997 to August 2001. He worked as senior project manager of the business development department (the former of gulf project group secretariat* (前海灣項目組秘書處)) of China Merchants Group from June 2003 to July 2005. He served as senior project manager of the business management department of China Merchants Holdings (International) Company Limited from July 2005 to August 2008. He served as deputy general manager of China Merchants International Cold Chain Co., Ltd.* (招商局國際冷鏈有限公司) and the business director of China Merchants Maritime & Logistics (Shenzhen) Ltd. (Bonded Logistics)* (深圳招商局海運物流(招商保稅)) from August 2008 to July 2009. He served as the general manager of China Merchants International Cold Chain Co., Ltd. from July 2009 to October 2010. He served as executive vice president of China Merchants Meileng Logistics Holdings Limited* (招商美冷物流控股有限公司) and general manager of China Merchants International Cold Chain Co., Ltd from October 2010 to October 2011. He served as the deputy general manager of the enterprise strategic operations management department of China Merchants Holdings (International) Company Limited from October 2011 to December 2012. He served as the deputy general manager of China Merchants Port Services (Shenzhen) Company Limited from January 2013 to December 2013. He served as the general manager assistant of China Merchants Food Supply Chain Management Co., Ltd.* (招商局食品供應鏈管理有限公司) from January 2014 to January 2015. He served as the director assistant of the capital management department of China Merchants Group Limited from January 2015 to December 2016. He has been the deputy general manager of China Merchants Industry Holdings Company Limited since December 2016.

LETTER FROM THE BOARD

As at the Latest Practicable Date, save as disclosed above and to the best of the Company's knowledge, Mr. WANG (i) does not hold any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any position in the Company or its subsidiaries; (iii) does not have any interest, deemed interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong); (iv) does not have any relationship with any other existing Directors, senior management, Supervisors or substantial Shareholders (as defined in the Hong Kong Listing Rules) of the Company; (v) has not been subject to punishment by the China Securities Regulatory Commission and other competent authorities nor been disciplined by any stock exchange; and (vi) is not a dishonest person subject to enforcement.

Save as disclosed above, in terms of the appointment of Mr. WANG, there is no other information required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Hong Kong Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

Upon the passing of the resolution regarding the proposed appointment of Mr. WANG as the Supervisor representing Shareholders by the Shareholders at the 2017 1st EGM, the Company will enter into a service contract with Mr. WANG with a term commencing from the date of the appointment and terminating upon the expiration of the term of the Eighth Session of the Supervisory Committee. It is expected that Mr. WANG will not receive any remuneration for serving as a Supervisor.

V. THE 2017 1ST EGM AND CLOSURE OF H SHARE REGISTER

The 2017 1st EGM will be held by the Company at Ming Wah International Convention Centre, NO. 8, Gui Shan Road, Shekou, Nanshan District, Shenzhen, Guangdong, the PRC at 2:45 p.m. on Tuesday, 26 September 2017 to consider and, if thought fit, to approve the Resolutions. Notice of the 2017 1st EGM setting out the Resolutions to be proposed at the 2017 1st EGM, together with the form of proxy and reply slip were published on the website of the Hong Kong Stock Exchange and despatched to the Shareholders on 11 August 2017.

As at the Latest Practicable Date, China Merchants CIMC Investment, an indirect wholly-owned subsidiary of China Merchants Group, directly held 730,557,217 H Shares, representing approximately 24.51% of the total issued share capital of the Company. Therefore, China Merchants CIMC Investment has material interests in the Return of Leasehold Land and the Relocation and Compensation, and will abstain from voting at the 2017 1st EGM on the relevant resolution.

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Save as disclosed above, no other Shareholders are required to abstain from voting on the Resolutions at the 2017 1st EGM.

The reply slip and proxy form for use at the 2017 1st EGM were despatched to the H Shareholders on 11 August 2017 together with the notice of the 2017 1st EGM, and published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk). If you intend to attend the 2017 1st EGM, you are requested to complete and return the reply slip in accordance with the instructions printed on the reply slip not later than Wednesday, 6 September 2017.

For those who intend to appoint a proxy to attend the 2017 1st EGM, please complete and return the form of proxy in accordance with the instructions printed thereon. To be valid, for holders of A Shares, the form of proxy, together with the power of attorney or other authority, if any, under which if it is signed, or a certified copy of such power or authority, must be delivered to the Office of the Secretary of the Board of the Company at CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong 518067, the PRC not less than twenty-four hours before the time appointed for holding the 2017 1st EGM. In order to be valid, for holders of H Shares, the above documents must be delivered to the H Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than twenty-four hours before the time appointed for holding the 2017 1st EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the 2017 1st EGM (or any adjournment thereof) should you so wish.

Closure of H Share register

The register of members of H Shares of the Company will be closed from Saturday, 26 August 2017 to Tuesday, 26 September 2017 (both days inclusive), during which time no share transfers of H Shares will be effected. For those holders of H Shares who intend to attend the 2017 1st EGM, the share certificates accompanied by the transfers of Shares must be delivered to the H Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 25 August 2017. The holders of H Shares whose names appear on the register of members of the Company at the close of business on Tuesday, 19 September 2017 are entitled to attend the 2017 1st EGM and vote in respect of the Resolutions at the 2017 1st EGM.

Voting by poll

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rule and the Articles of Association, all votes of the Shareholders at the 2017 1st EGM must be taken by poll.

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VI. RECOMMENDATION

The Directors (including the independent non-executive Directors but excluding interested Directors) consider that (i) the terms of the Relocation Compensation Agreement, which were arrived at after arm's length negotiations between both parties, are fair and reasonable; (ii) the Compensation was determined according to the Valuation Report; and (iii) the Relocation and Compensation is in the interests of the Company and the Shareholders as a whole. The Directors also consider that the appointments of Mr. HU as a non-executive Director and Mr. WANG as a Supervisor representing Shareholders are in the interests of the Company and the Shareholders as a whole. As such, the Directors (including independent non-executive Directors) recommend the Shareholders to vote in favour of the Resolutions at the 2017 1st EGM.

Yours faithfully,

On behalf of the Board

China International Marine Containers (Group) Co., Ltd.

WANG Hong

Chairman

Shenzhen, the PRC