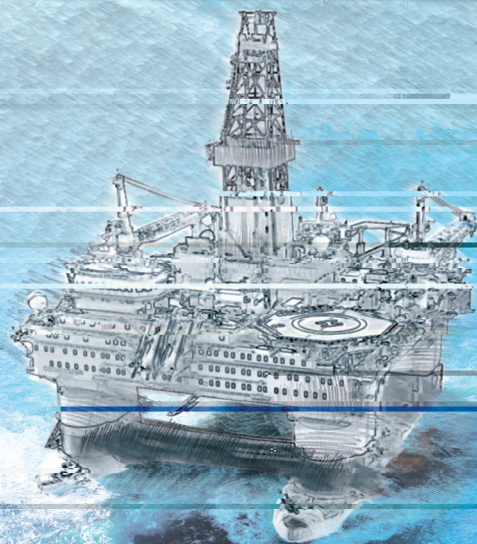
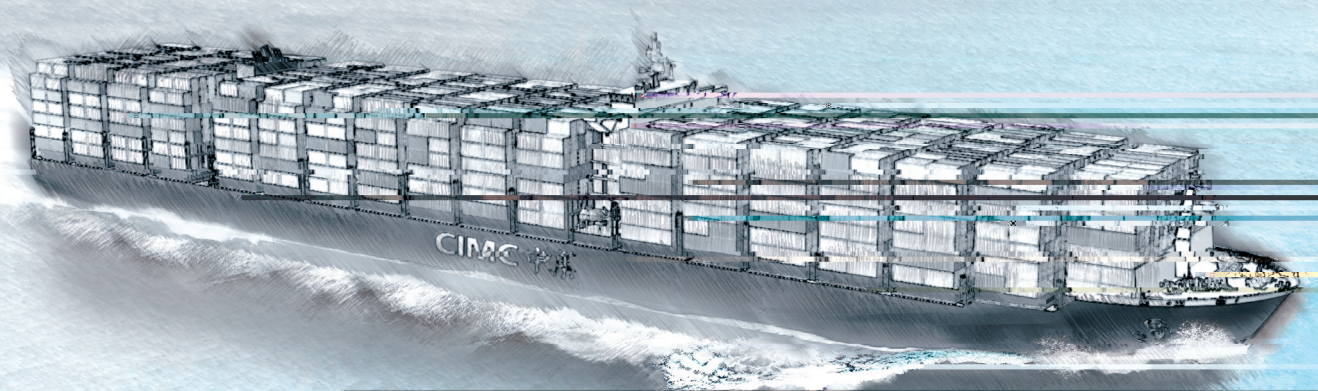


CIMC



IMPORTANT NOTICE

The Board, the Supervisory Committee and the Directors, Supervisors and senior management of the Company have been faithfully discharged, misleading statements made in the 2017 interim report (the "Report"), and jointly and severally accepted full legal responsibility for the above facts, accurately and completely reflected the information contained in this Report.

The Report has been reviewed and approved at the 11th meeting of the eighth session of the Board in 2017 (the "Meeting"). Mr. Wang Yuhang, Vice Chairman, chairman of the Meeting, and Mr. Li Chong, non-executive Director, on his behalf. All the Directors attended the Meeting.

The financial statements of the Group have been prepared in accordance with China Accounting Standards for Basic Enterprises (CASBE). The interim financial statements and notes (the "2017 Interim Financial Report") of the Group for the interim period ended 30 June 2017 were prepared in accordance with CASBE in this Report have been audited.

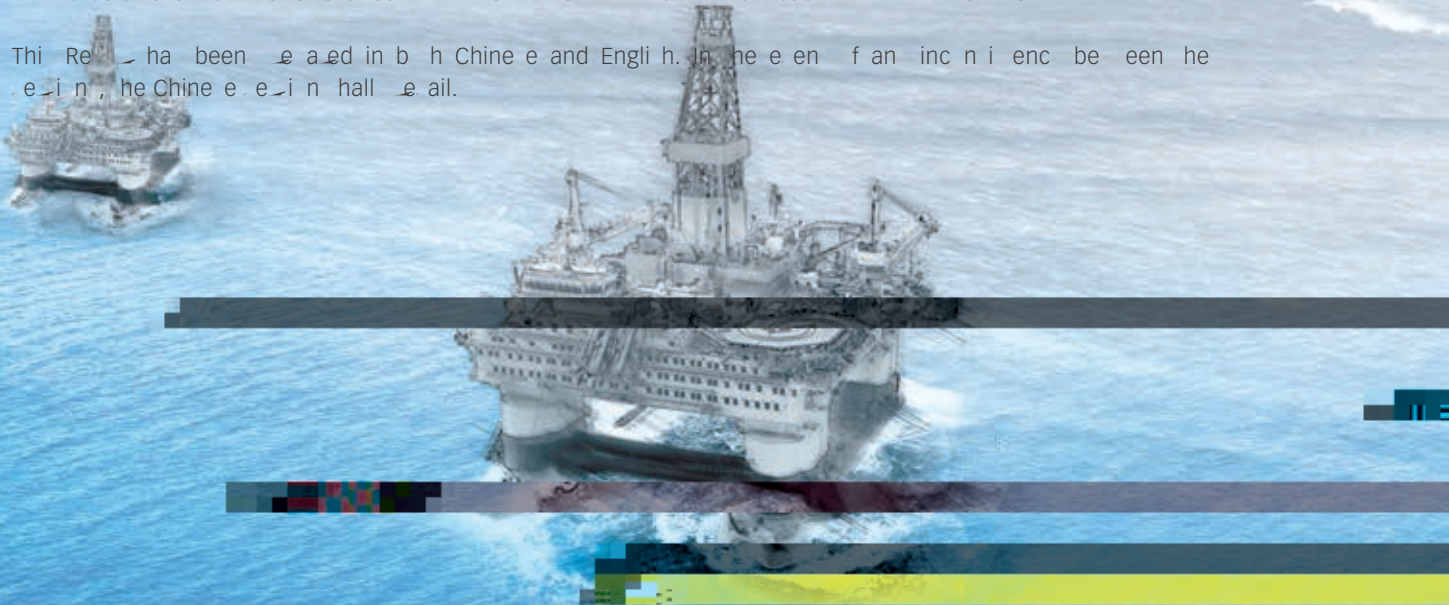
Mr. Wang Hong, in-charge of the Company and chairman of the Board, Mr. Mai Biliang, CEO and General Manager, and Mr. Zeng Han, general manager of the financial management department, in-charge of accounting affairs and head of the accounting department (the financial controller), together with the above facts, accurately and completely reflected this Report and the 2017 Interim Financial Report.

Neither the controlling shareholders (including indirect) nor the substantial shareholders (including indirect) of the Company have interfered in the normal operation of the Company.

The Company did not distribute cash dividends, interest has not been paid since the interim period ended 30 June 2017 (interim period ended 30 June 2016: Nil).

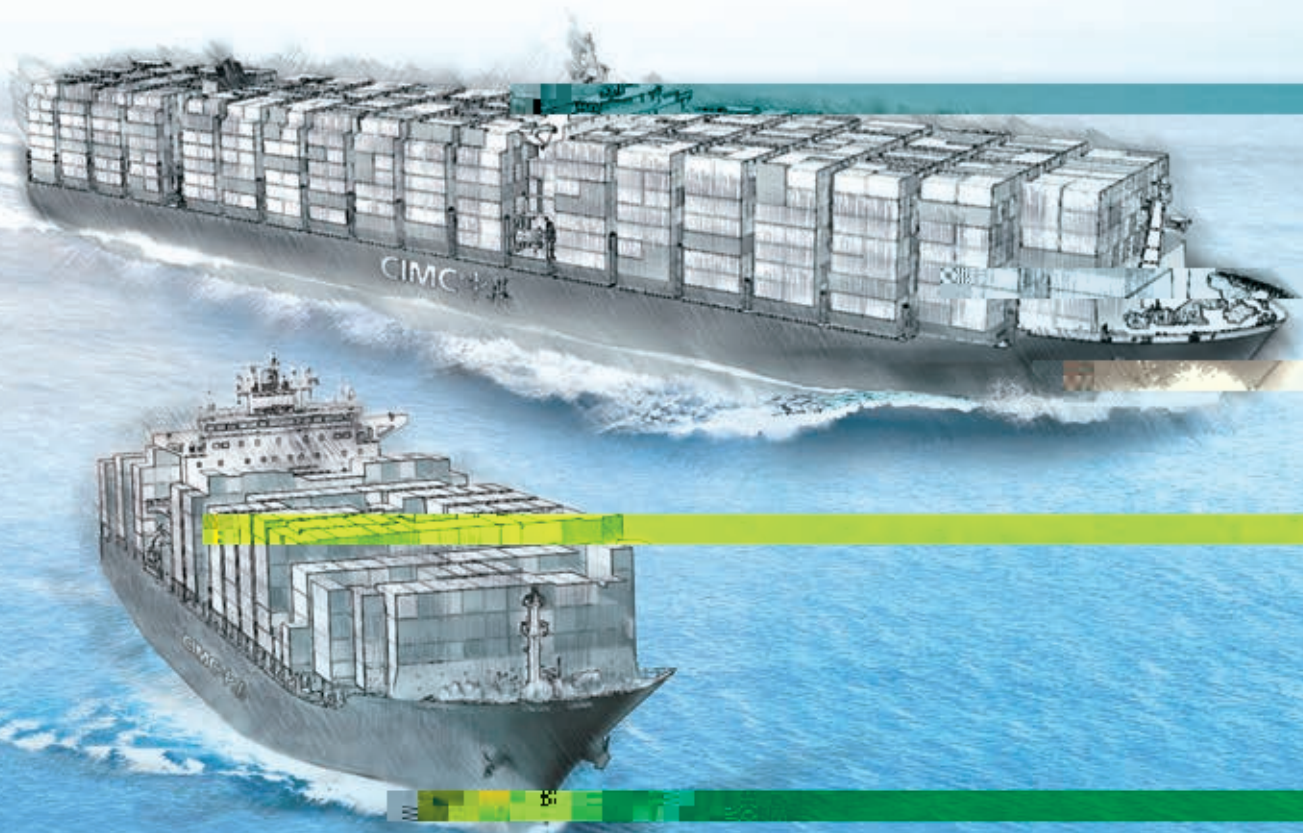
This Report contains false and misleading statements made in the basic objective information and judgment of the public and economic development in the financial condition, earnings and balance of the Group, which are objectively false, inaccurate and misleading to the public and in a high degree of accuracy in nature. Therefore, the actual comprehensive difference from the false and misleading statements. Such false and misleading statements are not the economic reality of the Group and have not been and are not going to be reflected in the performance and development of the company and its subsidiaries in the future. In the future, it will be a great hindrance to the company's financial performance.

This Report has been prepared in both Chinese and English. In the event of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.



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02 Definitions

For the purpose of this Resolution, the Chinese characters, hereinafter, shall have the meaning as set forth below:

Items	Definitions
1. A Share () () RMB-denominated Ordinary Share ()	Ordinary share () issued by the Company with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi.
2. A Share () Share Option Incentive Scheme	Share Option Incentive Scheme of China International Marine Container (Group) Co., Ltd. conceived and approved at the extraordinary general meeting of the Company on 17 September 2010.
3. Article of Association	The Article of Association of China International Marine Container (Group) Co., Ltd..
4. Board	The Board of the Company.
5. C&C Truck	C&C Truck Co., Ltd. (集瑞聯合重工有限公司), a company incorporated in the PRC with limited liability on 12 March 2009 and authorized to be listed by the Company.
6. CASBE	Accounting Standard for Basic Enterprise, Basic Standard and 38 Specific Accounting Standard issued by the Ministry of Finance of the People's Republic of China on 15 February 2006, and applicable guidance and interpretation issued by CASBE and the related regulations therein.
7. CFSE	China Finance Safe Enterprise Group Limited, a company listed on the main board of the Hong Kong Stock Exchange (stock code: 445) and authorized company of the Company.
8. China COSCO Shipping	China COSCO Shipping Company Limited, a company incorporated in the PRC with limited liability in February 2016 and authorized to be listed by the Company at the date of this Resolution.
9. China Mechano Group	China Mechano Group Limited, a company incorporated in the PRC with limited liability on 14 October 1986 and authorized to be listed by the Company at the date of this Resolution.
10. CIMC () Company	China International Marine Container (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 PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange and the H Shares of which are listed on the Hong Kong Stock Exchange.
11. CIMC Enric	CIMC Enric Holding Limited (中集安瑞科控股有限公司), a company incorporated in the Cayman Islands with limited liability on 28 September 2004 and listed on the main board of the Hong Kong Stock Exchange (stock code: 3899) and authorized to be listed by the Company.
12. CIMC Finance Company	CIMC Finance Co., Ltd., a company incorporated in the PRC with limited liability on 9 February 2010 and authorized to be listed by the Company.

! CIMC Financial Leasing Company	CIMC Financial Leasing Co., Ltd., a company incorporated in the PRC with limited liability on 30 July 2007 and a wholly-owned subsidiary of the Company.
! CIMC Hong Kong	China International Marine Container (Hong Kong) Limited (中國國際海運集裝箱(香港)有限公司), a company incorporated in Hong Kong with limited liability on 30 July 1992 and a wholly-owned subsidiary of the Company.
! CIMC Multimodal Transport	CIMC Multimodal Transport Development Co., Ltd. (中集多式聯運發展有限公司), a company incorporated in the PRC with limited liability on 29 March 2016 and a non-wholly-owned subsidiary of the Company.
! CIMC Offshore Engineering	CIMC Offshore Engineering Co., Ltd., a company incorporated in the PRC with limited liability on 21 July 2016 and a wholly-owned subsidiary of the Company.
! CIMC Raffle	CIMC Raffle Offshore (Singapore) Limited, a company incorporated in Singapore with limited liability on 7 March 1994 and a wholly-owned subsidiary of the Company.
! CIMC Skidace Real Estate	Shenzhen CIMC Skidace Real Estate Development Co., Ltd., a company incorporated in the PRC with limited liability on 24 November 1998 and a non-wholly-owned subsidiary of the Company.
! CIMC Tianda	Shenzhen CIMC-Tianda Aisheng Co., Ltd. (深圳中集天達空港設備有限公司), a company incorporated in the PRC with limited liability on 18 July 1992 and a non-wholly-owned subsidiary of the Company.
! CIMC Vehicle (Group)	CIMC Vehicle (Group) Co., Ltd. (中集車輛集團有限公司), a company incorporated in the PRC with limited liability on 29 August 1996 and a non-wholly-owned subsidiary of the Company.
! Chinese Guarantee Code	The Chinese Guarantee Code contained in Article 14 of the Hong Kong Limiting Rules.
! CSRC	China Securities Regulatory Commission.
! Director	the director of the Company.
! Group, its subsidiaries and	the Company and its subsidiaries.
! H Share(s) (外匯兌換-列外 F Foreign Share(s))	foreign-denominated shares issued by 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.
! Hong Kong	The Hong Kong Special Administrative Region of the PRC.
! Hong Kong Limiting Rules	Rules Governing the Listing of Securities in The Stock Exchange of Hong Kong Limited.

04 Definitions

‘H ng K ng S ck E change	The S ck E change f H ng K ng Limi ed.
‘M del C de	he M del C de f ‘Sec i ie Tan ac i n b Di ec ‘ f Li ed I e ‘ c n ained in A endi 10 f he H ng K ng Li ing R le .
‘PRC ‘China	he Pe le’ Re blic f China.
‘Pe i	Pe i Gl bal Limi ed, a c m an inc ‘ a ed in 1979 and a n n- h ll - ned b idia ‘ f he C m an .
‘Re ing Pe i d	he i m n h a ing f m 1 Jan a ‘ 2017 and ending n 30 J ne 2017, hich i al ‘ called he fi ‘ half f 2017.
‘RMB	Renminbi, he la f l c enc ‘ f he PRC.
‘SFO	he Sec i ie and F ‘e O dinance, Cha e 571 f he La ‘ f H ng K ng.
‘Sha h l de f)	he h l de f) f ha e () f he C m an , incl ding he h l de f) f A Sha e and H Sha e .
‘Shen hen Li ing R le	R le ‘e ding he Li ing f Sec i ie n he Shen hen S ck E change.
‘Shen hen S ck E change	he Shen hen S ck E change.
‘S e i f)	he e i f) f he C m an .
‘S e i ‘ C mmi ee	he S e i ‘ C mmi ee f he C m an .
‘US\$ ‘U.S. d lla ‘	Uni ed S a e d lla ‘, he la f l c enc ‘ f he Uni ed S a e f Ame ica.
‘Ziegle ‘	Albe ‘ Ziegle ‘ GmbH, a c m an inc ‘ a ed in Ge man i h limi ed liabili and a n n- h ll - ned b idia ‘ f he C m an .

This glossary can contain certain definitions of technical equipment used in this Regulation in connection with the GMDSS. Some of the definitions may not be identical to the definitions in the Code.

Items	Definitions
CNG	Compressed Natural Gas.
FLNG	Floating Liquefied Natural Gas.
FPSO	Floating Production Storage and Offloading.
FSRU	Floating Storage and Regasification Unit.
HSE	Health, Safety and Environment.
GSE	Ground Support Equipment, equipment used on the flight deck. This equipment facilitates maintenance and flight, aircraft, including but not limited to mechanical, electrical, hydraulic and special ground support equipment.
Jack-Drilling Platform	A jack-drilling platform is a mobile drilling rig installed on a vessel. Most jack-rigs are in a derrick hanging from 250-400 feet. This drilling equipment is generally used from mining machines, equipment, equipment and accommodation facilities for drilling and certain liftable derrick platform floating in the sea.
LNG	Liquefied Natural Gas.
LPG	Liquefied Petroleum Gas.
Modular Building	The building manufactured in a factory environment and transported as a loaded project to be installed.
ONE Model	Optimizing the New Ending, the lean management system of the GMDSS.
QHSE	A management system that guides and controls management in the field of Quality, Health, Safety and Environment.
Semi-buoyable Drilling Platform	A semi-buoyable drilling platform is a mobile rig; the vessel is a floating hull that is the drilling deck and the vessel is a mobile platform. When in operation, the vessel is buoyed in the sea. A semi-buoyable platform is generally used in deep sea derrick hanging from 600-3,600m. The platform is a dynamic positioning system.
TEU	Ten-foot equivalent unit, known as a standard unit (a container with a length of 20 feet, a height of 8 feet and 6 inches and a width of 8 feet), being used to measure the volume of a container.
VOC	Volatile Organic Compound.

06 Chapter I Corporate Profile

I. COMPANY PROFILE

Legal Chinese Name:	中國國際海運集裝箱集團股份有限公司
Abbreviated Chinese Name:	中集集團
English Name:	China International Marine Container (Group) Co., Ltd.
Abbreviated English Name:	CIMC
Legal Representative:	Wang Hong
Authorized Representative:	Mai Biliang, Yuyun
Registered Address and Address of Head Office:	8th Floor, CIMC R&D Centre, 2 Gang'an Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC
Postal Code:	518067
Company Website:	http://www.cimc.com
Email Address:	haohide@cimc.com
Principal Place of Business in Hong Kong:	3101-2 Infinite Plaza, 199 Des Voeux Road Central, Hong Kong
Unified Social Credit Code:	91440300618869509J

II. CONTACT PERSONS AND MEANS OF COMMUNICATION

Secretary of the Board, Company Secretary:	Yuyun
Assistant Company Secretary:	Shen Yang
Contact Address:	CIMC R&D Centre, 2 Gang'an Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)
Contact Telephone:	(86) 755-2669 1130
Facsimile:	(86) 755-2682 6579
Email Address:	haohide@cimc.com
Responsible for Securities Affairs:	Wang Xinji
Contact Address:	CIMC R&D Centre, 2 Gang'an Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)
Contact Telephone:	(86) 755-2680 2706
Facsimile:	(86) 755-2681 3950
Email Address:	haohide@cimc.com

III. INFORMATION DISCLOSURE AND LOCATIONS FOR DOCUMENTS FOR INSPECTION

Designated Name of the Information Disclosure:	A Share: China Securities Journal, Securities Time and Shanghai Securities News
Authorized Website on which the Relevant Made Available:	A Share: http://www.cninfo.com.cn H Share: http://www.hkexnews.hk
Company Website:	www.cimc.com
Place at which the Relevant Available:	Office of the Secretary of the Board of CIMC, 9th Floor CIMC R&D Center, 2 Gang'an Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)

IV. STOCK INFORMATION OF THE COMPANY

Stock Exchange on which the Share is Listed:	Shenzhen Stock Exchange
Abbreviated Stock Name of the Share:	CIMC
Stock Code:	000039

Stock Exchange on which the Share is Listed:	Hong Kong Stock Exchange
Abbreviated Stock Name of the Share:	CIMC, ZJHD (Name)
Stock Code:	2039, 299901 (Name)

Note: Both the abbreviated stock name and the stock code are listed by the original B Shareholder of the Company in the PRC in accordance with the H Share of the Company after the H Share of the Company is listed on the Hong Kong Stock Exchange.

When the registered address, office address, postal code, telephone and email address of the Company are changed during the Reporting Period

Applicable, Not Applicable

When the information disclosure and legal financial decision are changed during the Reporting Period

Applicable, Not Applicable

When the registration is changed during the Reporting Period

Applicable, Not Applicable

When the relevant information is changed during the Reporting Period

Applicable, Not Applicable

Chapter II Summary of Accounting Data and Financial Indicators

I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

Revised after adjustment of the accounting data of the Company

Year: 2017

Unit: RMB hundred million

Consolidated income statement items	The Reporting Period (January – June 2017) (unaudited)	The same period of the previous year (January – June 2016) (unaudited)	Changes from the same period of the previous year to the Reporting Period (%)
Revenue	33,387,152	23,542,843	41.81%
Operating profit	1,524,203	(318,988)	577.82%
Total profit	1,576,142	(165,844)	1,050.38%
Operating profit	509,633	375,316	35.79%
Net profit after tax	1,066,509	(541,160)	297.08%
Net attributable profit			
Shareholders and the Company	796,898	(378,034)	310.80%
Minority interest	269,611	(163,126)	265.28%
Net attributable profit			
Shareholders and the Company			
Net profit after tax			
Minority interest			
Net profit after tax	865,083	(502,200)	272.26%

Unit: RMB hundred million

Consolidated balance sheet items	As at the end of the Reporting Period (30 June 2017) (unaudited)	As at the end of previous year (31 December 2016) (audited)	Changes from the end of previous year to the end of the Reporting Period (%)
Total assets	57,457,050	53,352,031	7.69%
Total non-current assets	72,041,804	71,262,717	1.09%
Total assets	129,498,854	124,614,748	3.92%
Total current liabilities	53,634,687	46,249,215	15.97%
Total non-current liabilities	35,992,284	39,230,741	(8.25%)
Total liabilities	89,626,971	85,479,956	4.85%
Total shareholders' equity	39,871,883	39,134,792	1.88%
Equity attributable to:			
Shareholders and the Company	29,822,813	29,285,970	1.83%
Minority interest	10,049,070	9,848,822	2.03%
Share capital (paid)	2,980,352,786	2,978,576,986	0.06%

Unit: RMB million and

Consolidated cash flow statement items	The Reporting Period (January – June 2017) (unaudited)	The same period of the previous year (January – June 2016) (unaudited)	Changes from the same period of the previous year to the Reporting Period (%)
Net cash flow from/(used in) operating activities	(668,216)	933,732	(171.56%)
Net cash flow from/(used in) investing activities	(1,507,729)	(5,376,277)	71.96%
Net cash flow from/(used in) financing activities	1,875,660	5,570,910	(66.33%)
	As at the end of the Reporting Period 30 June 2017 (unaudited)	As at the end of previous year 31 December 2016 (audited)	Changes from the end of previous year to the end of the Reporting Period (%)
Balance of cash and cash equivalents at the end of the period	5,940,423	6,338,667	(6.28%)

Key Financial Indicators

	The Reporting Period (January – June 2017) (unaudited)	The same period of the previous year (January – June 2016) (unaudited)	Changes from the same period of the previous year to the Reporting Period (%)
Basic earnings per share attributable to shareholders of the Company (RMB/share)	0.2554	(0.1444)	276.87%
Diluted earnings per share attributable to shareholders of the Company (RMB/share)	0.2544	(0.1444)	276.18%
Weighted average return on net assets (%)	2.76%	(1.64%)	4.40%
Weighted average return on net assets after deducting non-recurring financial items (%)	3.00%	(2.11%)	5.11%
Net cash flow from/(used in) operating activities per share (RMB/share)	(0.22)	0.31	(170.97%)
	As at the end of the Reporting Period (30 June 2017) (unaudited)	As at the end of previous year (31 December 2016) (audited)	Changes from the end of previous year to the end of the Reporting Period (%)
Net assets per share attributable to shareholders of the Company and the minority shareholders of the Company (RMB/share)	10.01	9.83	1.83%
Gearing ratio (%) (Note)	69.21%	68.60%	0.61%

Note: The gearing ratio is calculated based on the Group's total debt divided by total equity as at the end of the period.

10 Chapter II Summary of Accounting Data and Financial Indicators

II. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

1. Differences in net profits and net assets prepared under International Accounting Standards and CASBE

Assetable, Nettable

The main difference in net profit and net assets prepared under International Accounting Standards and CASBE during the Reporting Period.

2. Differences in net profits and net assets prepared under foreign accounting standards and CASBE

Assetable, Nettable

The main difference in net profit and net assets prepared under foreign accounting standards and CASBE during the Reporting Period.

3. Reason for differences in accounting data under domestic and foreign accounting standards

Assetable, Nettable

III. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNT

Accountable Non-accountable

Unit: RMB hundred thousand

Item	Amount (January – June 2017) (unaudited)
Gain/(loss) on disposal of non-current assets	13,739
Government grant recognized in profit or loss	91,032
Gain/(loss) from change in fair value of financial assets helding financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, and income gain arising from disposal of financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets, and gain/(loss) from change in fair value of investments in equity instruments measured at fair value, effective hedging activities relating to the Group's financial assets	(20,332)
Net gain/(loss) from disposal of long-term investments	(25,460)
Other non-recurring income and expenses other than the above items	38,201
Other profit/(loss) items defined as non-recurring profit/(loss) items	(105,549)
Effect of income tax	(30,200)
Effect of minority interest (after-tax)	(29,616)
Total	(68,185)

Note: After deducting non-recurring profit/(loss) items (other than the effect of minority interest (after-tax)) as defined above, the amount before tax is:

Relevant and relevant information in the Company's non-recurring profit/(loss) items as defined under the E-lana Company's Announcement No. 1 on Information Disclosure of the Company's Offering Securities to the Public, Non-Recurring Profit/(Loss) (hereinafter referred to as "Announcement No. 1") and the recurring profit/(loss) items which are related to non-recurring profit/(loss) items under the definition of the E-lana Company's Announcement No. 1.

Accountable Non-accountable

The Company did not define the non-recurring profit/(loss) items as defined and listed under the E-lana Company's Announcement No. 1 as recurring profit/(loss) items during the Reporting Period.

12 Chapter III Report of the Board

I. BUSINESS SUMMARY

The Group is principally engaged in the manufacture of metal cans, mainly for food, beverage, chemical and liquid food containers, off-hire engineering equipment and auxiliary facilities, as well as the provision of related services, including the design, manufacture and service

In the first half of 2017, the demand in the online market continued to grow, and the number of users increased significantly. According to the statistics from the China Internet Network Information Center, by the end of June 2017, the number of internet users in China reached 688 million, up from 645 million at the end of December 2016. The growth rate of internet users has slowed down compared with the previous year, but it remains at a high level.

The demand for mobile internet services continues to increase. With the widespread use of smartphones, more and more people are using mobile devices to access the internet. This trend is expected to continue in the future.

The government has taken measures to promote the development of the internet industry. It has issued policies to support innovation and entrepreneurship in the field of internet technology. These measures have helped to attract investment and foster the growth of new businesses.

Overall, the internet industry in China shows strong growth potential. As technology advances and more people come online, the market will continue to expand.

With 'he' 'ld' l cal man fac ing g (全球運營，地方智慧) a i b ine hil h, CIMC Vehicle (G), a b idia f he G , i a gl ball leading ad an ain ehicle man fac ing g , iding i h gl bal c me ai ecial ehicle d c , ke a f ecial ehicle and ale e ice . CIMC Vehicle (G) ha e abli hed 25 d c in and e each and de el men ba e in China, N he n America, E e and eme ing ma e , and de el ed diffe n d c line f ecial ehicle c n i ing f 10 e ie and m e han 1,000 m del , incl ding c n aine emi- aile , fla bed/ aked- ide emi- aile , l -fla bed emi- aile , ehicle l aded emi- aile , ake ck , an ck , ank ck , d m ck , ani a i n ck and ecial ehicle , c eeing maj d me ic and in e pa i nal ma e .

[illegible]

During the Reporting Period, both the first half and the full year in China and Overseas made great achievements. The Group's main vehicle business achieved sales of 81,468 units (compared in 2016: 58,231 units), increasing at an annual rate of 39.90%. It recorded revenue (excluding the headquarter's cost) of RMB9,719.601 million (compared in 2016: RMB7,013.354 million), increasing at an annual rate of 38.59%, and achieved net profit (excluding the headquarter's cost) of RMB568.016 million (compared in 2016: RMB361.893 million), increasing at an annual rate of 56.96%.

During the Reporting Period, CIMC Vehicle (Group) continued improving the global main management level, enhanced the main efficiency of each business unit and the cost-effectiveness, and focused on the income and development of the incremental business and the innovation business of each business unit to realize the high quality. In the PRC market, a CIMC Vehicle (Group) fully implemented the energy strategy, continued to expand the brand and replace the high-end and low-end and new products and enlarged the marketing length and coverage in the first half of this year. The Group's completed more than 55% of the annual target in terms of revenue and profit of the main business. In the Overseas market, in order to eliminate the effect of cyclical decline in the market, CIMC Vehicle (Group) actively expanded its coverage in the North American market, and focused on leading products in the Overseas market, achieving 3.4% (0.5% increase) 0.66n.5(kn)12.7(he) 0.5(,37.5 Tc 0.2519T 0 -1.412 TD[(i)0.5(m le

A men i ned in he 2016 In e i m Re u, 2016
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e mina ed he ac i i i n fall e i i n e e in
SOE f m he end u and he i i n f financial
a i i nce SOE d e he fail e in f ll i m n
u a i e f ce a i n c n d i n e e d e e in
he ele an age e m e n b SOEG PTE LTD, Jiang
Pacific Shi b i lding G u C ., L d. and E e g e e n
G u C ., L d., and e i e e d he end u
e f n d he e a i d c n i d e a i n and SOE e n
he l an and he g a a n e e f bank l an. A f e a
c m e h e n i e and c a e f l a e m e n n he

On 15 July 2017, CIMC Engineering (Shenzhen) Ltd., entered into the Receiving Interim Agreement with SOE and SOE Bank, and Lidaixin Team* (南通太平洋破产清算组) to effect the entire sale of SOE. On 4 August 2017, the SOE Receiving Plan was approved by SOE's creditors at the creditors' meeting and was approved by the court in China in accordance with the relevant laws in China. SOE will implement the Receiving Plan under the supervision of the Receiver according to the Receiving Plan and has become an independent business of CIMC Engineering (Shenzhen) Ltd. SOE is named as 南通中集太平洋海洋工程有限公司 (Nantong CIMC Sin Pacific Offshore & Engineering Co., Ltd.). Further, leave after the relevant announcement published by the Company on 6 July, 4 August and 16 August 2017. According to the financial analysis provided by the Receiver, the recoverable amount of the amount defined by SOE of CIMC Engineering is estimated to be RMB190.521 million as at 30 June 2017. Accordingly, CIMC Engineering will make additional provision of RMB105.549 million for impairment of the Receiving Period. Such provision is included in the 2017 consolidated interim financial statement of the Group.

CIMC Raffle, a subsidiary of the Group, is an offshore engineering enterprise engaged in main model engineering design, construction, manufacturing, construction, commissioning and maintenance, providing the capabilities of manufacturing and industrial construction of high-end offshore engineering equipment and the special service of a construction company. One of the leading construction of high-end offshore engineering equipment in China and has been participating in the construction of the international market for offshore engineering business all the time. Its major business includes the design and construction of semi-submersible drilling platform, semi-submersible accommodation platform, jack-up drilling platform, jack-up accommodation platform, gas column in jack-up rig, Lifaba, floating production storage and offloading, cable service, ice-laying service, OSV, clean up, mid-high-end ship and the service of ship repair and construction of a major offshore engineering company.

In the first half of 2017, business performance of the international office, the performance of the global offshore engineering employees make increased a considerable in the same period of the previous year. In view of the historically low performance, foreign business performance emerged. The income in the sector of global oil and gas development declined, gradually stabilized and slightly improved; the oil and gas production and daily natural gas production continued to decline; the production of the oil and gas production declined; and the number of oil and gas production declined.

Hence, the significant increase in the number of employees and the change in the link in the decision-making and the need to deliver the decision in hand, during the Reeling Period, the effective engineering business of the Group recorded a value added of RMB1,214.509 million (amount added in 2016: RMB3,703.689 million), representing a value-added significant decrease of 67.21%, and a net ending RMB550.421 million (amount added in 2016: net of RMB3.988 million).

In the event of an emergency, CIMC Raffle
 will be able to find a way to make the Reeling
 Pei'd, CIMC Raffle activities be de-

18 Chapter III Report of the Board

In the first half of 2017, the global economic recovery continued to be slow. In the first half, the ability to expand and favorable import and export environment remained. In the first half, the international trade in the domestic logistics industry continued to grow, the shipping industry remained stable and the company's significant improvement in the efficiency of the service. In addition, factors such as the marine environment, the international trade in China also affected the international maritime shipping business in the logistics industry.

During the Reporting Period, the Group's logistics business achieved a total revenue of RMB3,751.202 million (compared with 2016: RMB3,218.617 million), increasing a year-on-year increase of 16.55%, and net profit of RMB57.340 million (compared with 2016: RMB68.434 million), decreasing a year-on-year decrease of 16.21%. During the Reporting Period, affected by the adjustment in the business line in Mongolia, the group's profit margin of the business declined, resulting in a year-on-year decrease in net profit.

In the first half of 2017, the logistics service business of the Group continued to expand the first major business line. (1) The container service business line specified the development strategy of the company in the first half of the 13th Five-Year Plan, namely, to expand container business, tank container business, half container, rail business and air business, service of the container, adding of new / old container and global container operation and management. It realized the layout of container business in Southeast Asia (Thailand and Vietnam) and the new distribution of container business in the sea. It also enhanced the overall efficiency of the end-hand container business and the channel and broadening of the container. (2) The shipping and special logistics service business line achieved the major business line of the company in the first half of the 13th Five-Year Plan, namely, the national sea, the Middle East and Red Sea, the Europe and the shipping and freight forwarding, special logistics and container logistics business. It enhanced and strengthened the service network

of freight forwarding in the global region such as Xiamen and Shenzhen and improved the national layout of freight forwarding in the domestic facilities of the container business of shipping and freight forwarding. By expanding the global container service business line and taking Thailand and Vietnam as the main line, it gradually carried out the business in the region including the Southeast Asian region, and gradually achieved the new distribution and service of the Middle East and Red Sea and the Middle East and Central Asia business line. (3) The rail-based business line kept on improving efficiency in business and

C&C Truck, a bidirectional highway, ease the haul truck business. C&C Truck is in the mid-end, high-end haul truck market in the international market and the high-end haul truck market in the domestic market. The product line includes leading domestic technology and foreign technology and the product line includes leading high-end product, including fully electric, and charging fully electric and like product. The kind including diesel and oil, and fully electric including electric, mixed, diesel, gas and special-electric vehicle.

During the Reporting Period, the average C&CT check amount increased 4,438 million (amount in 2016: 3,003 million), representing a significant increase of 47.79%, which mainly resulted from significant growth in the number of connections. The average amount increased RMB1,283.201 million (amount in 2016: RMB860.359 million), representing a substantial increase of 49.15%, and the net loss decreased RMB42.814 million (amount in 2016: net loss of RMB96.523 million), recording a decrease of 55.64% attributable to the amount of the net loss.

D uring the Re - engineering Period, C&C Truck kept making change - be be e - and m e eff - in ale b e c n lida ing e ce and in i i n , d c im e men , channel b ilding, in e n a i n al make e an i n , end make de el men , m h and m e ice and he make ing c mbina i n . In e ec f

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The Government has facilitated the main-
tenance of the PEI, CIMC Tianda, Ziegler and
its subsidiaries. The Government has also
achieved the high bid for CFSE for the
adoption of the PEI. The principal
includes the building bridge, a maintenance
team and Government of Eritrea (GSE)
bid (including the lease and lifting
of the vehicle etc.), fuel and the vehicle
vehicle as well as making bid.

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In the first half of 2017, the regulatory policies in real estate in China kept tightening, with the intensification of the clearing of credit in the lending sector and the implementation of the regulatory measures. The government also introduced the credit control measures to deal with the rising credit while strengthening financial regulation in real estate in order to curb the demand for financing and speculation. Under the guidance of the tightened policies, the real estate market maintained a moderate and stable development. The overall trend of the housing market remained a steady decline in the transaction volume and the price level.

During the Reporting Period, the Group's real estate business achieved a net income of RMB297.664 million (compared with 2016: RMB315.698 million), decreasing a net income of 5.71%, and net profit of RMB65.035 million (compared with 2016: RMB42.775 million), decreasing a net income of 52.04%, which is mainly due to the decrease in agency fee for the land lease and the end of the land acquisition during the Reporting Period.

In the first half of 2017, CIMC Space Real Estate strengthened its efforts in the expansion of industrial parks, and the model industrial park became more mature. In March 2017, it established a project management and industrial park in Beijing We and accelerated the implementation of an industrial real estate project in the Nishanggang CMC Shenhe Service Zone in Beijing. In April, CIMC Elite Apartments entered the Shengshan Lake, Dajiangmen and the 221832TD[(7221c221c2%80.164T015.026T8(4%),37(4(A10.n4S28.412TDJ0.09h1412

Dajiangmen and the 221832TD[(7221c221c2%80.164T015.026T8(4%),37(4(A10.n4S28.412TDJ0.09h1412

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Other Businesses

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III. FUTURE DEVELOPMENT AND OUTLOOK

1. Macroeconomic Environment and Policies

2. Industry Development Trend and Market Outlook

In respect of the container manufacturing business, based on the latest edition of CLARKSON (an authoritative industry publication), the global container fleet will be a surplus of 4.8% in 2017. This will be a high level of surplus in recent years. The excess capacity will be the result of an imbalance of supply and demand in the global shipping industry. The imbalance is expected to persist for the next half of this decade, and the global container shipping companies will increase their fleet significantly in the next few years. This will increase the global container fleet, driving the overall demand for container ships. The global container fleet will increase by 4.8% in 2017.

In respect of the energy, chemical and liquid food equipment business, after the implementation of the 13th Five Year Plan and Energy Development in 2016, the National Development and Reform Commission in China implemented the initiative on the Optimization of Accelerating the Use of Natural Gas, accelerating the use of natural gas in urban gas, industrial gas, and other areas, and in the industrial

In respect of the airport facilities equipment business, in the second half of 2017, the global aircraft business increased gradually and the growth in the emerging American market and Africa continued. Building bridge business will give the company financial aid in American market. Fighting equipment business is affected by fiscal budget cuts. European countries, but will continue to be affected in Chinese market. Logistics industry will gradually bring in the industrial and garage business increased make a great breakthrough in the field. The newly developed high-dimensional baggage business will bring a large and brand new market.

In respect of the real estate development business, in the second half of 2017, the increased household financial policies in China will have a great influence on the housing market. The real estate market will be more stable, and the demand and transaction will be limited. In the long run, the housing price will gradually stabilize because of the limited transaction. The special financial policy will be more dependent on the development of the financial industry, which will provide a better environment for the development of the financial industry. CIMC Space Real Estate.

In respect of the financial business, in the second half of 2017, the global market has entered a period of high volatility. The Fed will increase the global economic and financial risk. Affected by the global economic and financial deleveraging, the income in fixed assets in China will face downward pressure. The growth in macro-economy may be relatively slow and far in the end. The financial leasing industry in China will maintain a growth momentum but a slow pace. The increasing financing cost will facilitate the industry. Under the policy of deleveraging, the credit risk will continue to be alleviated. The leasing risk of financial leasing enterprise will increase.

3. Overall Operation Targets and Initiatives for Main Business Segments

In the second half of 2017, the Group will implement the strategy of "Manufacturing + Service + Finance", continue to carry out business transformation and upgrading and end the manufacturing business service restructuring. Based on the market demand, the Group is providing a comprehensive solution for the whole life cycle of the customer. The Group will continue to enhance the global layout, improve the business and market, and speed up the industrial cluster construction and advance the industrial chain. Innovation will be continuously made in technology, management and management mechanism, which will be controlled. The Group will take the initiative to bring about change and expand the emerging industry and innovation business achievement and growth.

In respect of the container manufacturing business, in the second half of 2017, the Group

will focus on the main business and continue to lead the industry, and will make the initiative to enhance the efficiency and ability of the manufacturing function. The Group will continue to improve the management of the HSE fall plan. In the second half of the year, the Dongguan Fenggang project will enter the final construction phase. The business expansion, the construction management will continue to be improved in a step-by-step manner. The planned new business of engineering management and construction.

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In respect of the road transportation vehicle business, in the second half of 2017, it will continue to focus on the international market. While focusing on semi-trailer business and mining vehicle business, the Group will mainly focus on the mining business, especially the mining business from the changing trend and demand in the global market and realize the continuous growth. In domestic market, the Group will seek to develop new types of heavy-duty trucks, especially the new types of heavy-duty trucks, and realize the business layout and development. In North American market, the Group will actively expand the geographical coverage of the company's business in the United States. In the European market, the Group will continue to give full play to the advantages of the company's business in the European market, and realize the business layout and development.

In respect of the energy, chemical and liquid food equipment business, in the second half of 2017, it will continue to focus on the international market. While focusing on the international market, the Group will continue to focus on the international market, and realize the business layout and development. In domestic market, the Group will continue to focus on the domestic market, and realize the business layout and development. In the European market, the Group will continue to focus on the European market, and realize the business layout and development. In the North American market, the Group will continue to focus on the North American market, and realize the business layout and development. In the Asian market, the Group will continue to focus on the Asian market, and realize the business layout and development.

In respect of the offshore engineering business, in the second half of 2017, it will actively expand the company's business in the offshore engineering business. While focusing on the international market, the Group will continue to focus on the international market, and realize the business layout and development. In domestic market, the Group will continue to focus on the domestic market, and realize the business layout and development. In the European market, the Group will continue to focus on the European market, and realize the business layout and development. In the North American market, the Group will continue to focus on the North American market, and realize the business layout and development. In the Asian market, the Group will continue to focus on the Asian market, and realize the business layout and development.

In respect of the logistics services business, in the second half of 2017, it will further strengthen the company's business in the logistics services business. While focusing on the international market, the Group will continue to focus on the international market, and realize the business layout and development. In domestic market, the Group will continue to focus on the domestic market, and realize the business layout and development. In the European market, the Group will continue to focus on the European market, and realize the business layout and development. In the North American market, the Group will continue to focus on the North American market, and realize the business layout and development. In the Asian market, the Group will continue to focus on the Asian market, and realize the business layout and development.

In respect of the real estate development business, in the second half of 2017, it will continue to promote the implementation of Qianhai Pilot and Shanghai Baohan Pilot by keeping close communication with the concerned government authorities to obtain approval. In the meantime, it will accelerate the industrial park model, implement the leasing model and pilot in financial leasing and leasing according to the implementation of the pilot.

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Risk of industry policy upgrade: China's economic development in the new normal and the government of China have set the "Made in China 2025" and "Belt and Road Initiative" as the main and strategic economic policy. The new industrial policy, agricultural policy, energy and environmental protection policy, etc. have a high

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I. BUSINESS OVERVIEW

(I) Principal Business Engaged by the Company during the Reporting Period

The principal business engaged by the Company and its subsidiaries during the Reporting Period, including the following: I. Business Summary and II. Relative Principal Business during the Reporting Period under Chapter III Relative to the Business in this Report.

(II) Significant Changes in the Major Assets during the Reporting Period

1. Significant Changes in the Major Assets

During the Reporting Period, there was no significant change in the major assets of the Company.

2. Main Overseas Assets

Applicable, Not Applicable

(III) Analysis of Core Competitive Advantages

Strategic Positioning of "Manufacture + Service + Finance"

The Company has formed an industrial layout spanning both light and heavy fields, and has developed major business segments in high-end leading industries and global sectors, and will continue to expand and develop in emerging industries which help give full play to the Company's advantages. While deepening its edge in traditional industries, the Company has formed a comprehensive demand-oriented business system from manufacturing to service, feeding companies into the chain of the entire life cycle of a product, and has established the strategic positioning and industrial ecosystem of "manufacture + service + finance".

Development Philosophies of Business Diversification and Globalisation

The Company has always been committed to a reasonable business diversification and globalized development. The Company's existing principal business categories include manufacturing business, automobile business, energy, chemical and light industry business, heavy engineering business, logistics service business, health care business, air conditioning facilities business, financial business, real estate development business and emerging business, including construction, food, agriculture, E-commerce, North America and Australia, and business network and service network major countries and regions. In addition, the Company's business continues to take the lead in the industry. In addition, a full range of automobile, energy and chemical engineering and heavy engineering business is being comprehensively developed. The efficient implementation of business diversification and globalized development effectively enhances the overall competitiveness of the Company in the global market in the recent years.

A Standardised and Effective Corporate Governance System

The Company has developed a set of effective governance model covering business philosophy, governance structure and management mechanism. A standardized and effective corporate governance structure has been initially formed for the Company's sustainable and healthy development. Since 2010, the Company has launched the strategic grade campaign for building an emerging platform for sustainable and healthy development of CIMC. According to the general annual main direction of the management, the Company has established a hierarchical management model covering the entire corporate system, special committee and the Board of Directors, 5S management system, and introduced the lean management concept. As a result, the Company has established an innovative and forward-looking management system, ensuring sustainable and healthy development of business.

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II. OPERATION DISCUSSION AND ANALYSIS

(I) Overview

For the main part of the Group's principal business during the Reporting Period, please refer to Part II. Review of Principal Business during the Reporting Period under Chapter III Review of the Board in this Report.

(II) Analysis of Principal Businesses

1. Year-on-year Changes exceeding 30% in Key Financial Data

Unit: RMB million and

	As at the end of the Reporting Period (30 June 2017) (unaudited)	As at the end of the Reporting Period (31 December 2016) (audited)	Change (%)	Reason for change
Dividend payable	253,412	16,746	1,413.27%	Mainly due to the increase of dividend payable for dividend holders at the end of the Reporting Period.
Other current liabilities	2,612,280	1,687,762	54.78%	Mainly due to the increase of the commercial payable in the Reporting Period.
	The Reporting Period (January to June 2017) (unaudited)	Same period in 2016 (January to June 2016) (audited)	Change (%)	Reason for change
Financial expense	594,251	304,944	94.87%	Mainly due to the increase of interest expense and exchange loss in the Reporting Period.
Administrative expense	234,437	1,267,501	(81.50%)	Mainly due to the large decrease in the same period of administrative expenses mainly in the administrative expenses of SOE subsidiary CIMC Enric in the same period of the Reporting Period.
(Loss) / profit from change in fair value	(32,626)	137,104	(123.80%)	Mainly due to the change in fair value of derivative financial instruments in the Reporting Period.
Income tax income	(10,628)	(87,328)	87.83%	Mainly due to the decrease of the income tax expense from the derivative financial instruments in the same period of the Reporting Period.

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	The Reporting Period (January to June 2017) (unaudited)	Same period in 2016 (January to June 2016) (audited)	Change (%)	Reason for change
Cash received from operating activities	21,903	241,771	(90.94%)	Mainly due to the receipt of dividend from subsidiaries in the same period last year.
Cash paid for operating activities	142,020	791,687	(82.06%)	Mainly due to the payment of operating expenses in the same period last year.
Net cash paid for operating activities	5,000	764,577	(99.35%)	Mainly due to the cash paid for the acquisition of Reilan Manufacturing Limited and Bigg Group Limited in the same period last year.
Cash received from capital contributions	33,776	1,542,157	(97.81%)	Mainly due to the receipt of new shares from the strategic investors introduced by the Company subsidiaries including CIMC Vehicle (Group) and Shenzhen CIMC Electric Commerce and Logistics Technology Co., Ltd. in the same period last year.

The total material change in financial position of the Company during the Reporting Period
is not significant.

The total material change in financial position of the Company during the Reporting Period.

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2. Composition of Principal Businesses during the Reporting Period

Uni : RMB h and

	Revenue (unaudited)	Cost of sales (unaudited)	Gross profit margin (unaudited)	Changes in revenue from the same period of previous year	Changes in cost of sales from the same period of previous year	Changes in gross profit margin from the same period of previous year
By industry/product						
C n aine	10,049,055	8,254,228	17.86%	105.14%	96.75%	3.50%
R ad an a i n ehicle	9,719,601	7,952,957	18.18%	38.59%	39.75%	(0.68%)
Ene g , chemical and lit id f de i men	5,060,511	4,191,438	17.17%	16.65%	18.76%	(1.47%)
Off h e enginee ing	1,214,509	1,347,363	(10.94%)	(67.21%)	(59.41%)	(21.32%)
Ai a facili e e i men	1,180,919	954,996	19.13%	4.65%	5.78%	(0.86%)
L gi ic e ice	3,751,202	3,371,872	10.11%	16.55%	19.29%	(2.07%)
Financial b ine	1,148,040	498,703	56.56%	3.02%	36.13%	(10.57%)
Real e a e	297,664	162,201	45.51%	(5.71%)	3.57%	(4.88%)
Hea ck	1,283,201	1,206,432	5.98%	49.15%	44.01%	3.35%
O he	1,394,177	1,170,585	16.04%	368.91%	429.55%	(9.61%)
C mbined ff e	(1,711,727)	(1,869,211)		(48.84%)	(35.97%)	
T al	33,387,152	27,241,564	18.41%	41.81%	42.43%	(0.35%)
By region (by receiver)						
China	14,794,349			74.98%		
A ia (egi n e cl ding China)	3,384,378			84.09%		
Ame ica	6,645,230			89.69%		
E e	7,341,001			(11.38%)		
O he	1,222,194			(16.47%)		
T al	33,387,152			41.81%		

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(III) Analysis of Non-Principal Businesses

1. Assets and Liabilities

Unit: RMB hundred million

Item	Amount	Proportion in total profit	Explanation on the formation	Sustainable or not
Income increase	(10,628)	(0.67%)	Mainly due to the decrease in the net income from the disposal of long-term investments in the Reporting Period.	No
Profit from change in fair value	(32,626)	(2.07%)	Mainly due to the change in the fair value of the derivative financial instruments in the Reporting Period.	No
Administrative expenses	234,437	14.87%	Mainly due to the increase in the administrative expenses of CIMC Energy in the Reporting Period.	No
Non-operating income	84,343	5.35%	Mainly due to the gain from the disposal of non-current assets in the Reporting Period.	No
Non-operating expense	32,404	2.06%	Mainly due to the loss from the disposal of non-current assets in the Reporting Period.	No

(IV) Assets and Liabilities

1. Significant Changes in Assets

Unit: RMB hundred million

Item	Amount	% of total assets	Amount at the end of the Reporting Period	% of total assets	Change from the end of the Reporting Period (%)	Declarative change
Cash at bank and in hand	5,737,102	4.43%	6,325,998	5.08%	(0.65%)	No material change
Accounts receivable	16,371,018	12.64%	11,526,075	9.25%	3.39%	No material change
Inventory	18,336,871	14.16%	17,409,515	13.97%	0.19%	No material change
Income taxes payable	1,722,065	1.33%	1,752,608	1.41%	(0.08%)	No material change
Long-term investments	2,249,428	1.74%	2,162,217	1.74%	0.00%	No material change
Fixed assets	21,674,735	16.74%	22,037,261	17.68%	(0.94%)	No material change
Construction in progress	23,804,653	18.38%	22,769,189	18.27%	0.11%	No material change
Share payable	17,945,748	13.86%	15,729,787	12.62%	1.24%	No material change
Long-term payable	23,665,089	18.27%	27,023,222	21.69%	(3.42%)	No material change

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2. Assets and Liabilities Measured at Fair Value

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Uni : RMB ĩ and

Item	Amount at the beginning of the period	Profit or loss arising from changes in fair value for the Reporting Period	Cumulative changes in fair value recognised in equity	Impairment provision for the Reporting Period	Purchases for the Reporting Period	Sales for the Reporting Period	Amount at the end of the Reporting Period
Financial assets:							
1. Financial a e a fai							
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de ĩ ĩe financial							
a e)	138,072	29,834					180,357
2. De ĩ ĩe financial							
a e	326,969	(71,939)					251,402
3. Hedging ĩ ĩmen	1,306		6,152				4,392
4. A ĩlable-f ĩale							
financial a e	33,244		(3,585)				52,847
S b- al f financial							
a e	499,591	(42,105)	2,567				488,998
ĩ ĩmen ĩe ĩe	1,752,608		481,051				1,722,065
T al f ĩe ab e	2,252,199	(42,105)	483,618				2,211,063
Financial liabilities	(203,041)	9,479					(192,490)
Total	2,049,158	(32,626)	483,618				2,018,573

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3. Restricted Asset Rights as at the End of the Reporting Period

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(V) Analysis of Investments during the Reporting Period

1. General Information

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Investment amount in the Reporting Period (RMB thousand)	Investment amount in the same period of previous year (RMB thousand)	Change
163,229	1,023,262	(84.05%)

2. Material Equity Investments during the Reporting Period

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3. Material Non-equity Investments in Progress during the Reporting Period

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4. Financial Asset Investments

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Uni : RMB ĩ and

Securities	Stock code	Abbreviation of stock name	Initial investment cost	Modes of accounting measurement	Book value at the beginning of the period	Profit or loss arising from changes in fair value during the current period	Cumulative changes in fair value recognised in equity	Purchases for the current period	Sales for the current period	Profit or loss during the Reporting Period	Book value at the end of the period	Classification in accounting	Source of funds
H Share	6198	Qingda P	128,589	Fair value	133,400	28,637					157,489	Financial asset at fair value through profit or loss	Self-funded
H Share	368	Sin an Shi H	20,742	Fair value	3,860	1,407					5,123	Financial asset at fair value through profit or loss	Self-funded
Other securities held at the end of the period					812	(210)					17,745		Self-funded

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Uni : RMB h and

													Proportion of Investment amount at the end of the period to net assets of the Company	Actual profit or loss during the Reporting Period
Name of the derivatives investment operator	Relationship with the Group	Related party transaction or not	Type of derivatives investment	Initial investment amount of derivatives investment	Date of commencement	Date of termination	Investment amount at the beginning of the period	Amount acquired during the Reporting Period	Amount sold during the Reporting Period	Provision for impairment (if any)	Investment amount at the end of the period			
HSBC, S and a d Cha eed and he bank	Nil	N	F aign e change f a d c n a c	-	2015/1/29	2018/4/16	219,820	-	-	-	236,667	0.79%	9,452	
China C n c i n Bank, HSBC and he bank	Nil	N	I n e e e a c n a c	-	2010/1/20	2021/6/28	10,302,060	-	-	-	9,849,606	33.03%	(74,075)	
S and a d Cha eed, I n d and he bank	Nil	N	C a n c a c n a c	-	2017/6/23	2017/12/20	-	-	-	-	154,473	0.52%	333	
T al				-	-	-	10,521,880	-	-	-	10,240,746	34.34%	(64,290)	

S e f f n d f d e a i e i n e m e n

Self- n e f n d

L i g a i n c a e (i f a l i c a b l e)

N a l i c a b l e

D i c l a d e f a l a f d e a i e i n e m e n a a B a d m e e i n g (i f a n)

28 M a c h 2017

D i c l a d e f a l a f d e a i e i n e m e n a a h a a h l d e r m e e i n g (i f a n)

Nil

R i k a n a l i e g a d i n g i i n i n d e a i e d i n g h e R e j i n g P e i d a n d e l a n a i n f i k c n l m e a e (i n d i c i n g b n l i m i t e d m a k e i k, l i d i k, c a d i k, e a i n i k a n d l a i k e c.)

A a 30 J n e 2017, h e d e a i e f i n a n c i a l i n m e n h e l d b h e G e e m a i n l f a i g n e c h a n g e f a d, i n e e a e a a c a n c a c n a c . T h e i k f i n e e a e a c n a c e d e l e a e d h e f i c a i n f i n e e a e . T h e i k c a u e d b f a i g n e c h a n g e f a d e e c n n e c e d i h h e m a k e i k e l a i n g e c h a n g e a e a n d h e G ' c a h f l c e a i n f f a i g n c a n c e n e i n h e f a e . T h e G ' c n l n h e d e a i e f i n a n c i a l i n m e n a m a i n l e f f e c e d i n : m a k i n g d e n e l e c i n a n d d e m i n a i n h e e a n d a n i f n e l l a d d e d e a i e f i n a n c i a l i n m e n ; a d e a i e a n a c i n, h e G d e e l e d g r i n e p a l a l a l e m a n d e a i n a l c e e, a n d c l a r i f e d h e a l a a n d a h a i n c e d e f a l l e l e i n l e d, a c n l h e a c i a e d i k.

C h a n g e i n m a k e i c e f a l a e f d e a i e i n e d d i n g h e R e j i n g P e i d, h e e f i c i e m e h d a n d e l a n a m i n a n d a a m e e d h a l l b e d i c l e d i n h e a n a l i f f a l a e f d e a i e

F r o m J a n a r y 2017, h e G ' f i f a i n g f m c h a n g e i n f a l a e f h e d e a i e f i n a n c i a l i n m e n a R M B (6 4 , 2 9 0) m i l l i n . F a l a e f h e d e a i e f i n a n c i a l i n m e n f h e G e e d e m i n e d b a d n m a k e i c e f e e p a l f i n a n c i a l i n i n .

E l a n a i n f a n i g n i f i c a n c h a n g e i n h e C m a n ' a c c n i n g l i c i e a n d e f i c i a c c n i n g a n c i l e n d e a i e b e e n h e R e j i n g P e i d a n d h e l a e j i n g e i d

N

S e c i f i c i n i n f i n d e e n d e n D i e c n h e d e a i e i n e m e n a n d i k c n l f h e C m a n

T h e C m a n i n e d d e a i e f h e e f f e d a - d a i n e p a i n l b l i n e e a i n f h e C m a n i n d e m h e f i c a i n f h e e a i n f h e C m a n d e h e c h a n g e i n e c h a n g e a e a n d i n e e a e . T h e e f f e c f e c h a n g e a e a n d i n e e a e n h e e a i n f h e C m a n a d e d c h e e n h a i i a c c e a b l e a n d n d e c n l h e e a i n a b i l i t e d a n d i m e d, h i c h e n e d h e l n g e m e a i n g e g i c b j e c i e e e b e a c h i e e d . T h e C m a n h a e a b l i h e d a n d i n e p a l c n l e m a n i n e f f e c i e i m l e m e n a i n . T h e m a n a g e m e n e m e a f n l a e d a n c a n l i m e d . T h e a l a e d d e c i n - m a k i n g c e d e e e i m i l e d i k n d e c n l i n c m l i a n c e i h h e e l i a m e n f h e l a a n d e g l a i n a n d i h e j i c e h e i n e e f h e C m a n a n d h e h a a h l d e r, i n a d i c l a h e m i n i h a a h l d e r.

CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

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(VI) Disposal of Substantial Assets and Equity Interests

1. Disposal of Substantial Assets

A ĩlicable, N ĩ a ĩlicable

2. Disposal of Substantial Equity Interests

A ĩlicable, N ĩ a ĩlicable

(VII) Analysis of Principal Subsidiaries and Associates

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Details on acquiring and disposing subsidiaries during the Reporting Period

A ĩlicable, N ĩ a ĩlicable

During the Reporting Period, the Group did not acquire or dispose any major subsidiaries. From the date when the subsidiary was began and ceased to be consolidated in the accounts of the Group during the Reporting Period, please refer to the VIX China Financial Report (Unaudited) in this Report.

Details on the principal subsidiaries

Please refer to the relevant information contained in the Report of Principal Business during the Reporting Period under Chapter III Report of the Board of Directors for the details of the main financial holding subsidiaries of the Group during the Reporting Period.

CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

Subsidiaries or associates contributing to more than 10% of the Company's net profits

Unit: RMB million and

Company name	Company type	Principal activities	Industry	Registered capital	Total assets as at the end of the Reporting Period	Net assets as at the end of the Reporting Period	Revenues for the Reporting Period	Operating profits for the Reporting Period	Net profits for the Reporting Period
Taicang CIMC Container Co., Ltd.	Wholly-owned subsidiary	Manufacture and sale of containers	Container manufacturing	210,006	1,790,848	346,079	1,793,303	160,542	120,303
Ningbo CIMC Logistic Equipment Co., Ltd.	Wholly-owned subsidiary	Manufacture and sale of containers and related technological equipment; container management	Container manufacturing	101,616	908,274	467,290	826,074	127,470	96,104
Shenzhen CIMC Special Vehicle Co., Ltd.	Non-wholly-owned subsidiary	Development, production and sale of special-use vehicles, trailers and semi-trailers	Automobile manufacturing	200,000	1,844,205	929,788	1,307,958	167,347	140,092
Yangzhou CIMC Tonghua Special Vehicle Co., Ltd.	Non-wholly-owned subsidiary	Development, production and sale of special-use vehicles, semi-trailers, trailers and other vehicles	Automobile manufacturing	434,301	1,426,052	786,406	1,314,568	109,723	96,584

(VIII) Structured Body Controlled by the Company

Alllicable, Not applicable

(IX) Forecast on the Operating Results for the Period from January to September 2017

Warning and explanation in the forecast of the probable aggregate net profit from the beginning of the year to the end of the nine-month period becoming a significant change compared to the same period of the previous year.

Alllicable, Not applicable

(X) Risk Exposures of the Company and Responsive Initiatives

Please refer to the related information contained in Section 3. Overall Operating and Initiatives of Main Business Segments and 4. Main Risk Factors of the Group, III. Outlook of Future Development and Change of the Board of Directors of the details of the Company and its subsidiaries.

CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

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(XI) Reception of Research, Communications and Interviews

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Date of reception	Mode of reception	Type of party received	Brief description on research
9 Jan a 2017	Tele h ne c nfe ence	Wa eLand Sec i ie in Tai an	P inci al b ine c ndi i n , in e men ge , ecen ind ial de el men and ind i k
11 Jan a 2017	S a egie c nfe ence f Ind ial Sec i ie	Ind ial Sec i ie and he gani a i n	Same a ab e
13 Feb a 2017	Field e ea ch	Pe e eance A e , China Me chan Sec i ie and China S he n F nd	Same a ab e
13 Feb a 2017	TF Sec i ie Tele h ne C nfe ence n Shi ing and C n aine Man fac ing	TF Sec i ie and he gani a i n	Same a ab e
14 Feb a 2017	Bank f China Mac & Machine Tele h ne C nfe ence	Bank f China Sec i ie and he gani a i n	Same a ab e
15 Feb a 2017	Field e ea ch	GF Sec i ie , Shen in & Wang Sec i ie , Ji hi Ca ial (玖石資本), Ping An Sec i ie , Zh ng ng F nd, Shen Zh M In e men , China Me chan Sec i ie , Pengh a F nd, Yinh a F nd, H ng Inn a i n (紅 土創新), Pacific Sec i ie , Hanming A e , O ien Sec i ie , Y n ng Ca ial (雲嵩資本) and H ai hen A e (懷真資產)	Same a ab e
16 Feb a 2017	Field e ea ch	B e a F nd	Same a ab e
17 Feb a 2017	L nche n and he	Al hale Ca ial Managemen , In igh Ca ial Managemen , De che A e Managemen (HK), Tem le n A e Managemen , LBN Ad i e and Val e Pa ne	Same a ab e
20 Feb a 2017	Tele h ne c nfe ence	F nd Ca ial	Same a ab e
20 Feb a 2017	Hai ng Sec i ie Machine S a egie Tele h ne C nfe ence	Hai ng Sec i ie	Same a ab e Same a ab e Same a ab e
21 Feb a 2017	Field e ea ch	Zhe hang F nd	Same a ab e
22 Feb a 2017	Vi i -45201 4	Al 7A7 ab e Pa ne	

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CHAPTER IV Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules

Date of reception	Mode of reception	Type of party received	Brief description on research
24 Feb 2017	Visit in Zhangjiagang	Finance Securities	Business condition and industrial development in energy and chemical business
11 April 2017	Field research	Open Development Capital	Principal business condition, investment, development, industrial development and industry link
28 April 2017	Telephone conference	CICC and investment	Exchange in Q1
17 May 2017	Field research	Finance Securities	Principal business condition, investment, development, industrial development and industry link
18 May 2017	Visit in Kunshan and Shanghai	Teban Securities, ICBC Credit Service Fund, Bin Yuan Capital, TF Securities, Zhongtai Securities Research Institute, Shanghai Greenland Asset, Finance Securities, Hanlin Investment (瀚倫投資), Funder Securities, UBS Securities, Guai Jnan, Zhehang Fund, China AMC, Tianheng Asset Management, Haiyang Securities, Haiai Securities, Haichang Securities, BOC International, Winbigh Capital, CIB Fund, CITIC Securities, Industrial Securities, ABC Financial Service, Fenghe Asset, Ping An Securities and Guai Fund	Business condition and industry link in logistics main
23 May 2017	Visit in Shanghai	Morgan Stanley	Business condition and industrial development in container business
7 June 2017	Visit in Kunshan and Shanghai	HSBC and investment	Business condition and industry link in logistics main

Chapter V Management Discussion and Analysis Prepared in Accordance with Hong Kong Securities Rules

The following contains the financial statements prepared in accordance with the relevant provisions of the Hong Kong Listing Rules. The following directors and analysts shall be made together with the chairman and the 2017 Interim Financial Report (readied) of the Group in his Report.

CHANGES IN ACCOUNTING POLICIES FOR THE REPORTING PERIOD

On 28 August 2017, a confidential and sealed by the 11th meeting of the eighth time of the Board of Directors of the Company in 2017 and the 6th meeting of the eighth time of the Special Committee of 2017, the Company decided the accounting policy of the Company and the implementation of the "NICE National Plan for Reformed Accounting Standards of the Enterprise No. 16, Government Subsidy (Cai Kai [2017] No. 15) issued by Ministry of Finance (MOF) of the People's Republic of China and the implementation of the Accounting Standards of the Enterprise No. 42, Non-current Asset Held for Sale, Disposal Group and Termination of Operation" issued by MOF, which, (1) the Company has implemented the "NICE National Plan for Reformed Accounting Standards of the Enterprise No. 16, Government Subsidy (Cai Kai [2017] No. 15) issued by MOF since 12 June 2017. Government grant relating to the daily activities of the Group shall be included in the income based on the nature of economic benefits. Government grant relating to the daily activities of the Group shall be included in non-recurring income and expense. The specific allocation method shall be determined by the accounting department of the government grant received on 1 January 2017 of the Group. Adjustments shall be made for the government grant as of 1 January 2017 the effective date of each standard. The comparative financial statements of the Group for January, June 2016 were amended. (2) The Company has implemented the "NICE National Plan for Reformed Accounting Standards of the Enterprise No. 42, Non-current Asset Held for Sale, Disposal Group and Termination of Operation" issued by MOF since 28 March 2017. The change in accounting policy did not have a significant impact on the financial statements of the Company during the Reporting Period. Finally, please refer to Article 33 of Chapter IX 2017 Interim Financial Report (Unaudited) in this Report.

CONSOLIDATED OPERATING RESULTS

During the Reporting Period, the Group recorded an increase of RMB33,387.152 million (amounted in 2016: RMB23,542.843 million), representing an increase of 41.81%, and a fairly stable cash flow and healthy return on investment of the Company of RMB796.898 million (amounted in 2016: recording a loss of RMB378.034 million). Further, the Group's main business in the cash flow headed, 'Cash and Settlements of Accounts Payable and Financial Indicators' and 'II. Review of Principal Business and Reporting Period' of the Company's III Review of the Board in this Report.

SEGMENT INFORMATION

Further, the egmen inf main f the G
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Pinci al B ine e d ing the Re ing Peid nde
; Cha e III Re f the B ad and n e XIII f; Cha e
IX 2017 In e im Financial Re (Una di ed) in hi
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GROSS PROFIT MARGIN AND PROFITABILITY

D ing he Re ing Pe id, he g fi magin f
he G a 18.41% (ame eid in 2016: 18.76%),
e en ing a ligh ea n- ea- dec ea e f 0.35%
Am ng he inci al b ine e, he g fi magin
f c n aine man fac ing and hea ck ince ad,
he g fi magin f ff h e engineer ing b ine
ned f m fi l a affected b he c n in ed
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Chapter V Management Discussion and Analysis Prepared in Accordance with Hong Kong Securities Rules

NON-OPERATING INCOME

During the Reporting Period, the Group's non-operating income amounted to RMB84.343 million (amounted in 2016: RMB167.289 million), decreasing at year-on-year decrease of 49.58%, which is mainly attributable to the recognition of the government grant relating to the acquisition of the Group's land-use rights and the net change in government grant under the CASBE during the Reporting Period. For details, please refer to the IV. 60 of Chapter IX 2017 Interim Financial Report (Undated) in this Report.

TAX EXPENSE

During the Reporting Period, the income tax expense of the Group was RMB509.633 million (amounted in 2016: RMB375.316 million), decreasing at year-on-year increase of 35.79%, which is mainly due to the increase in current income tax calculated according to the average rate in a year of the significant increase in profit of the Group during the Reporting Period. For details, please refer to the IV. 62 of Chapter IX 2017 Interim Financial Report (Undated) in this Report.

TECHNOLOGY DEVELOPMENT COSTS

During the Reporting Period, the technology development cost of the Group was RMB288.459 million (amounted in 2016: RMB230.097 million), decreasing at year-on-year increase of 25.36%, which is mainly due to the increase in expense in technology R&D of the Group during the Reporting Period. For details, please refer to the IV. 18 of Chapter IX 2017 Interim Financial Report (Undated) in this Report.

MINORITY PROFIT OR LOSS

During the Reporting Period, the Group's minority profit accounted for RMB269.611 million (amounted in 2016: RMB163.126 million), which is mainly due to the increase in profit before income tax of the wholly owned subsidiary during the Reporting Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank and hand-held financial assets of cash and bank deposits. As at 30 June 2017, the Group's cash and bank and hand-held amounted to RMB5,737.102 million (31 December 2016: RMB6,325.998 million), decreasing at decrease of 9.31% as compared with the end of the reporting period. For details, please refer to the IV. 1 of Chapter IX 2017 Interim Financial Report (Undated) in this Report. The Group's fund mainly derived from the fund generated from operation and bank borrowing. The Group has always adopted prudent financial management policies and maintained sufficient and adequate cash on hand and the bank loan falling due and ended the balance sheet.

During the Reporting Period, the Group's cash flow from operating activities of RMB(668.216) million (amounted in 2016: RMB933.732 million), net cash flow from investing activities of RMB(1,507.729) million (amounted in 2016: RMB(5,376.277) million) and net cash flow from financing activities of RMB1,875.660 million (amounted in 2016: RMB5,570.910 million). At the end of the Reporting Period, the balance of cash and cash equivalents held by the Group amounted to RMB5,940.423 million.

Chapter V Management Discussion and Analysis Prepared in Accordance with Hong Kong Securities Rules

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BANK LOANS AND OTHER BORROWINGS

As at 30 June 2017, the Group's short-term borrowings, long-term borrowings, debentures payable and other financial liabilities (including financial lease) in aggregate amounted to RMB57,072.710 million (31 December 2016: RMB55,932.185 million). Details are set out in notes IV. 25, IV. 36, IV. 37, IV. 38 and IV. 39 of Chapter IX 2017 Interim Financial Report (Unaudited) in this Report.

Unit: RMB million and

	As at 30 June 2017 (unaudited)	As at 31 December 2016 (audited)
Short-term borrowings	17,945,748	15,729,787
Non-current borrowings due within one year	4,891,414	3,525,710
Long-term borrowings	23,665,089	27,023,222
Debentures payable	7,986,500	7,986,500
Other financial liabilities (including financial lease)	2,583,959	1,666,966
Total	57,072,710	55,932,185

In the first half of 2017, the new bank loan and other borrowed funds amounted to RMB2,798.256 million (amounted to RMB5,324.877 million in 2016), representing a year-on-year decrease of 47.45%. The Group's bank borrowings are mainly denominated in U.S. dollars, with the interest payment method being fixed rate and floating rate. As at 30 June 2017, the Group's bank borrowings included fixed-rate borrowings of approximately RMB11,035.941 million (31 December 2016: RMB8,123.960 million), representing an increase of 35.84% as compared with the end of the period, which is mainly due to the financing arrangements made by the Group to meet the working capital requirements; floating-rate borrowings of RMB35,466.310 million (31 December 2016: RMB38,154.759 million), representing a decrease of 7.05% as compared with the end of the period. As at the end of the Reporting Period, the long-term borrowings are mainly due within five years. For details, please refer to notes IV. 38 and XIV. 3 of Chapter IX 2017 Interim Financial Report (Unaudited) in this Report.

Chapter V Management Discussion and Analysis Prepared in Accordance with Hong Kong Securities Rules

CAPITAL STRUCTURE

The Group's capital structure consists of equity and debt. As at 30 June 2017, the Group's equity and debt were as follows: (31 December 2016: RMB39,871.883 million) in aggregate, the total liabilities amounted to RMB89,626.971 million (31 December 2016: RMB85,479.956 million) and the total assets amounted to RMB129,498.854 million (31 December 2016: RMB124,614.748 million). The Group's committed main financing arrangements are as follows: (31 December 2016: RMB124,614.748 million). The Group's committed main financing arrangements are as follows: (31 December 2016: RMB124,614.748 million).

At the end of the Reporting Period, the Group's gearing ratio was 69.21% (31 December 2016: 68.60%), which slightly increased by 0.61% as compared with the end of the previous year. (Calculation of the gearing ratio: based on the Group's total debt divided by the total equity.)

FOREIGN EXCHANGE RISK AND RELEVANT HEDGE

The major currency of the Group's business is the U.S. dollar, while most of the revenue is made in RMB. As the exchange rate of RMB is affected by domestic and international economic and political factors, and the demand and supply of RMB, the Group is exposed to foreign exchange risk arising from the change in the value of RMB against the currency, which may affect the Group's operating results and financial condition. The management of the Group has established a foreign exchange risk management system to measure and manage the foreign exchange risk. Further, the Group has entered into foreign exchange hedging contracts held by the Group during the Reporting Period, as disclosed in IV. 2 and IV. 26 of the 2017 Interim Financial Report (Undated) in this Report.

INTEREST RATE RISK

The Group is exposed to the market interest rate change risk arising from the borrowing bank loan and the borrowing. To minimize the impact of interest rate risk, the Group entered into interest rate swap contracts with the relevant bank. Further, as disclosed in IV. 2 and IV. 26 of the 2017 Interim Financial Report (Undated) in this Report.

CREDIT RISK

The Group's credit risk is mainly attributable to cash and bank and, receivable, payable financial instruments entered into for hedging purposes, etc. Except for the credit risk incurred by the management in negotiating bank. Further, as disclosed in IV. 1 of the 2017 Interim Financial Report (Undated) in this Report.

PLEDGE OF ASSETS

As at 30 June 2017, the Group had pledged assets of the Group as follows: (31 December 2016: RMB8,902.078 million) in aggregate, the Group's pledged assets accounted for 8.76% as compared with the end of the previous year. Further, as disclosed in IV. 24 of the 2017 Interim Financial Report (Undated) in this Report.

CAPITAL COMMITMENTS

As at 30 June 2017, the Group had capital commitments of RMB494.514 million (31 December 2016: RMB417.786 million), which increased by 18.37% as compared with the end of the previous year, which were mainly related to the construction of new vessels. Further, as disclosed in XI. 1. (1) of the 2017 Interim Financial Report (Undated) in this Report.

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CONTINGENT LIABILITY

As at 30 June 2017, the Group had contingent liability for a lease liability of RMB59.028 million (31 December 2016: RMB83.248 million), decreasing a decrease of 29.09% as compared with the end of the previous financial year. For details, please refer to the X.1 of Chapter IX 2017 Interim Financial Report (Undated) in this Report.

SIGNIFICANT INVESTMENTS AND MAJOR ACQUISITIONS AND DISPOSALS RELATING TO SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Reporting Period, the Group did not make any significant investments and had no major acquisitions and disposals relating to subsidiaries and associated companies. For information on the major disposals of the Group, please refer to the VI.1 of Chapter IX 2017 Interim Financial Report (Undated) in this Report.

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND EXPECTED SOURCES OF FUNDING

For the investment plan of the financial business of the Group in the second half of the year, please refer to 3. Overall Operating Targets and Initiatives of Main Business Segment of III. Future Development and Outlook of Chapter III Report of the Board in this Report. The leasing and capital expenditure of the Group are mainly financed by internal funds and external financing. The Group will take a prudent attitude to enhance its leasing cash flow. The Group has sufficient cash and funding from the operations of capital expenditure and leasing cash flow.

CAPITAL EXPENDITURE AND FINANCING PLAN

Based on change in the economic situation and leasing environment, as well as the development of the Group's strategic goals and business development, the expected capital expenditure of the Group in 2017 is approximately RMB7,900 million, among which approximately RMB500 million is allocated to the first half of the year, which is mainly used for acquisition of fixed assets, intangible assets and long-term assets. Various financing arrangements will continue to be considered by the Group in the second half of the year.

On 31 March 2016, a convened and held a shareholders' general meeting, the Company issued a non-public offering of the A shares eligible in the first round of RMB6,000 million (the "Non-public Offering of A Shares"). On 17 January 2017, a certain measure will need to be implemented, the Company submitted an application to the CSRC for the renewal of the registration of the documents of the Non-public Offering of A Shares. On 9 June 2017, in accordance with the implementation of the plan, the Company issued and allocated the annual general meeting of 2016 and the first 2017 class meeting of A Shares and the first 2017 class meeting of H Shares, the Company issued a notice of the Non-public Offering of A Shares and ended the validity period of the application by the shareholders' general meeting as well as the validity period of the mandate of the Board. For details, please refer to II.1 of the and Listing of Securities of Chapter VII Change in Share Capital and Information on Substantial Shareholders in this Report. As at the end of the Reporting Period, the Non-public Offering of A Shares is still ongoing.

50 Chapter VI Significant Events

During the Reporting Period, the Board, comprising 8 Directors, held 5 meetings, of which 1 meeting was held online, 4 meetings were held in a face-to-face manner with 36 directors in attendance. Since the legal meeting, in the context of the management and efficiency of the Group's business, the Chairman's office Director has been given major management matters to the Chairman of the Board. The Chairman of the Board met frequently, and the Board decided on the matters made in the face-to-face meeting in the Board.

According to Article 1.1 of the Charter, the Board should meet legally and the Board meeting should be held at least once a year at a regular interval. During the Reporting Period, the Chairman held 5 Board meetings, of which only 1 meeting was held online. The Executive Director of the Chairman manages and monitors the business and the Board meeting has decided on and made decisions on the Group's major management matters from time to time. Accordingly, certain decisions were made by the Board before the face-to-face meeting. The Director of the Chairman, the Chairman and the validity of the decision made by the Board had adequate assurance. The Chairman will be effective to the management practice in the practice in the future.

On 7 August 2017, Mr. Wang Zhiqian, a non-executive Director, resigned from the position of non-executive Director and all his position in the Risk Management Committee and the Remuneration and Nomination Committee of the Board. The change in job assignment. Finally, the legal meeting, the change of Director, Secretary and Senior Management of the Chairman under the VIII Information in the Director, Secretary and Senior Management in the Report.

() Board

During the Reporting Period, 9 meetings were held by the Board Committee with 19 members in attendance. Board Committee was held.

() Shareholders

During the Reporting Period, 3 meetings of the eight members of the Secretary Committee, comprising the Secretary, were held with 13 directors in attendance. The Secretary attended 5 meetings of the Board in the reporting period. The Secretary Xi Bingba attended the 2016 annual general meeting, the first 2017 Annual General Meeting and the first 2017 Half Year General Meeting.

On 7 August 2017, Mr. L. Shenghui, a Secretary, resigned from the position of the Secretary of the Secretary of the change in management. However, the Article of Association, Mr. L. Shenghui will continue to perform his duties as a Secretary before a new Secretary is being appointed. Finally, the general meeting of the Chairman. Finally, the legal meeting, the change of Director, Secretary and Senior Management of the Chairman under the VIII Information in the Director, Secretary and Senior Management in the Report.

() Shareholders

On 9 June 2017, the Chairman held the 2016 annual general meeting, the first 2017 Annual General Meeting and the first 2017 Half Year General Meeting. The notice, convening, holding and conducting of each meeting were in compliance with the relevant provisions of the PRC Company Law, the Article of Association and the Hong Kong Listing Rules. The announcement on the relevant meeting was published in China Securities Journal, Shanghai Securities News and Securities Times and in Chinafob (http://www.chinafob.com.cn) on 9 June 2017, and the website of the Hong Kong Stock Exchange (http://www.hkex.hk) and the Chairman (http://www.cimc.com).

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The executive Director, CEO and President Mr. Mai Biliang and the non-executive Director Mr. Li Chong and independent non-executive Director Mr. Pan Cheng ei, Mr. Pan Zheng and Mr. Wang Kai Heng also attended the aforementioned general meeting. Non-executive Director Mr. Wang Hong, Mr. Wang Yuhang and Mr. Wang Zhi an (signed on 7 August 2017) failed to attend the aforementioned affair.

()

Article 2.7 of the Charter of the Chairman shall convene a shareholders meeting and the non-executive Director (including independent non-executive Director) shall attend the executive Director. The Chairman shall convene the executive Director Mr. Mai Biliang, and the Chairman's office shall manage and monitor the executive Director. Accordingly, during the Reporting Period, the Chairman has held a Board meeting with the presence of the executive Director.

Article 6.7 of the Charter of the Chairman shall convene a shareholders meeting and the non-executive Director shall hold a shareholders meeting and deliver a balanced understanding of the facts of the shareholders. Article 1.2 of the Charter of the Chairman shall convene a shareholders meeting and the Chairman shall hold a shareholders meeting. He shall also convene the Chairman of the Board, the Chairman of the Board, the Chairman of the Board (a shareholders meeting) and the Chairman of the Board. The independent non-executive Director of the Chairman shall convene the general meeting convened during the Reporting Period. The non-executive Director Wang Hong, the Chairman of the Board, Wang Yuhang and Wang Zhi an (signed on 7 August 2017), the Chairman of the Risk Management Committee of the Board, failed to attend the shareholders meeting during the aforementioned affair.

2. Compliance with the Model Code by Directors and Supervisors of the Company for Securities Transactions

The Chairman has adopted the standard described in the Model Code contained in Appendix 10 of the Hong Kong Listing Rules as the code of conduct in dealing in securities of the Director and Senior of the Chairman. After reviewing all the Director and Senior, all the Director and Senior confirmed that they had fully complied with the provisions in the Model Code during the Reporting Period.

3. Audit Committee

The Chairman has appointed the independent non-executive Director and established the audit committee and the members of the Hong Kong Listing Rules. The members of the audit committee are Mr. Pan Cheng ei (Chairman of the audit committee), Mr. Pan Zheng and Mr. Wang Kai Heng, also in financial management (chairman), Mr. Pan Zheng and Mr. Wang Kai Heng, also in financial management.

On 27 August 2017, the audit committee reviewed the unaudited 2017 Interim Financial Report and the Report of the Group for the interim period ended 30 June 2017, and agreed to present the Board.

4. Disclosure Pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules

For the change in information of Director, Senior and chief executive officer of the Chairman be disclosed under Rule 13.51B(1) of the Hong Kong Listing Rules during the Reporting Period, please refer to the chairman's report, IV. Change in Information of Director and Senior under Chapter VIII Information of Director, Senior and Senior Management. Except for the disclosure, the information disclosed under Rule 13.51B(1) of the Hong Kong Listing Rules.

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II. RELEVANT SITUATIONS OF ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING CONVENED DURING THE REPORTING PERIOD

1. General Meeting Convened during the Reporting Period

Session of meeting	Type of meeting	Proportion of investors' participation	Date	Notice date	Disclosure date	Disclosure index
2016 annual general meeting	Annual general meeting	57.25%	9 June 2017	21 April 2017	9 June 2017	.cninfo.cc.m.cn .hkexnews.hk
First 2017 A Shareholders' class meeting	Shareholders' class meeting	34.61%	9 June 2017	21 April 2017	9 June 2017	.cninfo.cc.m.cn .hkexnews.hk
First 2017 H Shareholders' class meeting	Shareholders' class meeting	73.92%	9 June 2017	21 April 2017	9 June 2017	.cninfo.cc.m.cn .hkexnews.hk

2. The Extraordinary General Meetings Requested by the Shareholders of Preference Shares who Regained the Voting Right

Applicable, Not Applicable

III. PROPOSAL OF PROFIT DISTRIBUTION AND SHARE CAPITAL INCREASE BY WAY OF TRANSFER FROM CAPITAL RESERVES DURING THE REPORTING PERIOD

Applicable, Not Applicable

The Company conducted profit distribution by cash dividend, but has not increased share capital by way of transfer from capital reserves during the interim period ended 30 June 2017 (the same period of 2016: Nil).

Implementation of Profit Distribution of the Company during the Reporting Period of 2016 or the Company's 2016 Capital Increase

IV. COMMITMENTS PERFORMED DURING THE REPORTING PERIOD AND NOT FULFILLED AS AT THE END OF THE REPORTING PERIOD BY THE UNDERTAKING PARTIES INCLUDING THE DE FACTO CONTROLLER OF THE COMPANY, SHAREHOLDERS, CONNECTED PARTIES, BIDDERS AND THE COMPANY

Applicable	N	A	licable				
Commitment	Promisor	Type of commitment	Contents of commitment	Date of commitment	Commitment period	Implementation	

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V. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS

Whether the interim financial report has been audited.

Yes, No

The 2017 Interim Financial Report has not been audited.

On 9 June 2017, the company decided and approved at the 2016 Annual General Meeting, the Company appointed PricewaterhouseCoopers Zhong Tian LLP as the auditor of the Company for 2017.

VI. STATEMENTS OF THE BOARD AND THE SUPERVISORY COMMITTEE ON THE "NON-STANDARD AUDITING REPORT" ISSUED BY THE ACCOUNTANT DURING THE REPORTING PERIOD

Applicable, Not Applicable

VII. EXPLANATION OF THE BOARD ON THE AFFAIRS RELATING TO "NON-STANDARD AUDITING REPORT" FOR THE PREVIOUS YEAR

Applicable, Not Applicable

VIII. BANKRUPTCY OR REORGANISATION RELATED ISSUES

Applicable, Not Applicable

The Company had not bankruptcy or reorganization related issues during the Reporting Period.

IX. ARBITRATION EVENTS

Material litigation and arbitration events

Applicable, Not Applicable

The Company had not material litigation and arbitration events during the Reporting Period.

A llicable N A llicable

Basic information of litigation (arbitration)	Amount involved (RMB thousand)	Incurred estimated liabilities or not	Progress of litigation (arbitration)	Judgment result of litigation (arbitration) and its impact	Executive of the judgment of litigation (arbitration)	Disclosure date	Disclosure index
15 c n a c d i e a h e l a i n i f f f m 2014 h e e n d f h e R e j i n g P e i d	337,600	N	I n j i a l	N e c n c l d e d	h	h	h
9 c n a c d i e a h e e n d e n f m 2015 h e e n d f h e R e j i n g P e i d	322,200	N	I n j i a l	N e c n c l d e d	h	h	h

X. PENALTIES AND REMEDIES

A licable N A licable

XI. THE CREDITWORTHINESS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND THE DE FACTO CONTROLLER

A licable N A licable

Ding he Re -ling Pei d, he e a n effie e j dgemem f he c - failed be a i fied b he C m an and i la ge ha eh Ide -China Me chan G - , -ela i el la ge am n f deb d e and anding.

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XII. IMPLEMENTATION OF THE COMPANY'S SHARE OPTION INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVE MEASURES

1. Summary of Share Option Incentive Scheme

(1) A Share(s) Share Option Incentive Scheme of the Company

In order to establish and improve the incentive-constraint mechanism, and effectively combine the interests of the Shareholders, the Company and its employees, the A Share(s) Share Option Incentive Scheme was conceived and approved at the extraordinary general meeting of the Company on 17 September 2010. According to the scheme, the first tranche of 54,000,000 shares in (the 'First Tranche of Share Option') were granted on 26 January 2011 and the second tranche of 6,000,000 shares in (the 'Second Tranche of Share Option') were granted on 17 November 2011.

At a 12 March 2015, on the conception and approval of the eighth meeting of the Board of Directors of the Company in 2015, the first tranche of the second exercisable period of the First Tranche of Share Option has met the exercise condition and each all exercisable during from 2 June 2015 to 27 September 2020. The total exercisable amounting 39,660,000 shares. At a 9 October 2015, on the conception and approval of the eighth meeting of the Board of Directors of the Company in 2015, the second exercisable period of the Second Tranche of Share Option has met the exercise condition and each all exercisable during from 24 October 2015 to 27 September 2020. The total exercisable amounting 4,132,500 shares. At a 20 July 2017, on the conception and approval of the eighth meeting of the Board of Directors of the Company in 2017 and the implementation of the annual dividend distribution plan of the Company for 2016 on 20 July 2017, the adjusted exercise price of the First and Second Tranche of Share Option is RMB10.49 and RMB16.02, respectively.

During the Reporting Period, the total exercisable amount of A Share(s) Share Option Incentive Scheme amounted 1,775,800 shares, increasing 3.03% of the total (adjusted), of which, amounting 1,730,800 shares were exercised during the second exercisable period of the First Tranche of Share Option, and amounting 45,000 shares were exercised during the second exercisable period of the Second Tranche of Share Option. The implementation of A Share(s) Share Option Incentive Scheme has made a positive impact on the Company's financial condition and contributed to the Reporting Period and in the future.

(2) Share option incentive scheme of the subsidiary CIMC Enric

CIMC Enric adopted and approved a share incentive scheme ('2006 Share Option Scheme') at the extraordinary general meeting held on 12 July 2006, through which CIMC Enric granted a total of 120,370,000 shares in a share and benefit provided to certain employees, directors and eligible persons of the subsidiary CIMC Enric in November 2009, October 2011 and June 2014. The 2006 Share Option Scheme expired in 2016. Furthermore, following the related announcement of CIMC Enric published on the website of the Hong Kong Stock Exchange, the relevant announcement released on the website of the Company, the Hong Kong Stock Exchange and the Company's official website of the Company in December.

On 20 March 2016, the annual general meeting of CIMC Enric adopted and approved a new share incentive scheme ('2016 Share Option Scheme') and terminated the 2006 Share Option Scheme. Since adoption of the 2016 Share Option Scheme, no shares have been granted by CIMC Enric under the 2016 Share Option Scheme.

(3) Implementation of the equity trust scheme of the subsidiary CIMC Vehicle (Group)

The CIMC Vehicle (Group) Co., Ltd. Equity Trust Plan (Draft) was considered and approved at the general meeting of the Company held on 17 October 2007, and since then, the entrusted management relating to the vehicle business of the Group and the key personnel of CIMC Vehicle (Group) held 20% equity interest in CIMC Vehicle (Group) by capital increase of RMB220,700,000 through the CIMC Vehicle (Group) Co., Ltd. Equity Trust Plan (hereinafter referred to as "CIMC Vehicle (Group) Equity Trust Plan") of Shenzhen International Trust & Investment Co., Ltd. (深圳國際信託投資有限責任公司) (now renamed China Resource SZITIC Trust Co., Ltd.) as trustee. On 30 December 2015, CIMC Vehicle (Group) completed the capital increase and the CR Trust CIMC Vehicle (Group) Equity Trust Plan given its effectiveness. As at 31 March 2016, the Company decided and approved the Resolution regarding the Amendment of CIMC Vehicle (Group) Co., Ltd. Equity Trust Plan (Draft) (《關於修改〈中集車輛集團有限公司股權信託計劃(草案)〉的議案》) at the 2015 annual general meeting. Finally, after the relevant announcement was made on the website of the Company, the Hong Kong Stock Exchange and the Company's official website, the Company in accordance with the CR Trust CIMC Vehicle (Group) Equity Trust Plan held 15.83% equity interest in CIMC Vehicle (Group) as at the end of the Reporting Period.

2. Implementation of the A Share(s) Share Option Incentive Scheme of the Company and its Influence

Scope of application of the Reporting Period	The first tranche of 54,000,000 shares (among which 4,107,500 shares were cancelled) were granted to 175 entrusted management and key technical personnel of the Company; the second tranche of 6,000,000 shares in (among which 578,125 shares were cancelled) were granted to 38 key technical personnel and middle management of the Company.
Total shares granted during the Reporting Period (shares)	0
Total shares exercised during the Reporting Period (shares)	1,775,800
Total shares cancelled during the Reporting Period (shares)	0
Total shares lapsed during the Reporting Period (shares)	0
Total shares granted by awarding at the end of the Reporting Period in accordance with the plan (shares)	23,453,740
Total shares granted and exercised at the end of the Reporting Period in accordance with the plan (shares)	31,860,635
Adjustment of exercise price and exercise of shares during the Reporting Period and the grant price and exercise price after adjustment	The initial exercise price of the first tranche was RMB12.39/ share which was adjusted to RMB10.49/ share after implementation of the dividend distribution plan for the year 2010-2016. The initial exercise price of the second tranche was RMB17.57/ share which was adjusted to RMB16.02/ share after implementation of the dividend distribution plan for the year 2011-2016.

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Grant and exercise of equity of Directors, Supervisors and senior management during the Reporting Period

Name	Position	Number of equity granted during the Reporting Period (shares)	Number of equity exercised during the Reporting Period (shares)	Number of outstanding and exercisable equity at the end of the Reporting Period (shares)
Mai Biliang	CEO and President, Executive Director	0	0	2,850,000
Li Xubin	Vice President	0	0	997,000
Wu Faqi	Vice President	0	0	750,000
Li Yinhi	Vice President	0	0	750,000
Yi Ya	Vice President	0	0	650,000
Zhang Baoping	Vice President	0	0	750,000
Gao Xiang	Vice President	0	0	375,000
Yi Yubin	Secretary of the Board	0	0	750,000
Zeng Han	General manager of the finance department	0	0	288,750

Note: On 27 March 2017, the Company's senior management Mr. Jin Jianling resigned. As at 30 June 2017, Mr. Jin Jianling still had 640,000 restricted A shares in the Company and 1,400,000 restricted shares in CIMC Energy.

XIII. MATERIAL CONNECTED TRANSACTIONS DISCLOSED ACCORDING TO SHENZHEN LISTING RULES

1. Connected Transactions Relating to Daily Operations

Not applicable Not applicable

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Related party	Relationship with the Group	Type of the connected transaction	Details of the connected transaction	Pricing Principle	Price	Amount (RMB'000)	% of the total amount of a similar transaction	Approved cap (RMB'000)	Whether approved cap has been exceeded	Settlement method	Available market price of a similar transaction	Disclosure date	Disclosure index
Y&C Engine Co., Ltd.	Joint venture	Purchase of goods	Purchase of goods	Regulatory commercial	-	309,000	-	-	-	-	-	-	-
Shaan Hea D Automobile Co., Ltd.	Minority shareholder	Purchase of goods	Purchase of goods	Regulatory commercial	-	49,559	-	-	-	-	-	-	-
Fujian Qingchen Bamboo Products Co., LTD	Associated company	Purchase of goods	Purchase of goods	Regulatory commercial	-	8,259	-	-	-	-	-	-	-
Ahli Trading Co., Ltd	Minority shareholder	Purchase of goods	Purchase of goods	Regulatory commercial	-	1,855	-	-	-	-	-	-	-
Xinhai CIMC Wuda Co., Ltd.	Associated company	Purchase of goods	Purchase of goods	Regulatory commercial	-	394	-	-	-	-	-	-	-
Other related parties	-	Purchase of goods	Purchase of goods	Regulatory commercial	-	1,758	-	-	-	-	-	-	-
Other related parties	-	Receiving services	Receiving services	Regulatory commercial	-	15,681	-	-	-	-	-	-	-
Shaan Hea D Automobile Co., Ltd.	Minority shareholder	Sale of goods	Sale of goods	Regulatory commercial	-	93,174	-	-	-	-	-	-	-
Fluor Maime Limited	Subsidiary of significant Shareholder	Sale of goods	Sale of goods	Regulatory commercial	-	63,809	-	-	-	-	-	2016.11.12	cninfo.cc.m.cn.
Sinoma Chemical	Minority shareholder	Sale of goods	Sale of goods	Regulatory commercial	-	59,136	-	-	-	-	-	-	-
Fluor Chemical Co. in S.A.	Subsidiary of significant Shareholder	Sale of goods	Sale of goods	Regulatory commercial	-	25,676	-	-	-	-	-	2016.11.12	cninfo.cc.m.cn.
Fluor Chemical Service Ltd.	Subsidiary of significant Shareholder	Sale of goods	Sale of goods	Regulatory commercial	-	12,624	-	-	-	-	-	2016.11.12	cninfo.cc.m.cn.
Dongfang International Chemical (Lianggang) Co., Ltd.	Subsidiary of significant Shareholder	Sale of goods	Sale of goods	Regulatory commercial	-	4,965	-	-	-	-	-	2016.11.12	cninfo.cc.m.cn.
NYK Zhenhai Logistics (Tianjin) Co., Ltd.	Joint venture	Sale of goods	Sale of goods	Regulatory commercial	-	228	-	-	-	-	-	-	-
Other related parties	-	Sale of goods	Sale of goods	Regulatory commercial	-	8,298	-	-	-	-	-	-	-
Other related parties	-	Renting services	Renting services	Regulatory commercial	-	20,078	-	-	-	-	-	-	-
Total						674,494	-	-	-	-	-	-	-

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Nil

Projected alarm is connected and in the dining
 room building the children and adults
 performance during the Reeling Period (if any)

The eleventh connected transaction in the financial year of the Group, including COSCO SHIPPING Development Limited and subsidiary (including Flen Maritime Limited, Flen Chinaine Company Limited, Flen Chinaine Service Limited and Dongfang International Chinaine (Lianhang) Company Limited) exceeded the small number of the New York Agreement entered into by the company on 11 November 2016. During the Reporting Period, the aggregate transaction amount was RMB107,074,000 and did not exceed the capex of 2017 (RMB450,000,000).

Real difference between an action and a difference (if applicable)

N a l i c a b l e

[illegible]

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Liabilities payable to any related party:

Uni : RMB h and

Related party	Relationship with the Group	Reason	Opening balance	Amount increased during the current period	Amount repaid during the current period	Interest rate	Interest for the current period	Closing balance
Ga fin In e men S.A.	Min i ha eh Ide fa b idia	O e a ing b i ng b Sha eh Ide in ame a i	46,990	,	1,419	,	522	45,571
Sh nde F i Real E a e In e men C ., L d	Min i ha eh Ide fa b idia	O e a ing b i ng b Sha eh Ide	56,794	,	29,579	,	,	27,215
Effect f liabilities am ng he c nnec an ac i n n he Nil e a ing e l and financial i i n f he C m an								

5. Other Material Connected Transactions

A llicable , N A llicable

XIV.OCCUPATION OF THE LISTED COMPANY'S NON-OPERATING CAPITAL BY CONTROLLING SHAREHOLDERS AND ITS RELATED PARTIES

A llicable , N A llicable

The e a n n n- e a ing ca i al f he C m an hich a cc ied b c n lling Sha eh Ide and i e la ed a ie d i ng he Re i ng Pe i d.

XV. MATERIAL CONTRACTS AND THEIR PERFORMANCES

1. Trusteeship, Contracting or Leasing

(1) Trusteeship

A llicable , N A llicable

D i ng he Re i ng Pe i d, he e a n e e hi f he C m an gene a ing a i fi i l hich c n i b ed 10% m e f he al i fi f he C m an d i ng he Re i ng Pe i d.

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(2) Contracting

Available, Not Available

During the Reporting Period, the Company contracted for the Company generating a profit which contributed 10% of the total profit of the Company during the Reporting Period.

(3) Leasing

Available, Not Available

During the Reporting Period, the Company leased for the Company generating a profit which contributed 10% of the total profit of the Company during the Reporting Period.

2. MATERIAL GUARANTEES

, Available, Not Available

(1) Description of Guarantees

Unit: RMB million and

External guarantees undertaken by the Company and its subsidiaries (excluding guarantees for subsidiaries)

Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related party guaranteed or not
Contract and dealing of subsidiary of CIMC Vehicle	28 March 2017	2,650,000	1 January 2017	794,628	Warranty	1-2 years	N	N
Contract and dealing of C&C Truck and contracting subsidiary	28 March 2017	1,600,000	1 January 2017	314,477	Warranty	1-2 years	N	N
Purchase of commodity of CIMC Skidder Real Estate and contracting subsidiary	28 March 2017	740,000	1 January 2017	714,347	Warranty	1-2 years	N	N
Contract of CIMC Raffle	28 March 2017	382,000	1 January 2017	334,250	Warranty	1-2 years	N	N
Total guaranteed facilities accounted during the Reporting Period (A1)		1,122,000		Total amount of external guarantee during the Reporting Period (A2)				1,048,597
Total guaranteed facilities accounted at the end of the Reporting Period (A3)		5,372,000		Total balance of external guarantee at the end of the Reporting Period (A4)				2,157,702

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The Company's guarantees for subsidiaries

Name of the guaranteed	Disclosure date of the announcement about guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related party guaranteed or not
Subsidiary of CIMC	28 March 2017	24,172,570	1 January 2017	5,982,920	Warranty	1-2 years	N	N
Overseas holding subsidiary of CIMC	28 March 2017	30,000,000	1 January 2017	14,460,910	Warranty	1-2 years	N	N
Total guarantee facilities for subsidiary as disclosed in the Reporting Period (B1)			35,651,530	Total actual amount of guarantee for subsidiary disclosed in the Reporting Period (B2)				14,623,210
Total guarantee facilities for subsidiary as ended at the end of the Reporting Period (B3)			54,172,570	Total actual balance of guarantee for subsidiary as ended at the end of the Reporting Period (B4)				20,443,830

Subsidiaries' guarantees for subsidiaries

Name of the guaranteed	Disclosure date of the announcement about guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related party Guaranteed or not
Guarantee for subsidiary as disclosed in the Reporting Period	28 March 2017	12,573,650	1 January 2017	6,254,230	Warranty	1-2 years	N	N
Total guarantee facilities for subsidiary as disclosed in the Reporting Period (C1)			6,731,980	Total actual guarantee amount for subsidiary disclosed in the Reporting Period (C2)				2,216,770
Total guarantee facilities for subsidiary as ended at the end of the Reporting Period (C3)			12,573,650	Total actual guarantee balance of subsidiary as ended at the end of the Reporting Period (C4)				6,254,230

Total guarantee of the Company (total of the above three items)

Total guarantee facilities as disclosed in the Reporting Period (A1+B1+C1)			43,505,510	Total actual guarantee amount disclosed in the Reporting Period (A2+B2+C2)				17,888,577
Total guarantee facilities as ended at the end of the Reporting Period (A3+B3+C3)			72,118,220	Total actual guarantee balance as ended at the end of the Reporting Period (A4+B4+C4)				28,855,762
% of total actual guarantee amount (A4+B4+C4) in net assets of the Company								96.76%
Of which:								
Guarantee amount provided by Shaoh Ide, the director and shareholder (D)								0
Debt guarantee amount provided by independent director as a high level of 70% (E)								9,013,380
Amount of guarantee amount in excess of 50% of net assets of the Company (F)								13,944,356
Total amount of the above guarantee (D+E+F)								22,957,736
Elimination of liabilities of guarantee incurred in the Reporting Period								0
Elimination of liabilities of guarantee incurred in the Reporting Period (if any)								0
Elimination of net guarantee provided in the Reporting Period (if any)								0

Specific elimination of net guarantee: none

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(2) Irregular External Guarantees

Applicable, N/A

3. OTHER MATERIAL CONTRACTS

Applicable, N/A

XVI.SOCIAL RESPONSIBILITY

1. Performance of Precise Poverty-alleviation Social Responsibility

Applicable, N/A

During the Reporting period, the Company did not engage in any precise poverty-alleviation activities and had no full-scale poverty-alleviation.

2. Performance of Other Social Responsibilities

The Company published the 2016 Social Responsibility Report and the 2016 Environmental, Social and Governance Report in Chinafob (www.chinafob.com.cn), the Company's website (www.cimc.com) and the Hong Kong Stock Exchange website (www.hkexnews.hk) on 28 March 2017 and 30 June 2017 respectively.

3. Material Environmental Protection Events

Whether the listed company and its subsidiaries have any significant environmental incidents.

Yes, No, N/A

Name of subsidiary	Name of major and specific pollutants	Emission method	Number of			Approved		
			emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	total emission
Shanghai CIMC Lignic Engineering Co., Ltd.	Styrene, methylbenzene and formaldehyde	Condensed high-temperature emission	19	Distributed in 11 lines	Emitted concentration	Permitted standard of 1.5 mg/m³	Compliance	Nil
Nanjing CIMC Chemical Co., Ltd.	Styrene, methylbenzene, toluene, ethylbenzene, xylene, COD, SS and ammonia nitrogen	Incineration and ammonia nitrogen	14	Distributed in 14 lines	Emitted concentration	Permitted standard of 1.5 mg/m³	Compliance	Nil
Shanghai CIMC Baell Industrial Co., Ltd.	Non-methane hydrocarbon	Organic (chimney) emission	4	Distributed in 4 lines (1#), 1 line (2#), 1 line (3#) and 1 line (4#)	Emitted concentration	DB31/933-2015 Permitted standard of 1.5 mg/m³	Compliance	Nil
Shanghai CIMC Yanghan Lignic Engineering Co., Ltd.	Ammonia nitrogen, PH, aldehyde, BOD, COD, SS and non-methane hydrocarbon	Incineration and ammonia nitrogen	6	Centralized	Emitted concentration	Permitted standard of 1.5 mg/m³	Compliance	Nil
Shenzhen CIMC Special Vehicle Co., Ltd.	Styrene, toluene and xylene	High-temperature emission	10	Centralized	Emitted concentration	DB44/27-2001 Permitted standard of 1.5 mg/m³	Compliance	Nil
Nanjing CIMC Tank Engineering Co., Ltd.	Chemical ammonia nitrogen, styrene, toluene and non-methane hydrocarbon	Incineration	6	General	Emitted concentration	Permitted standard of 1.5 mg/m³	Compliance	Nil

Name of subsidiary	Construction and operation of pollution prevention and control facilities
Shanghai CIMC Ligei Environmental Manufacturing Co., Ltd.	I. Effluent treatment facilities: The company has 5 effluent treatment facilities in total and 6 effluent treatment facilities and 3 effluent treatment facilities for effluent in total. II. The company has 1 industrial wastewater treatment plant with a capacity of 450m³/d. All wastewater is treated in the plant and then discharged. III. Domestic sewage is discharged in the municipal sewage network after treatment and finally enters the Shanghai Sewage Treatment Plant for treatment.
Nanjing CIMC Shenda Chemical Co., Ltd. and Nanjing CIMC Special Tanker Environmental Manufacturing Co., Ltd.	I. Effluent treatment facilities: The company has 1 effluent treatment plant and 1 effluent treatment plant. The effluent treatment plant has a capacity of 100m³/d and the effluent treatment plant has a capacity of 100m³/d. The effluent treatment plant has a capacity of 100m³/d and the effluent treatment plant has a capacity of 100m³/d. II. After treatment, the effluent is discharged into the municipal sewage network. The effluent treatment plant has a capacity of 100m³/d and the effluent treatment plant has a capacity of 100m³/d. The effluent treatment plant has a capacity of 100m³/d and the effluent treatment plant has a capacity of 100m³/d. III. The company has 1 industrial wastewater treatment plant with a capacity of 100m³/d. The effluent treatment plant has a capacity of 100m³/d and the effluent treatment plant has a capacity of 100m³/d. The effluent treatment plant has a capacity of 100m³/d and the effluent treatment plant has a capacity of 100m³/d.
Shanghai CIMC Baell Industrial Co., Ltd.	I. The company has 4 effluent treatment facilities with an aggregate capacity of 308,000m³/h for industrial wastewater. The effluent treatment facilities use the effluent treatment technology for industrial wastewater treatment. II. The company has 1 industrial wastewater treatment plant with a capacity of 6/d and 140/d for domestic wastewater and industrial wastewater treatment. The industrial wastewater treatment plant has a capacity of 6/d and 140/d for domestic wastewater and industrial wastewater treatment. III. The company has 1 effluent treatment plant with a capacity of 280/d. The effluent treatment plant has a capacity of 280/d and the effluent treatment plant has a capacity of 280/d. The effluent treatment plant has a capacity of 280/d and the effluent treatment plant has a capacity of 280/d.

[illegible]

68 Chapter VI Significant Events

XVII. EXPLANATION ON OTHER MATERIAL EVENTS

1. On 17 Jan a 2017, a certain matter will need be disclosed, the Company submitted an application to the CSRC for the extension of the deadline of the Non-public Offering of A Shares. On 9 June 2017, in order to ensure the implementation of the plan, the Company and a special committee of the annual general meeting of 2016, the first 2017 class meeting of A Shares and the first 2017 class meeting of H Shares, the Company decided to increase the Non-public Offering of A Shares and ended the validity period of the existing "haoh Ide" general meeting and the validity period of the mandate of the Board of Directors. The Company announced the extension of the deadline of 17 Jan a, 21 A and 9 June 2017 disclosed in China Securities Journal, Shanghai Securities News, Securities Times, China Information (cninf.com.cn), the Company's website (cimc.com) (Notice No.: [CIMC]2017-002, [CIMC]2017-024 and [CIMC]2017-033) and the website of the Hong Kong Stock Exchange (hkexnews.hk). As a result of the Re-listing Period, the Non-public Offering of A Shares will end.
2. On 7 April 2017, China Merchants Property Holding Company Limited, the former haoh Ide of the Company, transferred all haoh Ide of the wholly-owned subsidiary Sae Limited (indirect holding haoh Ide of the Company through the wholly-owned subsidiary China Merchants (CIMC) International Company Limited) to China Merchants Property Holding Company Limited by agreement. Under the combination of actions in 9 June 2017, China Merchants Property Holding Company Limited has become the controlling haoh Ide of the wholly-owned subsidiary Sae Limited and all the large haoh Ide of the Company indirect holding 730,557,217 H Shares of the Company (accounting for 24.51% of the total haoh Ide of the Company) through Sae Limited and China Merchants (CIMC) International Company Limited. After the merger and integration of haoh Ide of the Company held by China Merchants Group remained unchanged before and after the transfer of haoh Ide of Sae Limited, China Merchants Group continued to be the large haoh Ide of the Company indirect. The Company announced the extension of the deadline of 8 April and 9 June 2017 disclosed in China Securities Journal, Shanghai Securities News, Securities Times, China Information (cninf.com.cn), the Company's website (cimc.com) (Notice No.: [CIMC]2017-020 and [CIMC]2017-032) and the website of the Hong Kong Stock Exchange (hkexnews.hk).
3. A certain matter and a related matter of the 11th meeting of the eighth session of the Board of Directors of the Company for 2017 and the 6th meeting of the eighth session of the Supervisory Committee for 2017, the Company decided the accounting policy of the Company and the related matters of the Notice of the Interim Report of the Re-listed Accounting Standard of the Board of Directors No. 16, the Board of Directors No. 15 issued by MOF and the Notice of the Interim Report of the Accounting Standard of the Board of Directors No. 42, the Board of Directors No. 13 issued by MOF and the Interim Report of the Accounting Policy since 12 June 2017 and 28 May 2017 according to the extension of the deadline of the Board of Directors. The Company announced the extension of the deadline of 28 August 2017 disclosed in China Securities Journal, Shanghai Securities News, Securities Times, China Information (cninf.com.cn), the Company's website (cimc.com) (Notice No.: [CIMC]2017-058) and the website of the Hong Kong Stock Exchange (hkexnews.hk).

Search index of the
tentative announcement
disclosure website

Summary of significant events	Date of disclosure	Search index of the tentative announcement disclosure website
1. Application for the extension of the Non-public Offering of A Shares and adjustment of the Non-public Offering of A Shares and extension of the validity period of the existing "haoh Ide" general meeting and the validity period of the mandate	17 Jan a 2017, 21 April 2017 and 9 June 2017	cninf.com.cn
2. Change in haoh Ide of China Merchants Property Holding Company Limited in the Company	8 April 2017 and 10 June 2017	hkexnews.hk
3. Change in accounting policy	28 August 2017	cimc.com

A llicable N A llicable

- On 5 J l 2017, EIHL (Shen hen) entered in the ele an ageemen i h SOE and SOE Bank c and Li da i n Team (南通太平洋破產清算組) e cha e he maj a e f SOE h gh ac i ing he en i e e i in e e in SOE. On 4 A g 2017, he SOE Re c i ng Plan a a ed a he cedi e mee ing f SOE and a ed b he c . On 16 A g 2017, SOE ha bec me an indic h ll - ned b idia f CIMC En ic and an indic n- h ll - ned b idia f he G . SOE ha enamed a 南通中集太平洋海洋工程有限公司 (Nan ng CIMC Sin Pacific Off h e & Enginee ing C ., L d.). F ele an inf mai n, lea e efe he ann ncemen da ed 6 J l , 4 A g and 16 A g 2017 di cl ed in China Sec ie J nal, Shanghai Sec ie Ne , Sec ie Time , Cninf ebie (.cninf .c m.cn), he C m an ebie (.cimc.c m) (N ice N .: [CIMC]2017-036, [CIMC]2017-047 and [CIMC]2017-054) and he ebie f he H ng K ng S ck E change (.hke ne .hk).
- On 17 J l 2017, CIMC Sk ace Real E ae and CGRE en eed in a ca ial inc ea e ageemen , an hich CGRE inec ed an am n f RMB926,322,300 in the ca ial f CIMC Sk ace Real E ae and held a 25% fi e i afe he c m le i n hile he C m an held 61.5% e i in e e in CIMC Sk ace Real E ae h gh CIMC Shenfa. F ele an inf mai n, lea e efe he ann ncemen da ed 17 J l 2017 di cl ed in China Sec ie J nal, Shanghai Sec ie Ne , Sec ie Time , Cninf ebie (.cninf .c m.cn), he C m an ebie (.cimc.c m) (N ice N .: [CIMC] 2017-040) and he ebie f he H ng K ng S ck E change (.hke ne .hk).
- On 3 A g 2017, Shen hen S he n CIMC C n aine Man fac e C ., L d. (深圳南方中集集裝箱製造有限公司) (S he n CIMC), a h ll - ned b idia f he C m an , and China Me chan Shek Ind ial Z ne H lding C ., L d. (招商局蛇口工業區控股股份有限公司) (China Me chan Shek) en eed in a el ca i n c m en a i n ageemen f he land in P ince Ba , Shek , an hich S he n CIMC ageed el ca e and e n he lea eh ld land in P ince Ba , Shek China Me chan Shek and China Me chan Shek ageed a c m en a i n ba ed n he a ai ed al e f RMB494,894,588. S ch ma e ha been bmi ed he fi e a dina gene al mee ing in 2017 f he C m an be c nened n 26 Se embe 2017 f c n ide a i n and a al. F ele an inf mai n, lea e efe he ann ncemen da ed 3 A g and 11 A g 2017 and he n ice f gene al mee ing di cl ed in China Sec ie J nal, Shanghai Sec ie Ne , Sec ie Time , Cninf ebie (.cninf .c m.cn), he C m an ebie (.cimc.c m) (N ice N .: [CIMC] 2017-045 and [CIMC] 2017-052) and he ebie f he H ng K ng S ck E change (.hke ne .hk).

The C m a n h a n b l i c l i e d c a e b n d h a a e l i e d n c k e c h a n g e , n d e a a h e d a e a c i n g h e i e f h e 2 0 1 7 i n e i m e c a f a l l i n g d e b n f l l e a i d .

70 Chapter VII Changes in Share Capital and Information on Substantial Shareholders

I. CHANGES IN SHAREHOLDINGS IN THE REPORTING PERIOD

1. Change in Share Capital

Unit : Share

	Pre-movement (As at 31 December 2016)		Increase/decrease (+/-) Conversion					Post-movement (As at 30 June 2017)	
	Numbers of shares	Percentage	New issue	Bonus issue	from reserves	Others	Sub-total	Numbers of shares	Percentage
I. Shareholding by domestic investors	699,526	0.02%	0	0	0	28,500	28,500	728,026	0.02%
1. State-owned share	0	0.00%	0	0	0	0	0	0	0.00%
2. Share held by state-owned companies	0	0.00%	0	0	0	0	0	0	0.00%
3. Share held by domestic institutional investors	699,526	0.02%	0	0	0	28,500	28,500	728,026	0.02%
Share held by domestic legal person	0	0.00%	0	0	0	0	0	0	0.00%
Share held by domestic natural person	699,526	0.02%	0	0	0	28,500	28,500	728,026	0.02%
4. Share held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
Share held by foreign legal person	0	0.00%	0	0	0	0	0	0	0.00%
Share held by foreign natural person	0	0.00%	0	0	0	0	0	0	0.00%
II. Shareholding by foreign investors	2,977,877,460	99.98%	1,775,800	0	0	(28,500)	1,747,300	2,979,624,760	99.98%
1. RMB-denominated Ordinary Share (A Share)	1,261,300,851	42.35%	1,775,800	0	0	(28,500)	1,747,300	1,263,048,151	42.38%
2. Share added in non-RMB currency and listed domestically	0	0.00%	0	0	0	0	0	0	0.00%
3. Share added in non-RMB currency and listed overseas (H Share)	1,716,576,609	57.63%	0	0	0	0	0	1,716,576,609	57.60%
4. Other	0	0.00%	0	0	0	0	0	0	0.00%
III. Total share	2,978,576,986	100.00%	1,775,800	0	0	0	1,775,800	2,980,352,786	100.00%

Reason for change in share

- On 27 March 2017, the Company's senior management Mr. Jin Jianling held 210,000 A share (including 52,500 circulating share held by him) holding by him were all being selling share since him length of service fall below minimum.
- On 3 January 2017, the Company's senior management Mr. Li Xubin sold 24,000 share held by him.
- During the Reporting Period, 1,730,800 in new issued during the recordable period of the First Tranche of Share Option, and 45,000 in new issued during the recordable period of the Second Tranche of Share Option, having, totaling 1,775,800 share in new issued.

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2. Changes in Shares with Selling Restrictions

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Unit : Share

Name of Shareholders	Number of shares with selling restrictions at the beginning of the period	Number of shares with selling restrictions expired in the period	Increase in number of shares with selling restrictions in the period	Number of shares with selling restrictions at the end of the period	Reasons for selling restrictions	Expiry date of selling restrictions
Mai B liang (N e 1)	371,026	0	0	371,026	Share bjec elling e jcin in accordance ih ele an j i in f ck e change and cleaing c m anie	Nil
Y Ya (N e 1)	75,000	0	0	75,000	Same a ab e	Nil
Jin Jianl ng (N e 2)	157,500	0	52,500	210,000	Re i ed n 27 March 2017. Share held b him ih e jcin e elcked ince hi leng h f e ice fall bel i m nh a a he da e f hi Re .	Nil
Li X ebin (N e 3)	96,000	(24,000)	0	72,000	Share bjec elling e jcin e lea ed f m elling e jcin in accordance ih ele an j i in f ck e change and cleaing c m anie	3 Jan a 2017
T al	699,526	(24,000)	52,500	728,026	-	-

N e 1: Mai B liang h ld 371,026 ha e bjec elling e jcin a j b able e ec i e. Y Ya h ld 75,000 ha e bjec elling e jcin a j b able e ec i e. 25% f he al ha e held b hem ill n be bjec elling e jcin a he beginning f each ea and he n ld a ill be incl ded in he al ha e held b he eni managemen calc la e he ha e ih elling e jcin f he ne ea

N e 2: On 27 March 2017, he C m an ' eni managemen Jin Jianl ng e i ed n hi e i f e m. A a he end f he Re jing Pe i d, 210,000 A ha e (incl ding 52,500 c i la ing ha e ih elling e jcin) held b him e e all bjec elling e jcin ince hi leng h f e ice fell bel i m nh .

N e 3:

Chapter VII Changes in Share Capital and Information on Substantial Shareholders

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III. NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS OF THE COMPANY

As at 30 June 2017, the total number of Shares held by the Company was 80,942, including: 12 million of H Shares and 80,930 million of A Shares.

Unit : Shares

Total ordinary Shareholders at the end of the Reporting Period	Total: 80,942 (including: A Shares: 80,930, H Shares: 12)	Total number of preference Shareholders whose voting rights were restored at the end of the Reporting Period (if any)						0
Shareholdings of the ordinary Shareholders who hold above 5% or the top ten ordinary Shareholders								
			Number of ordinary shares held at the end of the Reporting Period (Shares)	Changes during the Reporting Period (Shares)	Number of ordinary shares with selling restrictions (Shares)	Number of ordinary shares without selling restrictions (Shares)	Pledged or frozen shares Status	
Name of Shareholders	Nature of Shareholders	Percentage of shareholding						Number
HKSCC Limited (the "Company")	Foreign legal person	57.59%	1,716,412,609	65,099,538	-	1,716,412,609	-	0
COSCO China Limited (the "Company")	Foreign legal person	14.50%	432,171,843	-	-	432,171,843	-	0
China Securities Finance Corporation Limited	State-owned legal person	2.70%	80,414,863	(6,252,204)	-	80,414,863	-	0
Central Huijin Asset Management Ltd.	State-owned legal person	1.27%	37,993,800	-	-	37,993,800	-	0
ICBC Credit Suisse Fund, Agricultural Bank, ICBC Credit Suisse China Securities and Financial Asset Management Program	Domestic non-affiliated legal person	0.32%	9,566,600	-	-	9,566,600	-	0
Zhongguo Fund, Agricultural Bank, Zhongguo China Securities and Financial Asset Management Program	Domestic non-affiliated legal person	0.32%	9,566,600	-	-	9,566,600	-	0
Baofu Fund, Agricultural Bank, Baofu China Securities and Financial Asset Management Program	Domestic non-affiliated legal person	0.32%	9,566,600	-	-	9,566,600	-	0
Dacheng Fund, Agricultural Bank, Dacheng China Securities and Financial Asset Management Program	Domestic non-affiliated legal person	0.32%	9,566,600	-	-	9,566,600	-	0
Huafu Fund, Agricultural Bank, Huafu China Securities and Financial Asset Management Program	Domestic non-affiliated legal person	0.32%	9,566,600	-	-	9,566,600	-	0
Yinhua Fund, Agricultural Bank, Yinhua China Securities and Financial Asset Management Program	Domestic non-affiliated legal person	0.32%	9,566,600	-	-	9,566,600	-	0
The plain interest-bearing debentures of the Company	Unknown							

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Shareholdings of top ten ordinary Shareholders without selling restrictions

Name of Shareholders	Number of ordinary shares without selling restrictions held at the end of the Reporting Period	Type of shares	Number
HKSCC Limited (Note 1)	1,716,412,609	Ordinary shares	1,716,412,609
COSCO Container Transport Limited (Note 2)	432,171,843	RMB-denominated shares	432,171,843
China Securities Finance Corporation Limited	80,414,863	RMB-denominated shares	80,414,863
Central Huijin Asset Management Limited	37,993,800	Ordinary shares	37,993,800
ICBC Credit Support Fund, Agricultural Bank of China Credit Support China Securities and Financial Asset Management Program	9,566,600	RMB-denominated shares	9,566,600
Zhongguo Fund, Agricultural Bank of China Zhongguo Securities and Financial Asset Management Program	9,566,600	RMB-denominated shares	9,566,600
Baofu Fund, Agricultural Bank of China Baofu Securities and Financial Asset Management Program	9,566,600	RMB-denominated shares	9,566,600
Dacheng Fund, Agricultural Bank of China Dacheng Securities and Financial Asset Management Program	9,566,600	RMB-denominated shares	9,566,600
Huafu Fund, Agricultural Bank of China Huafu Securities and Financial Asset Management Program	9,566,600	RMB-denominated shares	9,566,600
Yinhua Fund, Agricultural Bank of China Yinhua Securities and Financial Asset Management Program	9,566,600	RMB-denominated shares	9,566,600
The shareholding disclosed herein between the Shareholders exercising their shareholding rights, the Shareholders exercising their shareholding rights and the Shareholders exercising their shareholding rights	Unknown		
Except in the ordinary Shareholders	Nil		

Note 1: As at 30 June 2017, HKSCC Limited has held 1,716,412,609 H shares, including (but not limited to) the 730,557,217 H shares of the Company held by China Merchants Group and the 245,842,181 H shares of the Company held by China COSCO Shipping Holdings Limited (including 220,520,075 H shares held by COSCO Container Transport Limited).

Note 2: As at 30 June 2017, COSCO Container Transport Limited held 220,520,075 H shares of the Company, which were held by HKSCC Limited (see above mentioned Note 1) and 432,171,843 A shares of the Company.

The ordinary Shares and the ordinary Shares of the Company did not constitute an agreed or other arrangement relating to the Reporting Period.

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N e 1: 730,557,217 H ha e e held b China Me chan (CIMC) In e men Limi ed in he ca aci f beneficial ne China Me chan (CIMC) In e men Limi ed a h ll - ned b S a e Limi ed, hich a in a h ll - ned b China Me chan Ind H lding C ., L.d., hich a h ll - ned b China Me chan H lding (H ng K ng) C m an Limi ed, hich a h ll - ned b China Me chan Seam Na iga i n C m an Limi ed, hich a h ll - ned b China Me chan G . Acc dingl , an Pa XV f he SFO, China Me chan G a deemed ha e in e e in he 730.557.217 H ha e f he C m an.

N e 2: Am ng hich, 220,520,075 H ha e e held b COSCO C n aine Ind ie Limi ed in he ca aci f beneficial ne 25,322,106 H ha e e held b L ng H n In e men Limi ed in he ca aci f beneficial ne COSCO C n aine Ind ie Limi ed a h ll - ned b L ng H n In e men Limi ed, hich a in a h ll - ned b COSCO Shi ing De el men (H ng K ng) C ., Limi ed, hich a h ll - ned b COSCO Shi ing De el men C ., L d., hich a ned b China Shi ing (G) C m an a 39.02%, hich a h ll - ned b China COSCO Shi ing Acc dingl , an Pa XV f he SFO, China COSCO Shi ing a deemed ha e in e in the 245,842,181 H ha e f he C m an . In addi n, China COSCO Shi ing al held 432,171,843 A ha e f he C m an h gh ha e emen ned b idia ie .

N e 3: 215,203,846 H ha e e held B ad Ride Limi ed in he ca aci f beneficial ne hile he he 143,048,050 H ha e e held B ad Ride Limi ed in he ca aci f e n ha ing ec j in e in ha e B ad Ride Limi ed a h ll ned B H n Ca i al F ned V, L P, hich a in a h ll ned B H n Ca i al F V GP, L P, hich a h ll ned B H n Ca i al F ned V GP Limi ed, hich a h ll ned B H n G Managemen Limi ed, hich a h ll ned B H n Managing Pa ne Limi ed a 80%, hich a h ll ned B E nen ial F ne G Limi ed, hich a h ll ned B J hn H an Zha a 49%. Acc dingl , an Pa XV f he SFO, J hn H an Zha a deemed ha e in e in he 358,251,896 H ha e f he C m an

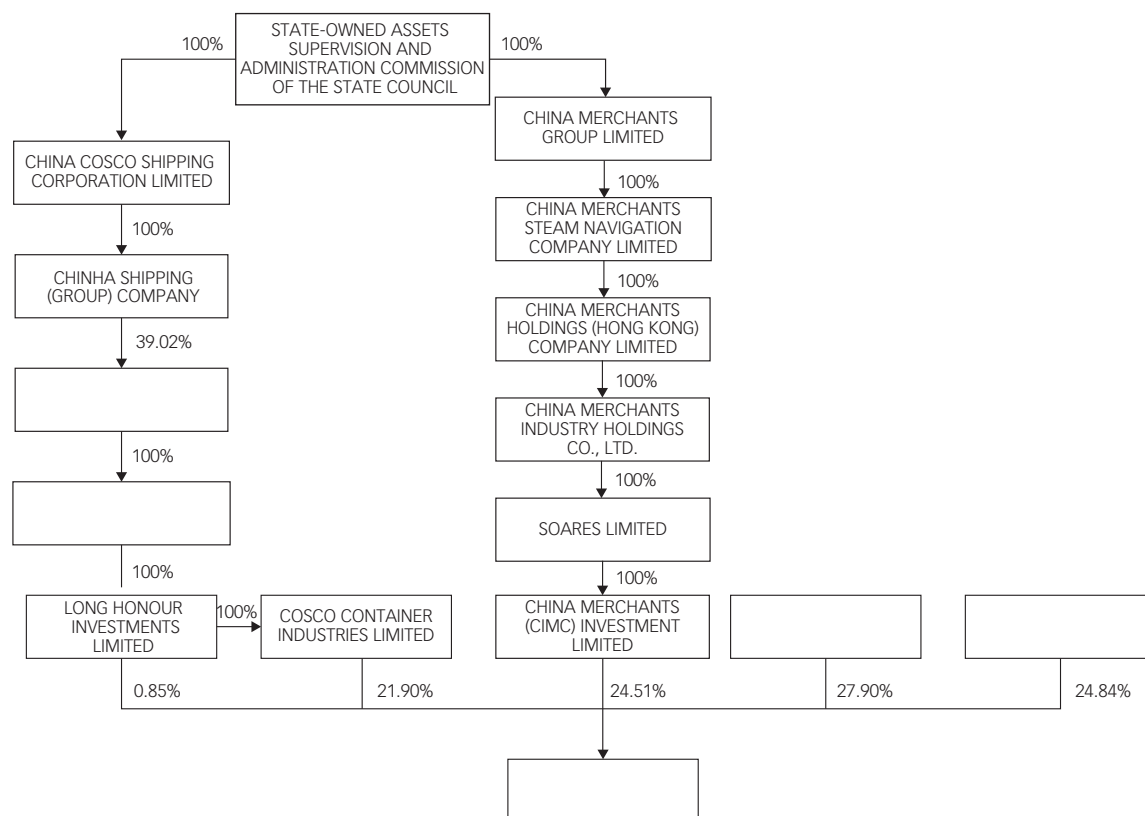
Saleable disclosed able and a failure the Director was a sale, a 30 June 2017, n he e n (he han
a Director S e i s eni management f he C m an) had an ine ec ded in he egi e f
more 21C base and h 0.089 T 3(a) (an fig.) Page 6 3(a) trading China M Sec(18)(chan 3(a)nd)12n 0 -2.8
Hong Kong.

At the end of the Reporting Period, the substantial Shareholders of the Company are China Mechanical Engineering and Construction Corporation Limited (China COSCO Shipping).

China Me chan G - a inc aed n 14 Oc be 1986 n he PRC i egi eed ca i al i RMB10,050 million and i chairman f he b ad f d iec i Li Jian ng. China Me chan G - i 18.1 (ed ca i al i RMB,050) TJTO.1 he c e ind ie , name i affic (ha b i high a , hi ing and an i a in, l gi ic , cean engineering and ade), finance (bank, ec i ie , f nd and in ance) and eale a e (ind i al ne de el men and eale a e de el men). On 9 J ne 2017, China Me chan P - H Iding C m an Limi ed, a b idia f China Me chan G - , c m leed he an ac i n f an fe ing all ha e f S a e Limi ed China Me chan Ind - H Iding C ., L d., an he b idia f China Me chan G - . A f he end f he Re ing Pe id, China Me chan G - h gh i b idia ie (incl ding China Me chan Seam Na ga i n C m an Limi ed, China Me chan H Iding (H ng K ng) C m an Limi ed, China Me chan Ind - H Iding C ., L d., S a e Limi ed and China Me chan ng Lief (Limi ed and 37 (n .) 3 i ch a h 37 (ad) 24.51% i d .) 37 i ed m an .

Chapter VII Changes in Share Capital and Information on Substantial Shareholders 77

Shareholding Relationships between the Company and the Substantial Shareholders as of the end of the Reporting Period



78 Chapter VIII Information on Directors, Supervisors and Senior Management

I. CHANGES ON SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Applicable Not Applicable

Unit: Share

Name	Position	Status	Class of shares	Shares held at the beginning of the Reporting Period	Increase of shares during the Reporting Period	Decrease of shares during the Reporting Period	Shares held at the end of the Reporting Period	Restricted shares granted at the beginning of the Reporting Period	Restricted shares granted during the Reporting Period	Restricted shares granted at the end of the Reporting Period
Li Xubin	Vice President	Chairman	A Share	96,000	0	24,000	72,000	0	0	0
			H Share	2,400	0	0	2,400	0	0	0

II. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

1. During the Reporting Period, changes of Directors, Supervisors and senior management of the Company are set out below:

Name	Position	Type	Date	Reasons
Jin Jianling	General Manager of Financial Department	Replacement	27 March 2017	Replacement
Zeng Han	General Manager of Financial Department	Appointment	27 March 2017	Appointment

Chapter VIII Information on Directors, Supervisors and Senior Management 79

2. The changes of Directors and Supervisors of the Company after the Reporting Period are set out below:

On 7 A g 2017, M Wang Zhi ian eigned f m he i i n f n n-e ec i e Di ec f he C m an and all he i i n in he Ri k Management C mmi ee and he Rem ne ai n and A ai al C mmi ee f he B ad d e he change in j ba ignmen . The e ignai n f M Wang Zhi ian ha aken effec f m he da e f he B ad' ecei f hi i en e ignai n. On 11 A g 2017, he B ad eed n mina e M H Xianf a a n n-e ec i e Di ec f he eigh h e i n f he B ad. Acc ding he A icl e f A cia i n, he eed a in men ha been bmi ed he fi e a dina gene al mee ing in 2017 f he C m an be c n ened n 26 Se embe 2017 f c n ide ai n and a al.

On 7 A g 2017, M L Sheng h eed e ign f m he i i n f he S e i e e en ing ha eh lde f he C m an d e he change in ka angemen . M L Sheng h ' e ignai n ill e l in he al n mbe f e i f he C m an falling bel he minim m m; he ef e, acc ding he A icl e f A cia i n, M L Sheng h ' e ignai n ill n c me in effec n il a ne e i i elec ed a he C m an ' gene al mee ing fill he acanc . M L Sheng h hall c n in e f lfill he die f e i bef e hi e ignai n ake effec . On 11 A g 2017, he S e i C mmi ee eed n mina e M Wang H ng an a a S e i e e en ing ha eh lde f he eigh h e i n f he S e i C mmi ee. Acc ding he A icl e f A cia i n, he eed a in men ha been bmi ed he fi e e a dina gene al mee ing in 2017 f he C m an be c n ened n 26 Se embe 2017 f c n ide ai n and a al.

F le an inf mai n, lea e efe he ann ncemen da ed 7 A g and 11 A g 2017 di cl ed in China Sec i e J al, Shanghai Sec i e Ne , Sec i e Time , Cninf e b i e (.cninf .c m.cn), he C m an ' e b i e (.cimc.c m) (N ice N : [CIMC] 2017-048 and [CIMC] 2017-051) and he e b i e f he H ng K ng S ck E change (.hke ne .hk).

III. INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARE CAPITAL OF THE COMPANY AND ASSOCIATED CORPORATION THEREOF

A a 3509 7 T(A)0.6(a)0.5(3509 7 T)0.6(men OF)TJS cia i n, 3 7 T(0.6(m0 Td()TjE 5(3509 7e B)18(dh T)0.61(18. f

Chapter VIII Information on Directors, Supervisors and Senior Management

1. Interest in the Shares of the Company:

Name	Nature of interest	Class of shares	Number of shares (shares)	Percentage of such shares in the issued shares of the same class (%)	Percentage of such shares in the total issued shares (%)
Mai Biliang	Beneficial interest	A Shares	494,702	0.04%	0.02%

2. Interest in the Underlying Shares of the Company:

Further details of the interest in the underlying shares of the Company held by Directors, Supervisors and the chief executive of the Company as at 30 June 2017, please refer to XII. Implementation of the Company's Incentive Scheme, Employee Stock Ownership Scheme and the Employee Incentive Measure under Chapter VI Significant Events in this Report.

3. Interests in the Shares of Associated Corporations of the Company:

Name	Associated corporation	Nature of interest	Number of shares held (shares)	Percentage of such shares in the total issued shares or total equity interest (%)
Mai Biliang	CIMC Vehicle (Group)	Beneficially	Not applicable	0.74% (None)
	CIMC Energy	Beneficial interest	3,260,000	0.17%

Note: Mr. Mai Biliang indirectly held 0.74% interest in CIMC Vehicle (Group) by holding 4.69% interest in the CRTO CIMC Vehicle (Group) Employee Plan, please refer to (3) Implementation of the Company's Incentive Scheme, Employee Stock Ownership Scheme and the Employee Incentive Measure under Chapter VI Significant Events in this Report.

Save as disclosed above, as at 30 June 2017, all of the Directors of the Company are also, none of the Directors, Supervisors and the chief executive held any interest in the shares, underlying shares and debentures (within the meaning of Part XV of the SFO) of the Company and any affiliated company, which are entitled to be notified of the Company and the Hong Kong Stock Exchange under Division 7 and 8 of Part XV of the SFO, including interest and holding in which are taken to be deemed to be held by the SFO, which are entitled to be recorded in the register of interests to be kept under Section 352 of the SFO, which are entitled to be notified of the Company and the Hong Kong Stock Exchange under the Model Code contained in Appendix 10 of the Hong Kong Listing Rules.

IV. CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

There has been no change in information of the seven Directors and Supervisors of the Company during the Reporting Period. Further details, please refer to 2016 Annual Report.

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1. AUDIT REPORT

When the interim financial statements were audited:

Applicable, Not Applicable

The 2017 Interim Financial Report of the Company has been audited.

2. FINANCIAL REPORT

China Inland Natural Marine Chemicals (Group) Co., Ltd.

The financial statements cover the period from 1 January 2017 to 30 June 2017

The numbers in the financial statements are denominated in: RMB'000

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Condensed Balance Sheet

As at 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Precedence Over Chinese Text)

	Notes	30 June 2017	31 December 2016
Assets			
Current assets:			
Cash at bank and on hand	IV.1	5,737,102	6,325,998
Financial assets at fair value through profit or loss	IV.2	187,117	141,160
Net receivable	IV.3	1,096,250	1,536,191
Accounts receivable	IV.4	16,371,018	11,526,075
Advances	IV.6	2,393,030	2,165,982
Interest receivable		8,580	9,250
Dividend receivable		42,055	41,959
Other receivable	IV.5	8,243,976	9,347,887
Inventory	IV.7	18,336,871	17,409,515
Assets classified as held for sale	IV.8	203,847	203,847
Contract liabilities	IV.9	4,118,028	3,941,689
Other contract liabilities	IV.10	719,176	702,478
Total current assets		57,457,050	53,352,031
Non-current assets			
Financial assets at fair value through profit or loss	IV.2	249,034	325,187
Available-for-sale financial assets	IV.11	461,762	442,726
Long-term receivable	IV.12	13,499,327	13,220,242
Long-term equity investments	IV.13	2,249,428	2,162,217
Investments in subsidiaries	IV.14	1,722,065	1,752,608
Fixed assets			

Chapter IX 2017 Interim Financial Report (Unaudited)

83

Condensed Balance Sheet (Continued)

As at 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text is for Reference Only)

	Notes	30 June 2017	31 December 2016
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	IV.25	17,945,748	15,729,787
Financial liabilities at fair value through profit or loss	IV.26	134,772	141,806
Notes payable	IV.27	1,253,175	1,551,582
Accounts payable	IV.28	11,345,178	10,160,951
Advances from customers	IV.29	4,545,835	3,780,694
Employee benefits payable	IV.30	2,120,417	2,115,108
Taxes payable	IV.31	975,399	1,092,030
Interest payable	IV.32	533,428	303,375
Dividends payable	IV.33	253,412	16,746
Other payable	IV.34	6,127,379	5,154,073
Provisions	IV.35	772,163	847,429
Current financial non-current liabilities	IV.36	5,015,501	3,667,872
Other current liabilities	IV.37	2,612,280	1,687,762
Total current liabilities		53,634,687	46,249,215
Non-current liabilities:			
Financial liabilities at fair value through profit or loss	IV.26	57,718	61,235
Long-term borrowings	IV.38	23,665,089	27,023,222
Debentures payable	IV.39	7,986,500	7,986,500
Long-term payable	IV.40	504,909	529,372
Paid for specific projects	IV.41	16,720	9,704
Deferred income	IV.42	836,650	839,738
Deferred liabilities	IV.21	687,884	657,414
Other non-current liabilities	IV.43	2,236,814	2,123,556
Total non-current liabilities		35,992,284	39,230,741
Total liabilities		89,626,971	85,479,956
Shareholders' equity			
Share capital	IV.44	2,980,353	2,978,577
Other equity instruments	IV.45	1,981,143	2,049,035
Capital surplus	IV.46	3,075,965	3,126,585
Other comprehensive income	IV.47	429,765	357,341
Surplus reserves	IV.48	3,279,379	3,279,379
Undistributed profit	IV.49	18,076,208	17,495,053
Total equity attributable to shareholders and other equity holders of the company		29,822,813	29,285,970
Minority interests		10,049,070	9,848,822
Total shareholders' equity		39,871,883	39,134,792
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		129,498,854	124,614,748

The accompanying notes form an integral part of the financial statements.

Legal representative:
Authorized sign: Mai BiliangThe person in charge of
accounting affairs: Zeng HanThe head of the accounting
department: Zeng Han

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Balance Sheet

As at 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text is in Reference Only)

	Notes	30 June 2017	31 December 2016
ASSETS			
Current assets:			
Cash at bank and on hand	XVI.1	2,300,326	2,660,222
Dividend receivable	XVI.2	4,704,365	4,755,818
Other receivable	XVI.3	12,968,574	13,131,416
Other financial assets		7,685	9,272
Total current assets		19,980,950	20,556,728
Non-current assets:			
Available-for-sale financial assets	XVI.4	388,905	388,905
Long-term equity investments	XVI.5	9,490,535	9,375,276
Fixed assets		101,398	102,372
Construction in progress		16,931	844
Intangible assets		14,336	14,466
Deferred tax assets		207	-
Long-term prepaid expenses		35,115	40,730
Deferred tax liabilities	XVI.14	49,636	52,280
Total non-current assets		10,097,063	9,974,873
TOTAL ASSETS		30,078,013	30,531,601

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85

Balance Sheet (Continued)

As at 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text and Chinese Text are for Reference Only)

	Notes	30 June 2017	31 December 2016
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Share payable	XVI.6	3,660,000	2,710,000
Financial liabilities at fair value through profit or loss	XVI.7	–	65
Employee benefits payable		196,808	205,760
Taxes payable	XVI.8	4,024	3,646
Interest payable	XVI.9	225,564	75,755
Dividend payable		178,332	–
Other payable	XVI.10	2,185,522	2,990,804
Provisions		–	79,104
Contingent financial liabilities	XVI.11	995,000	800,000
Total current liabilities		7,445,250	6,865,134
Non-current liabilities:			
Financial liabilities at fair value through profit or loss	XVI.7	1,738	3,296
Long-term borrowings	XVI.12	826,000	1,621,000
Deferred income	XVI.13	7,986,500	7,986,500
		36,276	37,429
Total non-current liabilities		8,850,514	9,648,225
Total liabilities		16,295,764	16,513,359
Shareholders' equity			
Share capital		2,980,353	2,978,577
Other equity instruments		1,981,143	2,049,035
Capital reserve	XVI.15	3,304,356	3,287,149
Other comprehensive income	XVI.16	43,754	43,754
Surplus reserve		3,279,379	3,279,379
Undistributed profit		2,193,264	2,380,348
Total equity attributable to shareholders and other equity holders		13,782,249	14,018,242
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		30,078,013	30,531,601

The accompanying notes form an integral part of the financial statements.

Legal representative
Authorized sign: Mai BiliangThe person in charge of
accounting affairs: Zeng HanThe head of the accounting
department: Zeng Han

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Consolidated Income Statement

For the period from 1 January to 30 June 2017
 (All amounts in RMB'000 unless otherwise stated)
 (English Text is in Reference Only)

	Notes	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
I. Revenue	IV.50	33,387,152	23,542,843
Lease income	IV.50	27,241,564	19,126,496
Tare and charge	IV.51	216,183	194,236
Selling and distribution expense	IV.52	1,256,253	1,036,129
General and administrative expense	IV.53	2,368,039	1,982,301
Financial expense	IV.54	594,251	304,944
Administrative expense	IV.58	234,437	1,267,501
Add: Profit/(Loss) from change in fair value	IV.56	(32,626)	137,104
Income tax	IV.57	(10,628)	(87,328)
Including: Share of profit/(Loss) of associates and joint ventures		2,538	13,800
Other income	IV.59	91,032	-
II. Operating profit		1,524,203	(318,988)
Add: Non-recurring income	IV.60	84,343	167,289
Including: Profit from disposal of non-current assets		31,127	6,153
Lease income	IV.61	32,404	14,145
Including: Lease income from disposal of non-current assets		17,388	9,485
III. Total profit		1,576,142	(165,844)
Lease income	IV.62	509,633	375,316
IV. Net profit		1,066,509	(541,160)
Attributable to shareholders and holders of the Company		796,898	(378,034)
Minority interest		269,611	(163,126)
V. Other comprehensive income/(losses), net of tax	IV.47	99,022	328,231
Attributable to shareholders and holders of the Company		72,424	274,766
Items that may be classified as non-current assets		72,424	274,766
Change in fair value of available-for-sale financial assets		(241)	949
Gain from cash flow hedge		6,072	(490)
Change in exchange rate difference		66,593	274,307
Minority interest		26,598	53,465
VI. Total comprehensive income		1,165,531	(212,929)
Attributable to shareholders and holders of the Company		869,322	(103,268)
Minority interest		296,209	(109,661)
VII. Earnings per share			
(I) Basic earnings per share (RMB)	IV.63	0.2554	(0.1444)
(II) Diluted earnings per share (RMB)	IV.63	0.2544	(0.1444)

The accompanying notes form an integral part of the financial statements.

Legal Representative
 Authorized Signatory: Mai Biliang

The person in charge of
 accounting affairs: Zeng Han

The head of the accounting
 department: Zeng Han

Chapter IX 2017 Interim Financial Report (Unaudited)

87

Income Statement

For the period from 1 January to 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Text is for Reference Only)

	Note	For the period from 1 January to 30 June 2017	For the period from 1 January to 30 June 2016
I. Revenue	XVI.17	96,917	69,104
Lease income	XVI.17	1,452	24,006
Interest income		—	3,373
General and administrative income		129,167	109,800
Financial income		296,143	(99,572)
Other income		—	—
Add: Profit from change in fair value	XVI.18	1,623	1,985
Income tax expense	XVI.19	359,040	118,963
Other income	XVI.20	2,211	—
II. Operating profit		33,029	152,445
Add: Non-recurring income	XVI.21	21	1,137
Including: Gain on disposal of non-current assets		—	116
Lease income	XVI.22	1,746	249
Including: Loss on disposal of non-current assets		586	1
III. Total profit		31,304	153,333
Lease income/(expense)	XVI.23	2,644	27,968
IV. Net profit		28,660	125,365
V. Other comprehensive income, net of tax		—	—
VI. Total comprehensive income		28,660	125,365

The accompanying notes form an integral part of the financial statements.

Legal Representative
Authorized Signatory: Mai Biliang

The person in charge of accounting affairs: Zeng Han

The head of the accounting department: Zeng Han

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Condensed Cash Flow Statement

For the period from 1 January to 30 June 2017
 (All amounts in RMB'000 unless otherwise stated)
 (English Text has primary reference only)

	Net	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of service		32,885,118	26,966,364
Repayment of trade and other receivables		1,044,746	536,836
Cash received relating to the operating activities	IV.64(1)	709,660	252,053
Sub-total of cash inflows		34,639,524	27,755,253
Cash paid for goods and services		29,731,503	21,688,702
Cash paid on behalf of employees		3,003,021	2,703,551
Payment of trade and other payables		1,050,104	1,102,475
Cash paid relating to the operating activities	IV.64(2)	1,523,112	1,326,793
Sub-total of cash outflows		35,307,740	26,821,521
Net cash outflow/(inflows) from operating activities	IV.65(1)	(668,216)	933,732
II. Cash flows from investing activities:			
Cash received from disposal of investments		600	115,920
Cash received from disposal of intangible assets		21,903	241,771
Net cash received from disposal of fixed assets, intangible assets and long-term assets		37,940	11,643
Net cash received from disposal of subsidiaries and other businesses		-	7
Sub-total of cash inflows		60,443	369,341
Cash paid to acquire fixed assets, intangible assets and long-term assets		1,421,152	4,189,354
Cash paid to acquire investments		142,020	791,687
Net cash paid to acquire subsidiaries		5,000	764,577
Sub-total of cash outflows		1,568,172	5,745,618
Net cash outflows from investing activities		(1,507,729)	(5,376,277)

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Cash Flow Statement

For the period from 1 January to 30 June 2017
 (All amounts in RMB'000 unless otherwise stated)
 (English Text is in Reference Only)

	Notes	For the period from 1 January to 30 June 2017	For the period from 1 January to 30 June 2016
I. Cash flows from operating activities			
Cash received from sale of goods and rendering of service		92,944	74,196
Cash received relating to operating activities		2,750,305	3,026,963
Sub-total of cash inflows		2,843,249	3,101,159
Cash paid for goods and service		-	38,246
Cash paid on behalf of employees		53,410	153,809
Payments for acquisition and change		13,625	27,955
Cash paid relating to operating activities		4,157,049	3,246,351
Sub-total of cash outflows		4,224,084	3,466,361
Net cash outflows from operating activities	XVI.24	(1,380,835)	(365,202)
II. Cash flows from investing activities			
Cash received from disposal of fixed assets		6,800,000	-
Cash received from disposal of intangible assets		275,133	8,000
Net cash received from disposal of fixed assets		-	2,261
Sub-total of cash inflows		7,075,133	10,261
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		24,944	6,962
Payments for fixed assets		6,886,616	-
Sub-total of cash outflows		6,911,560	6,962
Net cash inflows from investing activities		163,573	3,299
III. Cash flows from financing activities			
Cash received from borrowing		4,070,000	4,426,000
Cash received from capital contribution		8,158	23,712
Sub-total of cash inflows		4,078,158	4,449,712
Cash repaid for borrowing		3,720,000	4,061,000
Cash repaid for distribution of dividends and interest on loans		152,617	349,716
Sub-total of cash outflows		3,872,617	4,410,716
Net cash inflows from financing activities		205,541	38,996
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(3,909)	182
V. Net increase/(decrease) in cash and cash equivalents	XVI.24	(1,015,630)	(322,725)
Add: Cash and cash equivalents at the beginning of the period		1,715,470	652,865
VI. Cash and cash equivalents at the end of the period	XVI.24	699,840	330,140

The accompanying notes form an integral part of the financial statements.

Legal Representative
 Authorized Signatory: Mai Biliang

The person in charge of
 accounting affairs: Zeng Han

The head of the accounting
 department: Zeng Han

Chapter IX 2017 Interim Financial Report (Unaudited)

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Company Statement of Change in Shareholders' Equity

For the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation of Reference Only)

For the Period from 1 January to 30 June 2017														2016				
Item	Attributable to equity holders of the Company							Total shareholders' equity	Attributable to equity holders of the Company									
	Share capital	Other equity instruments	Capital surplus	Comprehensive income	Other income	Surplus reserve	Undistributed profits		Minority interests	Share capital	Other equity instruments	Capital surplus	Comprehensive income	Other income				
I. Balance at 31 December 2016	2,978,577	2,049,035	3,126,585	357,341	3,279,379	17,495,053	9,848,822	39,134,792	2,977,820	2,033,043	3,181,863	(514,477)	3,203,578	17,805,808				
II. Balance on 1 January 2017	2,978,577	2,049,035	3,126,585	357,341	3,279,379	17,495,053	9,848,822	39,134,792	2,977,820	2,033,043	3,181,863	(514,477)	3,203,578	17,805,808				
III. Movements for the period																		
(I) Total comprehensive income	-	35,908	-	-	-	760,990	269,611	1,066,509	-	119,792	-	871,818	-	419,868				
2. Other comprehensive income	-	-	-	72,424	-	-	26,598	99,022	-	-	-	-	-	-				
Sub-total of comprehensive income	-	35,908	-	72,424	-	760,990	296,209	1,165,531	-	119,792	-	871,818	-	419,868				
(II) Changes in shareholders' equity																		
1. Capital contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2. Increase in share capital	1,776	-	17,207	-	-	-	-	18,983	757	-	7,574	-	-	8,331				
3. Decrease in share capital	-	-	3,428	-	-	-	55,259	58,687	-	-	227,441	-	-	3,550,316				
4. Increase in share capital	-	-	-	-	-	-	42,794	42,794	-	-	-	-	-	29,565				
5. Decrease in share capital	-	-	(78,103)	-	-	-	(3,513)	(81,616)	-	-	(22,239)	-	-	(726,250)				
6. Dividend (in cash)	-	-	-	-	-	-	-	-	-	-	903	-	-	9,000				
7. Dividend (in kind)	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,762)				
8. Increase in share capital	-	-	70	-	-	-	4,436	4,506	-	-	1,692	-	-	2,063				
9. Decrease in share capital	-	-	6,778	-	-	-	2,805	9,583	-	-	22,316	-	-	32,384				
10. Increase in share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
11. Redemption of shares	-	-	-	-	-	-	-	-	-	-	(300,000)	-	-	(300,000)				
12. Other	-	-	-	-	-	-	-	-	-	-	7,035	-	-	7,035				
(III) Changes in cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
1. Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2. Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
3. Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
IV. Balance at 30 June 2017	2,980,353	1,981,143	3,075,965	429,765	3,279,379	18,076,208	10,049,070	39,877,883	2,978,577	2,049,035	3,126,385	357,341	3,279,379	17,495,053				

The accompanying notes are an integral part of the financial statements.

Legal Representative: The Chairman of the Board of Directors: Zeng Han
 Authorized Representative: The Chairman of the Board of Directors: Zeng Han

Statement of Change in Shareholders' Equity
For the period from January 1 to June 30, 2017
(All amounts in RMB'000 unless otherwise stated)
(English Text is for Reference Only)

Item	From January 1 to June 30, 2017						2016			
	Share capital	Other equity instruments	Capital surplus	Surplus reserve	Other comprehensive income	Undistributed profits	Total shareholders' equity	Share capital	Other equity instruments	Total shareholders' equity
I. Balance at 31 December 2016	2,978,577	2,049,035	3,287,149	3,279,379	43,754	2,380,348	14,11079	Share capital	Other equity instruments	Total shareholders' equity

The period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Translation of Reference Only)

I. GENERAL INFORMATION

China International Marine Company (Group) Limited (hereinafter referred to as "China International Marine Company Limited", "China International Marine Company" or "CIMC"), a Sino-foreign joint venture established in China, is a wholly owned subsidiary of the General Office of the People's Government of Shenzhen and Shenzhen Ren Yin Financial (1992) 1736 issued by the General Office of the People's Government of Shenzhen and Shenzhen Ren Yin Financial (1992) 261 issued by Shenzhen Special Economic Zone Branch of People's Bank of China, the Company is a wholly owned subsidiary of the Company, established by the original shareholders of the Company. On 31 December 1993 and 17 January 1994 respectively, the Company issued ordinary shares denominated in Renminbi and Meicoin (A Shares) and foreign shares issued denominated in Hong Kong Dollars (B Shares), and commenced trading on Shenzhen Stock Exchange. Pursuant to Shenzhen Financial (1993) 925 issued by the General Office of the People's Government of Shenzhen and Shenzhen Zheng Ban Financial (1994) 22 issued by Shenzhen Securities Administration Office On 1 December 1995, a wholly owned subsidiary of the State Administration of Industry and Commerce, the Company changed its name to China International Marine Company (Group) Limited. The Registered Address and Address of Head Office of the Company is 8th Floor, CIMC R&D Center, 2 Gang'an Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC.

On 19 December 2012, the Commission decided legally binding (Binding) changed linguistic and official in the main make of the Stock Exchange of Hong Kong through the financial. Henceforth, all the Commission Binding needed the legally binding (Binding).

[illegible]

CIMC Enjinering Limited ("CIMC Enjinering"), he bida f he G i li ed in he Main B ad f he S ck E change f H ng K ng Limied. The inci al ac i iie f Enjinering he de ign, de el men , man fac ing, engineering and ale f, and he i i n f echnical mainenance e ice f a ide ec um f an ain, age and ce ing e i men ha i idel ed in ene g , chemical and li id f d ind ie .

Pei Gl bal Limi ed (Pei), he b idia f he G i li ed n he mainb ad f he Ca ali f Singa E change Ld. The inci al ac iie f he Pei Gl bal Ld ae elec ical d c ed in ai and , a maic aking em and e i men, a main l gic a eh ing em and e i men, ai e i men (a ia in f d ehicle, elf elled ai af deicing ehicle, an i ice, c naine, alle l ade, eading ehicle, n l , fic in c efficien e ehicle), in alla in and af e ale e ice f elf d ced d c and agen d c and ide aking managemen e ice. Pei deli ed f m he Singa E change Ld. ince 7 Se embe 2016.

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

I. GENERAL INFORMATION (CONTINUED)

Please refer to Note VI for details of subsidiaries included in the consolidated financial statements and all other subsidiaries included in the consolidated financial statements. Please refer to Note V.2 for details of subsidiaries excluded from the consolidated financial statements.

This financial statement has been audited by PricewaterhouseCoopers (PwC) on 28 August 2017.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group makes specific accounting policies and accounting estimates according to characteristic of business operation, which include provisions for bad debt receivable (Note II.10), the cost of inventory (Note II.11), the criteria for determining impairment of non-current assets (Note II.20), depreciation of fixed assets and amortization of intangible assets (Note II.14 and 17), measurement of provision (Note II.21) and deferred recognition (Note II.23), etc.

Key judgments applied for critical accounting policies by the Group are disclosed in Note II.34.

1. Basis of preparation

The financial statement is prepared in accordance with the Basic Standard and specific standards of the Accounting Standard for Basic Enterprise issued by the Ministry of Finance on 15 February 2006, the

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

4. Recording currency

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Financial a emen f he C m an a e e en ed ĩn Renm ĩnbi. F ĩ b ĩdia ĩe ĩng c ũencie he ĩhan Renm ĩnbi a he ĩ f nci al c ũencie , he C m an an la e he financial a emen f he e b ĩdia ĩe ĩn Renm ĩnbi (e e N e II.8).

5. Business combinations

(1) Business combinations involving enterprises under common control

A b ĩne c mb ĩna ĩn ĩn ĩng en e ĩe n de c mm n c n ĩ ĩa b ĩne c mb ĩna ĩn ĩn ĩ ĩh all f he c mb ĩn ĩng en e ĩe a e ĩma el c n ĩlled b he ame a ĩ ĩa ĩe b h bef e and af e he b ĩne c mb ĩna ĩn, and ĩa c n ĩ ĩn an ĩ ĩ. The a e and ĩab ĩl ĩe b ĩained a e mea e d a he ca ĩng am n a e c d ed b he en e ĩe b e ĩng c mb ĩn ed a he c mb ĩna ĩn da e. The d ĩff e nce b e e n he ca ĩng am n f he ne a e b ĩained and he ca ĩng am n f c n ĩde a ĩn ĩd f ĩhe c mb ĩna ĩn (ĩhe al fa e al e f ĩha e ĩ ed) ĩ ad ĩ e d ca ĩal e m ĩn he ca ĩal e e e. ĩf he bal an e f he ca ĩal e m ĩ ĩn ĩff ĩc ĩen, an e c e ĩ ad ĩ e d e ĩained e a ĩng . An c d ĩe cl a ĩb a b le he c mb ĩna ĩn ĩ ĩall b e e c ĩgn ĩ ed ĩn ĩf ĩ ĩ f ĩhe c ũen e ĩd ĩen c c e d. The c mb ĩna ĩn da e ĩ ĩhe da e n ĩ ĩh he c mb ĩn ĩng en e ĩe e ff e c ĩ e l b ĩa ĩn c n ĩ f he he c mb ĩn ĩng en e ĩe .

(2) Business combinations involving enterprises not under common control

A b ĩne c mb ĩna ĩn ĩn ĩng en e ĩe n de c mm n c n ĩ ĩa b ĩne c mb ĩna ĩn ĩn ĩ ĩh all f he c mb ĩn ĩng en e ĩe a e n ĩma el c n ĩlled b he ame a ĩ ĩa ĩe b h bef e and af e he b ĩne c mb ĩna ĩn. Whe e 1) he ag ĩe e a e f he fa ĩ al e a he ac ĩ ĩ ĩn da e fa e an fe e d (ĩncl d ĩng he ac ĩ ĩe' e ĩ ĩ ĩ ĩe l ĩe d e ĩ ĩn e e ĩn he ac ĩ ĩe), ĩab ĩl ĩe ĩnc e d a ĩmed, and e ĩ ĩe c ĩe ĩ e d b he ac ĩ ĩe ĩn e change f c n ĩ f he ac ĩ ĩe, e c e d 2) he ac ĩ ĩe' ĩn e e ĩn he fa ĩ al e a he ac ĩ ĩ ĩn da e f he ac ĩ ĩe' ĩden ĩf ĩa b le ne a e , he d ĩff e nce ĩ e c ĩgn ĩ ed a ĩ d ĩll (e e N e II.18). Whe n 1) ĩ ĩe ĩhan 2), he d ĩff e nce ĩ e c ĩgn ĩ ed ĩn ĩf ĩ ĩ f ĩhe c ũen e ĩd. The c ĩf f he ĩ ĩan e f e ĩ ĩe d e b e c ĩe a a a f he c n ĩde a ĩn ĩd f ĩhe ac ĩ ĩ ĩn a e ĩncl d ed a a a f ĩn ĩal e c ĩgn ĩ ĩ am n f he e ĩ ĩe d e b e c ĩe. O he d ĩe c ac ĩ ĩ ĩn e la e d c a ĩng f m he b ĩne c mb ĩna ĩn a e e c ĩgn ĩ ed a e en e ĩn he e ĩd ĩn ĩ ĩh he c a e ĩnc e d. The d ĩff e nce b e e n he fa ĩ al e and he ca ĩng am n f he a e an fe e d ĩ e c ĩgn ĩ ed ĩn ĩf ĩ ĩ. The ac ĩ ĩe' ĩden ĩf ĩa b le a e, ĩab ĩl ĩe and c n ĩgen ĩab ĩl ĩe, ĩf a ĩf ĩng he e c ĩgn ĩ ĩn c ĩe ĩa, a e e c ĩgn ĩ ed b he ĩ ĩa a he ĩ fa ĩ al e a he ac ĩ ĩ ĩn da e. The ac ĩ ĩ ĩn da e ĩ ĩhe da e n ĩ ĩh he ac ĩ ĩe e ff e c ĩ e l b ĩa ĩn c n ĩ f he ac ĩ ĩe.

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6. Preparation of consolidated financial statements

When he G l e c n l f a b i d i a d e h e d i a l f a i n f a n e i i n e m e n , h e G
d e c g n i e a e , l i a b i l i e , m i n i i n e e a n d h e e l a e d i e m i n n e ' e i i n e l a i n h a
b i d i a . T h e r e m a i n i n g e i i n e m e n i e m e a e d a i f a i a l e a h e d a e h e n c n l i l . A n
g a i n l e h e f e i n c e d a e c g n i e d a i n e m e n i n c m e f h e c e n e i d h e n c n l i
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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Preparation of consolidated financial statements (Continued)

When he am n f l f he c en e i d a i b a b l e he min i h a e h l d e f a b i d i a e c e e d
 he min i h a e h l d e ' i n f h e e n i n g b a l a n c e f h a e h l d e ' e i f h e b i d i a , h e e c e i
 a l l c a e d a g a i n h e min i i n e e .

When the accounting is different from the company, the company makes necessary adjustments to the balance sheet in the company's accounting.

All significant in e.g. balance, action and realised - if a eliminated in the consolidated financial statement. The 'infabid' and the 'infabid' - if and I - if he did a all a c m when i.e. inc me n a i b a b l e C m a n a e e c g n i e d a m i n i i n e e , n e i f a n d I a i b a b l e m i n i i n e e a e l l a a n d c m w h e n i e i n c m e a i b a b l e m i n i i n e e e e n e d e a a e l i n t h e c o n s o l i d a t e d f i n a n c i a l s t a t e m e n t i h i n e i f a n d n e i f a e l l a a l c m w h e n i e i n c m e e e c i e l . T h e n e a l i e d i f a n d I a i n g f m a l e f a e b i d i a e b t h e C m a n a e f l l e l i m i n a t e d a g a i n n e i f a i b a b l e n e f t h e C m a n . T h e n e a l i e d i f a n d I a i n g f m a l e f a e t h e C m a n b b i d i a e a e l i m i n a t e d a g a i n n e i f a i b a b l e n e f t h e C m a n a e l l a n e i f a i b a b l e m i n i i n e e e e c i e l a c c o r d i n g t o t h e C m a n a n d m i n i i n e e ' h a e h l d i n g i n t h e b i d i a e . T h e n e a l i e d i f a n d I a i n g f m a l e f b e e n b i d i a e a e l i m i n a t e d a g a i n n e i f a i b a b l e n e f t h e C m a n a e l l a n e i f a i b a b l e m i n i i n e e e e c i e l a c c o r d i n g t o t h e C m a n a n d m i n i i n e e ' h a e h l d i n g i n t h e b i d i a h l d .

The difference in recognizing a same/an action between the accounting object of the G and of the C-man and the bidiaje would be adjusted in the accounting object of the G.

7. Cash and cash equivalents

Ca h and ca h e, i alen c m i e ca h n hand, de i ha can be eadil d a n n demand, and h e m and high l i d in e men ha a e eadil c n e i ble kn n am n f ca h and h i ch a e bjec an in i gnifican i k f change in al e.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Foreign currency transactions and translation of financial statements denominated in foreign currency

When the Group receives capital in foreign currencies from investors, the capital is translated into the functional currency at the exchange rate at the date of receipt. Other foreign currencies transactions are, initially recognized, translated into the functional currency at the exchange rate at the date of the transaction.

All exchange rates are exchange rates fixed by the People's Bank of China. All exchange rates are determined under a systematic and rational method, namely the average exchange rate of the period ended the related exchange rate.

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the balance sheet date. The resulting exchange difference, except for those arising from the financial and investment specific foreign currency borrowing from the bank facilities, is recognized in profit or loss. Non-monetary items denominated in foreign currencies have been measured at historical cost and translated into the functional currency at the exchange rate at the transaction date. Non-monetary items denominated in foreign currencies have been measured at fair value and translated into the functional currency at the exchange rate at the date the fair value is determined; the resulting exchange difference is recognized in profit or loss, except for the difference arising from the translation of available-for-sale financial assets, which are recognized in other comprehensive income. The effective exchange rate change is recognized in cash flows in the cash flow statement.

The assets and liabilities of foreign exchange are translated into the functional currency at the exchange rate at the balance sheet date. The equity items, except for 'Retained earnings', are translated into the functional currency at the exchange rate at the transaction date. The income and expense of foreign exchange are translated into the functional currency at the exchange rate at the transaction date. The resulting translation difference is recognized in other comprehensive income. Under the foreign exchange, the cumulative amount of the translation difference is recognized in equity, which is also the foreign exchange income. The cash flows of foreign exchange are translated into the functional currency at the exchange rate at the date of the cash flow. The effective exchange rate change is recognized in cash flows in the cash flow statement.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments

Financial in 1 men incl de ca h a bank and n hand, financial a e a fai al e h gh fi l ,
ceci able , a ailable-f ale financial a e , in e men in e i ec ie he han l ng- e m e i
in e men , a able , l an , b ing and debn e a able .

(1) Financial Assets

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Financial assets are classified in the following categories at initial recognition: financial assets at fair value through profit or loss, receivable, available-for-sale financial assets and held-to-maturity investments. The classification of financial assets depends on the Group's intention and ability to hold the financial assets.

a. Financial a e a fai al e h gh fi l

Financial a e a fai al e h gh fi l incl de financial a e held f he e f
elling in h e m.

b. Receivable

Receivable and non-debt financial assets identified as de-minable assets have been included in an active market.

c. Available-for-sale financial assets

A available-for-sale financial asset is non-derivative, has a fixed or determinable cash flow, is classified in an 'available-for-sale' category, and is not held for trading. The asset is included in non-current assets unless the intention is to dispose of the asset within 12 months of the end of the reporting period.

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Financial assets are recognised at fair value in the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. In the case of financial assets at fair value through profit or loss, the related transaction costs are included in the initial recognition of the financial asset. For financial assets at fair value through profit or loss, the costs are included in the initial recognition of the financial asset. For financial assets at fair value through profit or loss, the costs are included in the initial recognition of the financial asset.

Financial a e a fai al e h gh fi l a e b e en l mea ed a fai al e. In e men in e i in men a e mea ed a c hen he d n ha e a ed make ice in an ac i e make and h e fai al e cann be eliab l mea ed. Recei able a e mea ed a am i ed c ing he effe i e in e e me h d.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(a) Fair value measurement of financial assets

Gain or loss arising from change in the fair value of financial assets or liabilities held through fair value measurement is recognized in profit or loss. In the case of cash dividends received during the period in which such financial assets are held, a full amount of the gain or loss arising from disposal of the assets are recognized in profit or loss for the concerned period.

Accumulated fair value adjustments of available-for-sale financial assets are recognized in other comprehensive income and the change gain and loss of foreign currency financial assets. When available-for-sale financial assets are disposed, the accumulated fair value adjustments are recognized in other comprehensive income included in the income statement. In the case of available-for-sale equity investments, the effective interest method and cash dividends on available-for-sale equity investments when the group's right to receive a return is established are recognized in the income statement as a part of the income.

(b) Impairment of financial assets

The Group assesses the carrying amount of financial assets whether there has been a fair value loss through fair value measurement. If the objective evidence indicates that a financial asset is impaired, the Group determines the amount of impairment loss.

Objective evidence indicating a financial asset is impaired includes: (a) all have been in default of the initial recognition of the financial asset and the influence of the financial asset's estimated future cash flows which can be reliably measured by the Group.

Evidence of held-for-sale equity investments in impairment includes a significant prolonged decline in the fair value of an investment in an equity investment below cost. The Group assesses all available-for-sale financial assets on an individual basis at each balance sheet date. Impairment loss should be recognized if the fair value of an equity investment has fallen below 50% (50% inclusive) of its initial investment cost within the carrying period. The fair value has been less than the initial investment cost for more than one year (exclusive). The Group will consider the relevant factors, such as the price volatility, to determine whether an impairment loss should be recognized for the equity investment if the decline in the fair value of an equity investment in impairment is more than 20% (20% inclusive) but less than 50% of its initial investment cost. The initial investment cost of held-for-sale equity investments is calculated using the weighted average method.

When an impairment loss on a financial asset is carried as an impaired cost has occurred, the amount of

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

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When an available-for-sale financial asset is impaired, the cumulative decline in fair value has been recognized directly in equity. If the decline is considered to be other than temporary, the fair value of the asset is written down to its estimated fair value. If, after an impairment loss has been recognized on an available-for-sale debt instrument, the fair value of the debt instrument increases in (c)

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(English Text has Precedence Over Chinese Text)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(2) Financial liabilities

Financial liabilities are classified in the following categories at initial recognition: financial liabilities at fair value through profit or loss and the financial liabilities.

Payable, including accounts payable and the payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Borrowing and debenture payable are recognized initially at fair value, net of transaction costs incurred and subsequently measured at amortized cost using the effective interest method.

Financial guarantee contracts issued by the Group are recognized as a liability when the obligation to make good the loss of the debtor is incurred because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Subsequently, the liabilities are measured at the higher of the initial fair value less cumulative impairment recognized in the statement of income, and the amount of provision based on the incurrence of credit impairment (see Note 21).

Other financial liabilities with a maturity of more than one year are classified as long-term liabilities. Other financial liabilities with a maturity of less than one year are classified as short-term liabilities (including the balance sheet date are classified as current non-current liabilities). Other classified as non-current liabilities.

A financial liability is derecognized when the contractual obligation is discharged or extinguished. The difference between the carrying amount of the financial liability and the derecognized amount of the financial liability and the consideration paid is recognized in profit or loss.

(3) Determination of fair value

The fair value of a financial instrument has been determined in an active market is determined as the quoted price in the active market. The fair value of a financial instrument has been determined in an active market is determined by using an appropriate valuation technique that has a reliable and observable market data and is based on sufficient available data and the information. Valuation techniques mainly include market approach and income approach. When a valuation technique is used to determine the fair value of a financial instrument, the assumptions used in the valuation technique should be based on the assumptions that market participants would use in determining the fair value. Unobservable inputs should not be used when it is possible to obtain observable inputs.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(4) Equity instrument

An equity instrument is a contract that gives the holder the right to receive a share of the residual assets of the Group.

The exercise price of an equity instrument is the price at which the holder is required to pay for the instrument.

The consideration received from the exercise of an equity instrument is recognized as equity, which is the difference between the exercise price and the fair value of the instrument at the time of exercise.

Consideration and an equity instrument are recognized as equity if the instrument is issued for cash or other assets.

10. Receivables

Receivables are the amounts due to the Group from its customers. Receivables are recognized at the time of sale of goods or services on credit.

Receivables are classified as trade receivables and non-trade receivables.

When an impairment loss is identified, an impairment loss is recognized as an expense. The impairment loss is calculated as the difference between the carrying amount and the recoverable amount. The impairment loss is recognized in the profit or loss.

The amount of impairment loss is determined based on the expected cash flows (including the time value of money) and the current market conditions.

If, after an impairment loss has been recognized, there is objective evidence that the impairment loss has decreased, the impairment loss is reversed. The reversal is recognized in the profit or loss.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Receivables (Continued)

(1) Receivables that are individually significant and impairment provided on an individual basis:

Classification of individually significant receivables has been individually significant and impairment provided on an individual basis.

Individually significant receivables are the receivables with the individually amount over RMB10 million (inclusive) accounting 5% or more of the total receivables.

Method of classification of individually significant receivables has been individually significant and impairment provided on an individual basis.

An impairment loss is calculated as the difference between the carrying amount and the present value of the estimated future cash flows (exclusive of the credit loss allowance) which have not been incurred) discounted at the original effective interest rate.

(2) Receivable that are individually insignificant but impairment provided on an individual basis:

Classification of individually insignificant receivables has been individually insignificant but impairment provided on an individual basis.

Within the receivables, the amount are individually insignificant, impairment is assessed on an individual basis for the related receivables in accordance with the impairment loss calculation method.

Method of classification of individually insignificant receivables has been individually insignificant but impairment provided on an individual basis.

An impairment loss is calculated as the difference between the carrying amount and the present value of the estimated future cash flows (exclusive of the credit loss allowance) which have not been incurred) discounted at the original effective interest rate.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Receivables (Continued)

(3) Receivables that are assessed for impairment on a collective group basis:

Receivable have been individually assessed in (1) and (2), for the assessment made collectively on a group basis, receivable have similar credit characteristics.

Determination method for group based credit characteristics

According to receivable are divided into, for example, consumer goods, vehicle, energy, chemical and liquid food items, off-hire engineering, air-conditioning, heating and air conditioning, land lease and other and other according to the industry and business nature of the company and the credit characteristics of the receivable. A further off-hire engineering group, the relevant receivable is in credit and has a credit risk after the group based credit characteristics according to individual credit characteristics and historical data. A further group like consumer goods, land lease and other and other according to the industry and business nature of the company and the credit characteristics of the receivable. A further off-hire engineering group, the relevant receivable is in credit and has a credit risk after the group based credit characteristics according to individual credit characteristics and historical data.

Group 1

Consumer goods

Group 2

Real estate vehicle

Group 3

Energy, chemical and liquid food items

Group 4

Air-conditioning

Group 5

Logistics services

Group 6

Off-hire

Group 7

Financial leasing

Method for determining receivable assessment on a collective group basis (based on an aging analysis, average of the total balance and other).

Consumer goods

Proportion determined based on an aging analysis (One day aging)

Real estate vehicle

Proportion determined based on an aging analysis (One day aging)

Energy, chemical and liquid food items

Proportion determined based on an aging analysis (One day aging)

Air-conditioning

Proportion determined based on an aging analysis (One day aging)

Logistics services

Proportion determined based on an aging analysis (One day aging)

Off-hire

Proportion determined based on an aging analysis (One day aging)

Financial lease receivable

Proportion determined based on model analysis

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Receivables (Continued)

(3) Receivables that are assessed for impairment on a collective group basis: (Continued)

For the above group, the Group has made based on the following ageing analysis:

Ageing	Percentage of total accounts receivable (%)	
	Group 1, 2, 4, 5, 6	Group 3
Within 1 year (inclusive)	5%	0%-5%
1 to 2 years (inclusive)	30%	30%
Over 2 years	100%	100%

- (4) When the Group transfers the accounts receivable to the financial institutions without recourse, the difference between the proceeds received from the transaction and their carrying amounts and the related taxes is recognised in profit or loss for the current period.

11. Inventories

(1) Classification

Inventories include raw materials, work in progress, semi-finished goods, finished goods and available materials. Raw materials include all raw materials, packaging materials and other materials, which can be used directly or indirectly in the production process.

(2) Cost of inventories

Cost of inventories is calculated using the weighted average method.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Inventories (Continued)

(3) The underlying factors in the determination of net realisable values of inventories and basis of provision for decline in value of inventories

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Borrowing costs directly related to the acquisition of inventories are also included in the cost of inventories (see Note 11.16). In addition, the changing cost of materials, labour and overheads and finished goods included in the cost of inventories.

At the balance sheet date, inventories are carried at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the normal course of business less the estimated costs of completion and the estimated selling expenses and related taxes and duties to make the sale. The net realisable value of materials held for use in the production of inventories is measured based on the net realisable value of the finished goods in which they will be incorporated. The net realisable value of the finished goods held for sale is measured based on the net realisable value of the finished goods. If the net realisable value of the finished goods is specified in the contract, the net realisable value is based on the contract price. If the net realisable value is not specified in the contract, the net realisable value is based on the general selling price.

At the end of the period, the net realisable value of each class of inventories is determined in accordance with the provisions of the accounting standards.

(4) Inventory system

The Group maintains a perpetual inventory system.

(5) Amortisation of reusable material including low-value consumables and packaging material

Reusable material including low-value consumables and packaging material are amortised in full when received for use. The amount of the amortisation is included in the cost of the related assets.

12. Long-term equity investments

Long-term equity investments comprise the Company's long-term investments in subsidiaries and the Group's long-term investments in joint ventures and associates.

Subsidiaries are the investees over which the Company is able to exercise control. Joint ventures are the investees over which the Group is able to exercise joint control together with the investee and the Group enjoys the right to share in the net assets of the investee. Associates are the investees over which the Group has significant influence on the financial and operating policies.

Investments in subsidiaries are accounted in the Company's financial statements using the cost method, and are adjusted for the changes in the subsidiary's financial statements using the equity method. Investments in joint ventures and associates are accounted for using the equity method.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-term equity investments (Continued)

(1) Determination of investment cost

For long-term equity investments in the form of shares, the initial investment cost shall be the aggregate of the fair value of the shares at the acquisition date; for long-term equity investments in the form of shares, the initial investment cost shall be the aggregate of the fair value of the shares at the acquisition date.

For long-term equity investments in the form of shares, the initial investment cost shall be the aggregate of the fair value of the shares at the acquisition date; for long-term equity investments in the form of shares, the initial investment cost shall be the aggregate of the fair value of the shares at the acquisition date.

(2) Subsequent measurement

For long-term equity investments in the form of shares, the initial investment cost shall be the aggregate of the fair value of the shares at the acquisition date; for long-term equity investments in the form of shares, the initial investment cost shall be the aggregate of the fair value of the shares at the acquisition date.

For long-term equity investments in the form of shares, the initial investment cost shall be the aggregate of the fair value of the shares at the acquisition date; for long-term equity investments in the form of shares, the initial investment cost shall be the aggregate of the fair value of the shares at the acquisition date.

For long-term equity investments in the form of shares, the initial investment cost shall be the aggregate of the fair value of the shares at the acquisition date; for long-term equity investments in the form of shares, the initial investment cost shall be the aggregate of the fair value of the shares at the acquisition date.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-term equity investments (Continued)

(3) Basis for determining the existence of joint control or significant influence over an investee

C n l i h e e e h e i n e e e n j a a b l e e n b a c i a i n g i n e l a e d a c i i e f h e
i n e e e a n d h e a b i l i a f f e c h e e n a m n b e e c i n g h e e e h e i n e e e .

Jointly, the following conditions are agreed upon, and either party may
 the decision relating to the action of the agreement, and the unanimous consent of the parties having
 consent.

Significant influence in the evaluation of financial and engineering licit of the
in the economic and social development of the licit.

(4) Method of impairment testing and measuring

The calling amount following emergence in the men in bidiaie, jin, en, e and a cia e i ed ced
 he ec deable amount if he ec deable amount i bel he calling amount.

13. INVESTMENT PROPERTIES

In e men - e ie , incl ding land e igh ha ha e al ead been lea ed , b ilding ha a e held f - he - e f lea ing and b ilding ha a e being c n - c ed - de el ed f f - e e f - lea ing, a e mea ed ini iall a c . S b e , en e endi e inc ed in e la i n an in e men - e ie a e incl ded in he c f he in e men - e ie hen i i - bable ha he a cia ed ec n mic benefi ill fl - he G - and hei c - can be eliabl mea ed; he i e, he e endi e a e ec gni ed in - fi l f - he e i d in - high he a e inc ed.

The G₁ ad₁ fai₁ al e m del₁ b e₁ t₁ en l₁ mea₁ e in e men₁ e₁ ie and d n' ₁ i₁ de₁ ecia i n₁ am₁ i₁ ai n₁. The ca₁ i₁ ng am₁ n₁ f₁ in e men₁ e₁ ie i₁ ad₁ j₁ ed ba₁ ed n₁ hei₁ fai₁ al e a₁ he balance₁ hee₁ da₁ e, and₁ he diffe₁ ence be₁ een₁ he fai₁ al e and₁ he i₁ ginal ca₁ i₁ ng am₁ n₁ i₁ ec₁ gni ed in₁ i₁ fi₁ l₁ f₁ he c₁ en₁ e i₁ d.

When an in.e men ~~u~~e i^e an fe^ed ne^ecc ied ~~u~~e, i i^e ec^ela ified fi ed a e^e in angible a e^e i h he ca^eing amⁿ de^emi ned a he fai^e al e f he in.e men ~~u~~e i^e a he da e f he an fe^e and he differeⁿce be^en he fai^e al e and he i^ginal ca^eing amⁿ f he in.e men ~~u~~e i^e i^e ec^egni ed in ~~u~~fi^e l f^e he c^en eⁱd. When an ne^ecc ied ~~u~~e i^e an fe^ed f^e a^ening en al f^e ca^e i al a^e ec^e i n, he fi ed a e^e in angible a e i^e an fe^ed in.e men ~~u~~e i^e i h he ca^eing amⁿ de^emi ned a he fai^e al e a he da e f he an fe^e. If he fai^e al e a he da e f he an fe^e i le^e han he i^ginal ca^eing amⁿ f he fi ed a e^e ~~u~~e in angible a e^e, he differeⁿce i^e ec^egni ed in ~~u~~fi^e l f^e he c^en eⁱd; he i^e, i i^e incl ded in he c^m ~~u~~hen i e inc me.

An in e men ɹ e i e i de e c n i e d n d i ɹ al ɹ h e n h e i n e m e n ɹ e i e i e m a n e n l i h d a n f m e a n d n f e e c n m i c b e n e f i a e e e c e d f m i d i ɹ al . T h e n e a m n f ɹ e e d f m a l e , a n f e ɹ e i e m e n ɹ d a m a g e f a n i n e m e n ɹ e i e n e f i c a l i n g a m n a n d e l a e d a e a n d e e n e i e c n i e d i n ɹ i ɹ f ɹ h e c e n e i d .

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For the period ended from 1 January and ended 30 June 2017

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(English Text has Prevailing Reference Only)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Fixed assets

(1) Recognition

Fixed assets are those tangible assets held by the Group for use in the production of goods, providing services, for rental or for administrative purposes and are identifiable and measurable.

The cost of a purchased fixed asset comprises the purchase price, related taxes, and an directly attributable expenditure in bringing the asset to the working condition in intended use. The cost of self-constructed asset is measured in accordance with the applicable provisions in NEIL.15.

Where assets from different fixed assets have different identifiable and measurable benefits to the Group in different areas, the necessary different depreciation methods are adopted, each asset is depreciated at a rate as fixed asset.

The book value includes the cost of replacing assets from different fixed assets as depreciated in the carrying amount of the item if the depreciated asset is replaced, and the carrying amount of the replaced asset is depreciated. The cost of the replacement of fixed assets is depreciated in the carrying amount of the replaced asset.

Fixed assets are valued in the balance sheet at the accumulated depreciation and impairment loss.

(2) Depreciation

Fixed assets are depreciated using the straight-line method. All cases the cost of the asset is the estimated residual value less the estimated residual value, unless the fixed asset is classified as held for sale (see NEIL.28). For the fixed asset that has been provided for impairment loss, the related depreciation charge is calculated determined based on the adjusted carrying amount less the remaining residual value. The estimated residual value, residual value and depreciation are for each class of fixed assets as follows:

Classes	Residual Period (years)	Depreciation value rate (%)	Depreciation rate (%)
Plant and building	20-30	10%	3-4.5%
Machine and equipment	10-12	10%	7.5-9%
Office and other equipment	3-5	10%	18-30%
Motor vehicle	5	10%	18%
Truck, lorry	50	10%	1.8%
Offshore engineering equipment	15-30	10%	3-6%

Unless otherwise specified, residual value and depreciation method are the same as each other.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Fixed assets (Continued)

(3) For the method of impairment testing and measuring, refer to Note II.20.

(4) Basis for identification of fixed assets held under finance leases and related measurement

For the identification and measurement of fixed assets held under finance leases, refer to Note II.27(3).

(5) Disposal

A fixed asset is deemed to be disposed when it has lost its economic benefits and is disposed of. The amount of proceeds from disposal, less related costs, is recognized as disposal income or expense and is recognized in profit or loss for the period.

15. Construction in progress

Construction in progress is measured at actual cost. The cost of self-constructed assets includes the cost of materials, direct labor, and related taxes (see Note II.16), and an allocated share of the indirect costs incurred in the process.

A self-constructed asset is included in construction in progress before it is ready for use. When it is ready for use, it is transferred to the appropriate category of fixed assets. Construction in progress is included in the balance sheet as a current asset (see Note II.20).

16. Borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset.

Except for the above, the borrowing costs are recognized as financial expenses in the income statement when incurred.

During the capitalization period, the amount of interest (including amortization of financial instrument) to be capitalized in each accounting period is determined as follows:

- When funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalized is the interest expense calculated using the effective interest rate during the period, less the income earned from the investment of the borrowed funds during the period.
- When funds are borrowed generally and used for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalized is the weighted average of the effective interest rate of the borrowings. The capitalization rate is the weighted average of the effective interest rate of the general borrowings.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17.

Notes to the Financial Statements

For the period from 1 January and ended 30 June 2017

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(English Text has Prevailing Reference Only)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Goodwill

Goodwill is the excess of the purchase price over the identifiable intangible assets in the fair value of the identifiable intangible assets and the business combination. It is measured as the difference between the purchase price and the fair value of the identifiable intangible assets.

Goodwill is amortised and is a non-current asset. It is amortised on a straight-line basis over the estimated useful life (see Note II.20). On disposal of an asset, the goodwill is included in the calculation of the gain or loss on disposal.

19. Long-term prepaid expenses

Long-term prepaid expenses are amortised on a straight-line method in the period of the benefit.

The amortisation period is as follows:

Item	Amortisation period (years)
Rental	2-10
Others	3-5

20. Impairment of long-term assets

Fixed assets, construction in progress, intangible assets with finite life and long-term prepaid expenses are reviewed for impairment at the end of each reporting period and a provision for impairment is made if there is an indication that the carrying amount may not be recoverable. If there is an indication that the carrying amount may not be recoverable, the carrying amount is compared with the recoverable amount, which is the maximum of the net cash flows expected to be derived from the asset and the fair value less costs of disposal. If the carrying amount is greater than the recoverable amount, the carrying amount is reduced to the recoverable amount. The impairment loss is recognised in the profit or loss account. If the impairment loss is reversed, the carrying amount is increased to the recoverable amount, but it should not exceed the carrying amount that would have been determined had no impairment loss been recognised. A reversal of an impairment loss is recognised in the profit or loss account.

Goodwill is tested for impairment at the end of each reporting period and a provision for impairment is made if there is an indication that the carrying amount may not be recoverable. In conducting the test, the carrying amount of the goodwill is compared with the recoverable amount, which is the maximum of the net cash flows expected to be derived from the asset and the fair value less costs of disposal. If the carrying amount is greater than the recoverable amount, the carrying amount is reduced to the recoverable amount. The impairment loss is recognised in the profit or loss account. If the impairment loss is reversed, the carrying amount is increased to the recoverable amount, but it should not exceed the carrying amount that would have been determined had no impairment loss been recognised. A reversal of an impairment loss is recognised in the profit or loss account.

Once an impairment loss is recognised, it is not reversed in a subsequent period.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Provisions and contingent liabilities

Provision for doubtful accounts, net of certain expected recoveries, is recognized when the Group has a reasonable belief that a liability for future economic benefits will be realized or the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the obligation. Factors including accounting, characteristics, uncertainty and the time value of money are taken into account in determining the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the expected cash flows. The increase in the discounted amount of the provision arising from a change in estimate is recognized as an expense.

The carrying amount of a provision is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Provision which is expected to be paid within the year from the balance sheet date is classified as a current liability.

In determining a reliable obligation arising from a contract, the evidence will not be confirmed by the occurrence of non-occurrence of certain events. A reliable obligation arising from a contract, the obligation has the elements of the obligation will cause an inflow of economic benefits, the amount of the inflow can be estimated reliably, the obligation is a liability and a recognized liability.

22. Share-based payments

(1) Classification

Share-based payment transactions in the Group are classified as equity-settled share-based payment and cash-settled share-based payment.

(2) Method to determine the fair value of equity instruments

Fair value of stock is initially measured based on binomial lattice model. Certain assumptions of the stock is initially set at the time of the model. And the binomial lattice model includes the main features of the stock. The following factors are taken into account when determining the binomial lattice model: (1) expected price of the stock; (2) expected dividend; (3) current price of the stock; (4) expected future price of the stock; (5) expected dividend of the stock; (6) risk-free rate in the market.

(3) Basis of the best estimate of the number of equity instruments expected to vest

At each balance sheet date during the reporting period, the Group makes the best estimate according to the latest information of the number of employees who have been granted the share-based payment and the number of employees who are expected to leave. On the reporting date, the estimate shall be equal to the number of employees who have been granted.

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Re n e f m h e a l e f g d i m e a e d a h e f a i a l e f h e c n i d e a i n e c e i e d e c e i a b l e
n d e h e a l e c n a c a g e e m e n .

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Revenue recognition (Continued)

(1) Sale of goods (Continued)

The Government of the Republic of the Philippines, through the Department of Education, hereby certifies that the following is a true and correct copy of the original document as submitted to the Department of Education for the purpose of the said document.

Sale f ad an ai n ehicle ae di ided in ale d me ic c me and ale e ea c me .A ale d me ic c me , he G ec gni e en e af e c me ick and acce he ehicle .A ale e ea c me , he G ec gni e en e af e ehicle ae laded ecified hi in ecific a igned b he c me an c n ac .

The G₁ ecogni e d en e hen he cha e and ell ag eemen i ef med. When he e i ld in ad ance bef ec m lei n, he e en ei ecgni ed nl hen he c n cini c m leed and deli eed he b e. The de i and in allmen ecei ed bef e e en e ecgni i na e ega ded a ad ance f m c me.

(2) Revenue from construction contracts

Where the common factor can be identified, the common factor is identified in the common factor and the common factor is identified in the common factor.

The age of the main factor is determined based on the main factor's half-life of the reaction.

When he came face to face with a cannibal he imagined a liability:

- (a) If the condition can be decided, then either condition is increased has
can be decided, and the condition are decided a condition is then increased;
- (b) If the condition cannot be decided, the condition are decided a condition is then
immediately increased, and no condition is decided.

C n ~~u~~ c i n c n ~~a~~ c ~~e~~ e n e i n c l d e i n i a l ~~e~~ e n e i l a e d b c n ~~a~~ c a n d i n c ~~e~~ a e d a m n g e n e a e d b c n ~~a~~ c a l e a i n .

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Revenue recognition (Continued)

(2) Revenue from construction contracts (Continued)

Increased amount cannot be recognized as construction revenue until the following construction contract has been completed:

(c) Client acceptance and confirmation the increased amount generated by construction contract;

(d) Increased amount can be reliably measured.

Construction contract liability is recognized when estimated total construction contract exceeds construction revenue. Provision should be made for construction contract liability and charged in profit and loss for the concerned period.

(3) Rendering of services

Revenue from rendering of service is measured at the fair value of the consideration received or receivable under the construction agreement.

At the balance sheet date, the contract completion in relation to the rendering of service can be estimated reliably, then revenue from rendering of service is recognized by reference to the stage of completion of the contract in relation to the stage of work performed.

When contract rendering of service cannot be estimated reliably, if the contract incurred costs are expected to be recoverable, then the amount recognized is the extent to which the contract incurred costs are expected to be recoverable, and an estimated liability is charged to profit and loss for the service cost; if the contract incurred costs are expected to be recoverable, the contract incurred costs are recognized in profit and loss for the service revenue is recognized.

Freight agency, then the amount recognized at the hideaway date (e.g.) the actual date (implied). A land freight agency, then the amount recognized when goods have arrived at the specified location. Freight agency: then the amount recognized at the date of the hideaway.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Employee benefits

Employee benefits include all kind of allowance and compensation paid by the Group for service rendered by employees for remuneration of employees, which mainly include short-term wage, pension benefit and remuneration of employees.

(1) short-term wages

Short-term wage include wage, salary, bonus, allowance and subsidy, staff welfare, medical insurance, sick pay, insurance, maternity insurance, housing fund, labor insurance, employee education and training, short-term aid allowance and etc. All short-term wage are recognized as liabilities in the period when the employee renders service and are charged in profit or loss calculated in cost of sales. The non-monetary welfare measured as fair value.

(2) pension benefits

During the reporting period, the Group's pension benefits are basic pension insurance and non-monetary insurance which are all defined contribution plan.

B. Defined contribution plan

The Group's employee participated in the basic social pension insurance and implemented by local labor and social security. The Group paid the basic pension insurance expense monthly designated insurance company for employee according to the basic amount and determined by local regulation. After retirement, local labor and social security is responsible for paying the pension benefits to the retired employee. The amount of pension insurance is calculated according to the employee's salary and recognized as liabilities during the period when the employee renders service and are charged in profit or loss calculated in cost of sales.

(3) Enterprise annuities plan

The Group provides compensation for the remuneration of employees before the retirement of employees to the compensation insurance company. In addition, which is recognized as a liability and charged in profit or loss in the early period when the Group is liable to pay all the plan in the remuneration of employees before the retirement of employees and the employee in the plan for compensation of the remuneration of employees before the retirement of employees are recognized.

The Enterprise annuity plan is a non-qualified plan. The balance sheet date is classified as a current liability.

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25. Government grants

A he balance hee da e, he am n f defe ed a ec gni ed i mea ed ba ed n he e ec ed manne f ec e e e lemen f he ca ing am n f he a e and liabili e, ing a e ha a e ec ed be a l ied in he e id hen he a e i ec ed e he liabili e led in acc dnce i h a la .

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For the period from 1 January and ended 30 June 2017
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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Deferred tax assets and deferred tax liabilities (Continued)

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced when it is no longer probable that sufficient taxable profit will be available to all the benefit of the deferred tax asset be utilized. Such reduction is reversed when it becomes probable that sufficient taxable profit will be available.

Deferred tax liabilities are recognized for all taxable differences arising from income taxes in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the taxable difference, and it is probable that the taxable difference will not reverse in the foreseeable future. When it is probable that the taxable difference arising from income taxes in subsidiaries, associates and joint ventures will be reversed in the foreseeable future and the taxable profit will be available in the future again which the taxable difference can be utilized, the corresponding deferred tax asset is recognized.

All the balance sheet date, deferred tax asset and liabilities are offset if all the following conditions are met:

- the taxable entity has a legally enforceable right to offset the taxable amount against a liability; and
- the related income tax is levied by the same authority in the same taxable entity; differences in taxable entities which either end or the company has a liability and a net asset, or liability and the liability is in the same company, in each of the periods in which significant amount of deferred tax liability is expected to be realized.

27. Operating and finance leases

A lease is classified as either a finance lease or an operating lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee, irrespective of the legal title. The lease is entered into for a fixed term. An operating lease is a lease other than a finance lease.

(1) Assets acquired under operating leases

Rental amounts under operating leases are recognized as expense on a straight-line basis over the lease term.

Notes to the Financial Statements

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(English Text has legal reference only)

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Operating and finance leases (Continued)

(2) Assets leased out under operating leases

Fixed assets leased out under operating leases, except for inventories (see Note II.13) are depreciated in accordance with the Group's depreciation policies described in Note II.14(2). Intangible assets leased out in accordance with the accounting policies described in Note II.20. Operating leases are entered into with the lessee on a non-exclusive basis. Income derived from operating leases is recognized in the income statement on a straight-line method over the lease term. If initial direct costs incurred in respect of the leased asset are material, they are capitalized and amortized in proportion to the lease term on the same basis as the lease income. Otherwise, they are charged to profit or loss immediately.

(3) Assets acquired under finance leases

When the Group acquires an asset under a finance lease, the asset is measured at an amount equal to the lower of fair value and the present value of the minimum lease payments, each determined at the inception of the lease. At the commencement of the lease term, the minimum lease payments are allocated to long-term debt and finance charges. The difference between the value of the leased asset and the minimum lease payments is recognized as unrecognized finance charge. Initial direct costs incurred in connection with a finance lease are added to the amount recognized for the leased asset. Depreciation and impairment losses are accounted for in accordance with the accounting policies described in Note II.14(2) and II.20, respectively.

If the lease is a bargain purchase, the Group will bargain for the leased asset at the end of the lease term, the leased asset is depreciated over its estimated useful life. Otherwise, the leased asset is depreciated over the shorter of the lease term and its estimated useful life.

Unrecognized finance charge under finance lease is amortized using an effective interest method over the lease term. The amortization is accounted for in accordance with the principles of borrowing costs (see Note II.16).

The balance sheet debt, long-term debt arising from finance lease, net of the unrecognized finance charge, are presented as long-term debt on non-current liabilities due within one year, respectively, in the balance sheet.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Operating and finance leases (Continued)

(4) Assets leased out under finance leases

At the commencement of the lease term, the Group determines the aggregate of the minimum lease payments receivable and the initial direct costs of a finance lease receivable. The difference between the aggregate of the minimum lease payments, the initial direct costs, and the aggregate of the interest income is recognized as a leased finance income.

Unearned finance income is allocated each accounting period during the lease term using the effective interest method. At the balance sheet date, finance lease receivable, net of leased finance income, are presented as long-term receivable on non-cancelable lease contracts in the balance sheet. Please refer to Note 11.9 for accounting policies on the derecognition and impairment of finance lease receivable.

28. Assets held for sale and discontinued operation

An non-cancelable disposal is classified as held for sale when meeting the following criteria: i. The asset (disposal group) must be available for immediate sale in its present condition subject to minor adjustments; and ii. An non-cancellable sales agreement has been signed with the buyer, the disposal plan has been approved and the sales price is fixed or determinable.

Non-cancelable held for sale (excluding financial assets, inventories, deferred tax assets and deferred tax liabilities) are measured at the lower of carrying amount and net realizable value. Any excess of the carrying amount over the net realizable value is recognized as an impairment loss.

Assets and liabilities of a non-cancelable disposal which is classified as held for sale are classified as current assets and current liabilities, which are presented in the balance sheet.

A discontinued operation is a component of the Group which has been disposed or classified as held for sale if the group's business and the financial reporting of the discontinued operation can be clearly distinguished from the rest of the group and can meet the following criteria: (a) The component of the business is a major line of business or major geographical area of operations; (b) The component of the business is a financially distinguishable and identifiable major line of business or major geographical area of operations; (c) The component of the business is a business that is identifiable as a separate entity.

The Group shall disclose separately the results of discontinued operations in the statement of comprehensive income including the net profit or loss of discontinued operations and the net gain or loss from the measurement of discontinued operations at the end of the period.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Hedge accounting

Hedge accounting is a method which recognizes the offsetting effect of fair value and cash flow of the hedging instrument and the hedged item on consolidated financial statements in the same accounting period.

Hedged item is the item that the Group is exposed to change in fair value of cash flow and has designated as being hedged. The Group's hedged item includes a foreign exchange transaction that is related to a fixed amount of foreign currency and the Group's foreign currency risk.

A hedging instrument is a designated derivative whose change in fair value of cash flow is offset by the change in the fair value of cash flow of the hedged item. For a hedge of foreign currency risk, a non-designated financial asset or non-designated financial liability may also be used as a hedging instrument.

The hedge is assessed by the Group's effectiveness in an ongoing basis and judged whether it has been highly effective throughout the accounting period for which the hedging relationship is designated. A hedge is regarded as highly effective if both the following conditions are satisfied:

1. The inception and in substance period, the hedge is expected to be highly effective in achieving offsetting change in fair value of cash flow attributable to the hedged risk during the period for which the hedge is designated;

2. The actual offset of the offsetting amount is in a range of 80% - 125%.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flow. The change in the gain or loss on the hedging instrument has been determined to be an effective hedge recognized directly in the cash flow of the designated period. The effective change is initially adjusted to the cash flow of the hedging instrument in the period:

1. The cumulative gain or loss on the hedging instrument from inception of the hedge;

2. The cumulative change in the cash flow of the expected cash flow of the hedged item from inception of the hedge.

The change in the gain or loss on the hedging instrument has been determined to be an ineffective hedge recognized in the period.

If a hedge of a foreign exchange transaction is then included in the recognition of a non-financial asset or non-financial liability, the accumulated gain or loss is transferred from the cash flow of the hedge and recognized in the period in the same period during which the financial asset or financial liability affects the period. However, if the Group is exposed to all the change in the cash flow of the hedged item, the accumulated gain or loss will not be recognized in the cash flow of the hedge, it is included in the period in the same period as the cash flow of the hedged item.

(c) en e - j e ha a e c n - l l e d b he C m a n ' a e n :

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31. Related parties (Continued)

- (d) in the group has a joint control over the significant influence over the group;
- (e) the enterprise is an individual if it is a natural person, jointly controlled by the enterprise and the group;
- (f) joint control of the group, including subsidiary joint control;
- (g) a subsidiary of the group, including subsidiary of a subsidiary;
- (h) principal individual in the group and close family members of each individual;
- (i) key management personnel of the group and close family members of each individual;
- (j) key management personnel of the Company's parent and close family members of each individual;
- (k) close family members of key management personnel of the Company's parent; and
- (l) the enterprise has a controlled joint control by principal individual in the group, key management personnel of the group, and close family members of each individual.

Based on the related parties identified above determined in accordance with the requirements of CAS, the following enterprise and individual are considered as (b) mentioned () related parties based on the disclosure requirements of Administrative Procedures for the Information Disclosure of Listed Companies issued by the CSRC:

- (m) the enterprise is a subsidiary holding 5% or more of the Company's shares;
- (n) individual and close family members of each individual who directly or indirectly hold 5% or more of the Company's shares, or directly or indirectly controlled company and close family members;
- () the enterprise has a relationship with the affiliated conditions in (a), (c) and (m) during the past 12 months or will have a relationship within the next 12 months or an association agreement;
- () individual who has a relationship with the affiliated conditions in (i), (j) and (n) during the past 12 months or will have a relationship within the next 12 months or an association agreement; and
- () the enterprise, the company and subsidiary controlled by the Company, which are controlled directly or indirectly by an individual defined in (i), (j), (n) and (), in which each individual is a member of the board of directors or senior management.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Segment reporting

Re able egmen a e iden ified ba ed n e a ing egmen hich a e de e ĩn ed ba ed n he ĩc e f he G ĩ ĩn e ĩal ĩani a i n, management e ĩ ĩemen and ĩn e ĩal e ĩ ĩng em. An e a ing egmen ĩ a c m ĩen f he G ĩ ĩa mee he f ll ĩng c ĩd ĩ ĩ :

- 1. ĩ engage ĩn b ĩne a c ĩ ĩ ĩe f m hich ĩ ma e a e ĩen e and ĩnc e ĩen e ;
- 2. ĩ financial e f ĩmance a e e ĩ ĩa ĩ e ĩe ed b he G ĩ ĩ ĩanagement ĩ make de c ĩ ĩ n ab e e e be a ll ca ed he egmen and a e ĩ e f ĩmance;
- 3. The G ĩ ĩ ĩable b a ĩ ĩ financial ĩnf ĩma ĩ n e ĩa ĩ ĩng financial ĩ ĩ ĩn, financial e f ĩmance and ca h fl , e c.

T ĩm e e a ing egmen ma be ag ĩe ĩa ed ĩn a ĩ ĩgle e a ing egmen ĩf he egmen ĩa e ame ĩ ĩ ĩ ĩa e c n ĩ ĩc ĩa a c e ĩ ĩc , and a e ĩ ĩ ĩ ĩ ĩn e e c f he f ll ĩng a e c :

- 1. he na e f e a c ĩ ĩd c and e ĩ ĩce;
- 2. he na e f ĩd c ĩ ĩ ĩce e ;
- 3. he e ĩ ĩa ĩ f c ĩ ĩe f ĩ ĩe ĩd c and e ĩ ĩce ;
- 4. he ĩe h d e d ĩ ĩ ĩb e he ĩd c ĩ ĩ ĩ ĩde he e ĩ ĩce ;
- 5. he legal and e ĩ ĩa ĩ ĩ ĩm a c n ĩan fa c ĩ ĩng f ĩd c and e ĩ ĩe ĩng f e ĩ ĩce .

ĩn e ĩ egmen e ĩen e a e mea e d n he ba ĩ fa c al a n a c ĩ ĩ ĩc e f ĩ ĩ ĩ a n a c ĩ ĩ f ĩ egmen e ĩ ĩng, and egmen a c ĩ ĩ ĩ ĩ ĩc e a e c n ĩ ĩen ĩ ĩ ĩ ĩe f ĩ ĩe c n ĩ ĩda ed financial a ĩ ĩmen .

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant changes in accounting policy

- (1) On 10 March 2017, the Ministry of Finance issued the Notice on Implementing the Reissued Accounting Standards for Business Enterprises No. 16, "Guojiaomen Guan" (Cai Kai [2017] No. 15) and the Accounting Standards for Business Enterprises No. 16, "Guojiaomen Guan", which came into effect on 12 June 2017. For the period from 1 January to 30 June 2017, the company adopted the after-adjusted accounting standards for the interim financial statements. The impact of the change in accounting policies on financial statements of the group is as follows:

Contents and reasons for the change	Impacted items on financial statement	Impacted amount for the period from 1 January to 30 June 2017
The "Guojiaomen Guan" relating to the "dina" (differential) of the "fence" shall be included in the income based on the nature of the business; the "Guojiaomen Guan" relating to the "dina" (differential) of the "fence" shall be included in the non-recurring income and expense. For "Guojiaomen Guan" issued on 1 January 2017, the "Guojiaomen Guan" shall be applied, and the "Guojiaomen Guan" issued from 1 January 2017 to the date on which the standard came into effect, adjustments shall be made according to the standard. The comparative financial statements for the period from January to June 2016 were not adjusted.	Other income Non-recurring income	91,032 (91,032)

- (2) On 28 April 2017, the Ministry of Finance issued the Notice on Implementing the Accounting Standards for Business Enterprises No. 42, "Non-current Assets Held for Sale, Disposal Group and Discontinued Operation" (Cai Kai [2017] No. 13), which issued the accounting standards for Business Enterprises No. 42, "Non-current Assets Held for Sale, Disposal Group and Discontinued Operation" shall take effect on 28 March 2017. For the period from 1 January to 30 June 2017, The company's significant impact of the change in accounting policies on financial statements of the group is as follows:

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are made in the preparation of financial statements. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods.

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Critical accounting estimates and judgements (Continued)

(3) Impairment of long-term assets

As described in Note II.20, long-term assets are reviewed at each balance sheet date to determine whether the recoverable amount of the asset is less than carrying amount. If an indication exists that the carrying amount of the asset may be higher than its recoverable amount, the asset is deemed to be impaired and an impairment loss is recognized.

The recoverable amount of an asset (or cash generating unit) is the greater of its fair value less costs of disposal and its value in use. Since a market price for the asset (or cash generating unit) cannot be obtained reliably, the fair value of the asset (or cash generating unit) cannot be determined reliably. In determining value in use, significant judgements are exercised over the asset's cash flows, discount rate, related cash flows and discounting rate calculation. All relevant material which can be obtained are used to estimate the recoverable amount, including the estimate of the cash flows and discounting rate. The value in use is based on reasonable and reliable assumptions.

If the management decided the gross profit margin used in the cash flow calculation for the asset (or cash generating unit) and the decided gross profit margin is lower than the gross profit margin currently used, the Group is required to make adjustments to long-term assets.

If the management decided the discount rate before the cash flow discount and the decided discount rate is higher than the discount rate currently used, the Group is required to make adjustments to long-term assets.

If the actual gross profit margin discount rate is higher than the management's estimate, the Group cannot determine the impairment loss to long-term assets.

(4) Depreciation and amortisation of assets such as fixed assets and intangible assets

As described in Note II.14 and 17, fixed assets and intangible assets are depreciated and amortized on a straight-line basis taking into account residual value. The useful life of the assets is determined based on the estimated useful life and the estimated technical change. If there has been a significant change in the factors that determine the depreciation and amortization, the depreciation and amortization period is revised.

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Notes to the Financial Statements

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III. TAXATION

1. Main taxes categories and rates

Types of tax	Tax basis	Tax rate
Value added tax (VAT)(a)	The VAT calculated based on taxable income from sale of goods and rendering of services, after deducting the deductible VAT of the input VAT taxable	

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III. TAXATION (CONTINUED)

2. Preferential tax treatments

The G ĩ ĩ b ĩ d ĩ ĩe ĩ ĩa ĩe ĩ ĩa ĩe en ĩ led ĩ ĩe ĩ en ĩ al a ĩ ĩa ĩ men a ĩa ĩ f ĩ ĩ :

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
1	Nan ĩng CIMC Special Tan ĩa ĩ n E ĩ ĩ men Man fac ĩe C ĩ, L d.	25%	15%	C n ĩ n e ĩ be ĩ ĩc ĩ ĩi ed a ĩ ĩ ĩ- ech en e ĩ ĩe ĩ 2015 en ĩ led 15% ĩ ĩe ĩ en ĩ al a ĩe
2	Xĩn ĩ ĩ CIMC Special Tan ĩa ĩ n E ĩ ĩ men C ĩ, L d.	25%	15%	C n ĩ n e ĩ be ĩ ĩc ĩ ĩi ed a ĩ ĩ ĩ- ech en e ĩ ĩe ĩ 2016 en ĩ led 15% ĩ ĩe ĩ en ĩ al a ĩe
3	Yang ĩ ĩ R n ang L ĩ ĩ ĩc E ĩ ĩ men C ĩ, L d.	25%	15%	Rec ĩ ĩi ed a ĩ ĩ ĩ-ech en e ĩ ĩe ĩ, ĩ 2014 en ĩ led 15% ĩ ĩe ĩ en ĩ al a ĩe
4	Yang ĩ ĩ T ĩ ĩ ĩee Reefe ĩ C n ĩ ĩe ĩ C ĩ, L d.	25%	15%	Rec ĩ ĩi ed a ĩ ĩ ĩ-ech en e ĩ ĩe ĩ, ĩ 2015 en ĩ led 15% ĩ ĩe ĩ en ĩ al a ĩe
5	H nan CIMC Bamb ĩ ĩd ĩ De ĩ ĩ ĩ men C ĩ, L d.	25%	15%	Rec ĩ ĩi ed a ĩ ĩ ĩ-ech en e ĩ ĩe ĩ, ĩ 2016 en ĩ led 15% ĩ ĩe ĩ en ĩ al a ĩe
6	Dalian CIMC L ĩ ĩ ĩc E ĩ ĩ ĩ men C ĩ, L d.	25%	15%	C n ĩ n e ĩ be ĩ ĩc ĩ ĩi ed a ĩ ĩ ĩ- ech en e ĩ ĩe ĩ 2014 en ĩ led 15% ĩ ĩe ĩ en ĩ al a ĩe
7	Shen ĩ ĩn CIMC Special Vehicle C ĩ, L d.	25%	15%	C n ĩ n e ĩ be ĩ ĩc ĩ ĩi ed a ĩ ĩ ĩ- ech en e ĩ ĩe ĩ 2014 en ĩ led 15% ĩ ĩe ĩ en ĩ al a ĩe
8	Yang ĩ ĩ CIMC T ĩ ĩ ĩ ĩ ĩa Special Vehicle C ĩ, L d.	25%	15%	C n ĩ n e ĩ be ĩ ĩc ĩ ĩi ed a ĩ ĩ ĩ- ech en e ĩ ĩe ĩ 2014 en ĩ led 15% ĩ ĩe ĩ en ĩ al a ĩe
9	Zħ ĩ ĩadian CIMC ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ C ĩ, L d.	25%	15%	C n ĩ n e ĩ be ĩ ĩc ĩ ĩi ed a ĩ ĩ ĩ- ech en e ĩ ĩe ĩ 2015 en ĩ led 15% ĩ ĩe ĩ en ĩ al a ĩe
10	W ĩ ĩ CIMC R ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ CO L d.	25%	15%	Rec ĩ ĩi ed a ĩ ĩ ĩ-ech en e ĩ ĩe ĩ, ĩ 2014 en ĩ led 15% ĩ ĩe ĩ en ĩ al a ĩe
11	L ĩ ĩ ĩ ĩ CIMC ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ CO, L d.	25%	15%	Rec ĩ ĩi ed a ĩ ĩ ĩ-ech en e ĩ ĩe ĩ, ĩ 2016 en ĩ led 15% ĩ ĩe ĩ en ĩ al a ĩe
12	Zhang ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ C ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ C ĩ, L d.	25%	15%	C n ĩ n e ĩ be ĩ ĩc ĩ ĩi ed a ĩ ĩ ĩ- ech en e ĩ ĩe ĩ 2014 en ĩ led 15% ĩ ĩe ĩ en ĩ al a ĩe
13	En ĩ ĩ (Bengb ĩ) C ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ L d.	25%	15%	C n ĩ n e ĩ be ĩ ĩc ĩ ĩi ed a ĩ ĩ ĩ- ech en e ĩ ĩe ĩ 2014 en ĩ led 15% ĩ ĩe ĩ en ĩ al a ĩe

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III. TAXATION (CONTINUED)

2. Preferential tax treatments (Continued)

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
14	Shijia Heng Enric Gas Engineering Co., Ltd.	25%	15%	Company is recognized as a high-tech enterprise in 2014 and led 15% preferential rate
15	Enric (Langfang) Energy Engineering Inegain Co., Ltd.	25%	15%	Company is recognized as a high-tech enterprise in 2015 and led 15% preferential rate
16	Jingmen Heng Special Aircraft Manufacturing Co., Ltd.	25%	15%	Company is recognized as a high-tech enterprise in 2015 and led 15% preferential rate
17	Nanxing CIMC Tank Engineering Co., Ltd.	25%	15%	Company is recognized as a high-tech enterprise in 2015 and led 15% preferential rate
18	Liaoning CIMC Haoheng Gas Lifting Equipment Plant Co., Ltd.	25%	15%	Company is recognized as a high-tech enterprise in 2015 and led 15% preferential rate
19	Nanxing CIMC Energy Engineering Co., Ltd.	25%	15%	Company is recognized as a high-tech enterprise in 2014 and led 15% preferential rate
20	Ziemann Hilaka Asia Co., Ltd.	25%	15%	Recognized as a high-tech enterprise, in 2016 and led 15% preferential rate
21	Shenhen CIMC Tianda Aircraft Systems Co., Ltd.	25%	15%	Company is recognized as a high-tech enterprise in 2014 and led 15% preferential rate
22	Xinfa Aircraft Engineering Co., Ltd.	25%	15%	Recognized as a high-tech enterprise, in 2015 and led 15% preferential rate
23	Shenhen CIMC Tianda Logistics System Engineering Co., Ltd.	25%	15%	Recognized as a high-tech enterprise, in 2016 and led 15% preferential rate
24	Shenhen CIMC Intelligent Technology Co., Ltd.	25%	15%	Company is recognized as a high-tech enterprise in 2014 and led 15% preferential rate

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Please refer to VI.1 and IV.13 for the definition of Subsidiaries, associates and joint ventures.

1. Cash at bank and on hand

	30 June 2017	31 December 2016
Cash on hand	155,947	157,493
Bank deposits	5,171,582	5,711,162
Other cash balance	409,573	457,343
Total	5,737,102	6,325,998
Including: cash at bank	2,516,745	1,938,284

As at 30 June 2017, the cash at bank and on hand of the Group amounted to RMB816,845,000 (31 December 2016: RMB987,257,000), refer to Note IV.24 for details.

As at 30 June 2017, the cash at bank and on hand of the Group mentioned above included deposits of Finance Company in the People's Bank of China, amounting to RMB404,982,000 (31 December 2016: RMB504,795,000). Finance Company is a finance institution established by the People's Bank of China.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Financial assets at fair value through profit or loss

(1) Classification

	Notes	30 June 2017	31 December 2016
Current Portion			
1. Investments in equity instruments held for trading			
- Listed companies	(3)	180,357	138,072
2. Derivative financial assets			
- Forward foreign exchange contracts	(4)	1,759	1,782
- Commodity contracts	(5)	609	-
3. Hedging Instruments		4,392	1,306
Total		187,117	141,160
Non-current Portion			
Derivative financial assets			
- Interest rate swaps	(6)	249,034	325,187
Total		249,034	325,187

- (2) As at 30 June 2017, there is no material restriction of the investment in financial assets at fair value through profit or loss.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Financial assets at fair value through profit or loss (Continued)

- (3) The equity instruments held for trading are securities listed on the Stock Exchange of Hong Kong Limited and Singapore Exchange Limited, the fair value of securities is determined at the closing price of the Stock Exchange of Hong Kong Limited, Shanghai Stock Exchange and Singapore Exchange Limited on the last trading day of the period.

(4) Forward foreign exchange contracts

As at 30 June 2017, the Group had certain net forward contracts, mainly denominated in US dollar, Japanese Yen, Great Britain Pound and Euro. The nominal value of the contracts amounted to US dollar (USD) 33,500,000, Japanese Yen (JPY) 696,890,000, Great Britain Pound (GBP) 6,500,000 and Euro (EUR) 11,500,000, respectively. Pursuant to the forward contracts, the Group agreed to buy / sell foreign currencies, such as USD, Japanese Yen, Great Britain Pound, Euro for contracted nominal value at agreed rate in exchange of RMB at the contract settlement date. The forward contracts will be settled on the basis of the market rate at the settlement date and the agreed rate. The settlement date of the forward contracts range from 10 July 2017 and 16 April 2018.

(5) Currency swap contracts

As at 30 June 2017, the Group had 5 net settled currency swap contracts denominated in US dollar and Yuan (RMB). The initial nominal value of the contracts amounted to USD15,000,000 and RMB52,847,000. The contracts will mature at 25 September 2017, 20 December 2017, 20 December 2017, 20 December 2017, 20 December 2017, respectively. As at 30 June 2017, the fair value of the currency swap contracts amounted to RMB333,000, which included a debit and recognized a financial asset at fair value through profit and financial liability at fair value through profit or loss. Transaction gains/losses have not been recognized when calculating the fair value.

(6) Interest swap contracts

As at 30 June 2017, the Group had 19 net settled interest swap contracts denominated in US dollar, with a nominal value amounting to USD1,453,802,000, and a fair value of RMB247,296,000. The settlement date of the forward interest swap contracts range from 1 January 2019 to 28 June 2021.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Notes receivable

(1) Classification of Notes receivable

	30 June 2017	31 December 2016
Bank acceptance note	990,955	1,374,487
Trade acceptance note	105,295	161,704
Total	1,096,250	1,536,191

All of the above bill receivable are due within one year.

No amount of the above has been held by the Group for the period ending 30 June 2017. The Company included in the above balance of bill receivable.

(2) As at 30 June 2017, pledged notes receivable of the group are as follows:

	30 June 2017
Bank acceptance note	77,953

(3) As at 30 June 2017, there was amount transferred from notes to accounts receivable due to failure of performance by the issuers (31 December 2016: 0.2 million).

(4) As at 30 June 2017, outstanding notes receivable endorsed by the Group are as follows:

	Derecognised	Not Derecognised
Bank acceptance note	1,266,791	178,447
Trade acceptance note	5,960	-
Total	1,272,751	178,447

The aging is calculated from the data and the acceptable is recognized.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(3) Accounts receivable analysed by categories is as follows:

	30 June 2017				31 December 2016			
	Book balance		Provision for doubtful debts		Book balance		Provision for doubtful debts	
	Amount	% of total balance	Amount	Ratio(%)	Amount	% of total balance	Amount	Ratio(%)
Accounts receivable arising from individual related parties (4)	4,036,854	23.72%	151,090	3.74%	2,987,769	24.58%	142,565	4.77%
Accounts receivable arising from individual unrelated parties (5)	487,571	2.87%	63,238	12.97%	599,213	4.93%	63,181	10.54%
Provision for doubtful debts collected as follows*								
Group companies	4,809,768	28.26%	15,176	0.32%	1,733,265	14.26%	14,762	0.85%
Group companies in vehicle	2,256,230	13.26%	91,326	4.05%	1,315,102	10.82%	100,810	7.67%
Group companies in energy, chemical and related industries	2,918,218	17.15%	205,248	7.03%	2,911,678	23.95%	201,187	6.91%
Group companies in facilities	677,157	3.98%	53,027	7.83%	944,708	7.77%	54,025	5.72%
Group companies in logistics	1,010,207	5.94%	37,642	3.73%	1,002,835	8.25%	34,573	3.45%
Group companies in healthcare	370,019	2.17%	16,600	4.49%	303,664	2.50%	6,020	1.98%
Group companies in others	451,727	2.65%	13,386	2.96%	357,077	2.94%	12,113	3.39%
Group balance (6)	12,493,326	73.41%	432,405	3.46%	8,568,329	70.49%	423,490	4.94%
Total	17,017,751	100.00%	646,733	3.80%	12,155,311	100.00%	629,236	5.18%

Note*: This category includes accounts receivable from individual related parties.

As at 30 June 2017, the Group did not hold any collateral for accounts receivable that were made available for use.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

- (4) As at 30 June 2017, accounts receivable with amounts that are individually significant and that the related provision for doubtful debts is set aside on the individual basis:

	Book balance	Provision for doubtful debts	Ratio(%)	Reason
Container	1,386,730	51,251	3.70%	
Tanaka vehicle	737,225	51,706	7.01%	
Energy and chemical & Food items	385,942	22,020	5.71%	Provision is based on the estimated recoverable amount
Health	432,394	18,017	4.17%	amounts for credit risk and historical data
Offshore engineering	569,783	125	0.02%	
Air facilities	282,847	4,661	1.65%	
Logistics service	121,724	2,731	2.24%	
Others	120,209	579	0.48%	
Total	4,036,854	151,090	3.74%	

- (5) As at 30 June 2017, accounts receivable with amounts that are not individually significant but that the related provision for doubtful debts is set aside on the individual basis:

	Book balance	Provision for doubtful debts	Ratio(%)	Reason
Container	68,505	5,294	7.73%	
Tanaka vehicle	285,271	49,105	17.21%	Provision is based on the estimated recoverable amount
Offshore engineering	17,445	2,250	12.90%	amounts for credit risk and historical data
Logistics service	28,999	1,087	3.75%	
Air facilities	6,928	590	8.52%	
Others	80,423	4,912	6.11%	
Total	487,571	63,238	12.97%	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(6) The aging analysis of provision for doubtful debts collectively assessed:

	30 June 2017			31 December 2016		
	Book balance Amount	Provision for doubtful debts Amount	Ratio (%)	Book balance Amount	Provision for doubtful debts Amount	Ratio (%)
Within 1 year	11,361,722	103,698	0.91%	7,386,617	77,585	1.05%
1-2 years	575,783	28,053	4.87%	604,679	59,829	9.89%
2-3 years	330,333	189,392	57.33%	368,380	151,792	41.21%
Over 3 years	225,488	111,262	49.34%	208,653	134,284	64.36%
Total	12,493,326	432,405	3.46%	8,568,329	423,490	4.94%

The aging is calculated from the date when the accounts receivable is recognized.

(7) Reversal or recovery of provision for the period

The provision for doubtful debts for the period amounted RMB79,347,000 (For the period from 1 January 2016 to RMB14,445,000), and the provision for doubtful debts amounted RMB53,359,000 has been collected. (For the period from 1 January 2016 to Nil)

(8) Accounts receivable that are written off in current period

The accounts receivable amounted RMB9,312,000 are written off in the current period. (For the period from 1 January 2016 to Nil).

(9) As at 30 June 2017, the five largest balances of accounts receivable are analysed as follows, accumulated by arrearage parties:

	Book balance	Provision for doubtful debts	% of total accounts receivable
Sum of the five largest accounts receivable	2,729,716	-	16.04%

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(10) Accounts receivable from related parties:

As at 30 June 2017, the Group's accounts receivable derived from related parties amounted to RMB218,804,000 (31 December 2016: 254,396,000), accounting for 1.29% of the total accounts receivable (31 December 2016: 2.09%).

Company name	Relationship with the Group	30 June 2017			31 December 2016		
		Amount	Ratio (%)	Provision for doubtful debts	Amount	Ratio (%)	Provision for doubtful debts
Ningxia Changming Natural Gas Development Co., Ltd.	Associate	75,420	0.44%	-	78,389	0.64%	-
Shanghai De'Ang Automobile C&C Truck Co., Ltd.	Minor shareholder of subsidiary	60,476	0.36%	-	27,987	0.23%	-
Fluor Ma'ime Limited (FML)	Subsidiary of significant shareholder	38,523	0.23%	-	7,311	0.06%	-
Fluor Chemical Service Ltd.	Subsidiary of significant shareholder	12,419	0.07%	-	-	0.00%	-
Gasfin International S.A. (Gasfin)	Minor shareholder of subsidiary	8,142	0.05%	-	8,183	0.07%	-
SUMITOMO CORPORATION	Minor shareholder of subsidiary	7,631	0.04%	-	56,538	0.46%	-
NYK Zhenhua	Joint Venture	4,473	0.03%	-	5,795	0.05%	-
China Mechanical Equipment Engineering Co., Ltd.	Subsidiary of significant shareholder	4,180	0.02%	-	-	0.00%	-
Dongfang Inepai (China LianYing Gang) Co., Ltd. (Dongfang Inepai)	Subsidiary of significant shareholder	1,879	0.01%	-	27,650	0.23%	-
Gasfin Development GmbH	Minor shareholder of subsidiary	1,709	0.01%	-	1,610	0.01%	-
Xinhua World	Associate	1,154	0.01%	-	1,154	0.01%	-
Other related parties		2,798	0.02%	-	39,779	0.33%	-
Total		218,804	1.29%	-	254,396	2.09%	-

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For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(11) Accounts receivable derecognised due to transfer of financial assets

As at 30 June 2017, the Group has no accounts receivable derecognised due to transfer of financial assets (31 December 2016: Nil).

(12) Amount of assets and liabilities recognised due to the continuing involvement of securities accounts receivable

There has been no continuing involvement of securities accounts receivable as at 30 June 2017 and 31 December 2016.

(13) As at 30 June 2017, the Group has no restricted accounts receivable (31 December 2016: Nil).

5. Other receivables

(1) Other receivables analysed by categories are as follows:

	30 June 2017	31 December 2016
Receivable arising from financing related parties	550,077	873,585
Receivable from lease contracts / lease contracts	4,265,196	4,020,057
Advance payments and financial gain (i)	1,658,985	1,658,985
Loan (ii)	473,022	1,011,616
Accounts receivable under lease agreements (iii)	1,020,166	999,926
Receivable from demurrage charges	28,613	572,258
Securities	823,600	663,995
Tax refund receivable	234,831	167,099
Others	900,111	960,805
Subtotal	9,954,601	10,928,326
Less: provisions and doubtful	(1,710,625)	(1,580,439)
Total	8,243,976	9,347,887

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

(1) Other receivables analysed by categories are as follows: (Continued)

- (i) An indirect wholly-owned subsidiary of Enric and an indirect subsidiary of the Group, CIMC Enric International Holding (Shenzhen) Ltd. (EIHL), entered into an agreement (Agreement) on 27 August 2015 with SOEG PTE LTD (SOEG), Jiang Pacific Shipping Group Co., Ltd. (Jiang Pacific) and Eegreen Group Co., Ltd. (Eegreen) (collectively, the Vendors), under which the Vendors agreed to sell and EIHL agreed to purchase 100% equity interest in Sin Pacific Offshore & Engineering Co., Ltd. (SOE). Afterward, the Company, SOE and Eegreen entered into a financial assistance framework agreement (Financial Assistance Agreement) which governed the financial assistance provided by the Group, SOE in the form of loan and guarantee. As at 31 June 2016, Enric announced that the Board had decided certain conditions precedent in the Agreement could not be fulfilled and the Vendors had breached certain material terms of the Agreement. EIHL delivered a termination notice to the Vendors to terminate the Agreement and the Vendors refused to comply with the demand for termination of 178,634,000. On the same date, the Company delivered a termination notice to SOE and Eegreen to terminate the Financial Assistance Agreement and the SOE should have repaid 482,052,000 and released the guarantee for the bank loan of 1,000,000,000 provided by a subsidiary of Enric, in favour of SOE.

During the second half year of 2016, the debt of 1,000,000,000 pledged for SOE's bank loan has been increased by the bank as SOE failed to repay the bank loan on time. As at 31 December 2017, the recoverable debt from SOE amounted to 1,480,351,000. Based on the information available, Enric has made a provision in favour of 178,634,000 and 1,184,281,000 respectively for the demand from the Vendors and the recoverable from SOE in the amount of 1,362,915,000 during the year ended 31 December 2016.

SOE's management has been advised by the SOE Internal and Litigation Team (the Receivers) which has advised that the PRC Court. On 5 July 2017, EIHL, SOE and the Receivers entered into a continuing interim agreement under which EIHL has agreed to continue to provide the management of SOE with the necessary support for SOE's operation and the Receivers have agreed to provide the necessary support for SOE's operation. Since then, the continuing arrangement has been agreed by SOE's creditors and the creditors' meeting has approved the PRC Court on 4 August 2017.

For the period ended 30 June 2017, based on the information available and the date of the recovery of the receivable, Enric has made an impairment provision in favour of 105,549,000 in the recoverable debt from SOE. As at 30 June 2017, Enric has made a provision in favour of 178,634,000 and 1,289,830,000 respectively for the demand from the Vendors and the recoverable from SOE in the amount of 1,468,464,000.

- (ii) The borrowing mainly obtained in the bank borrowing from the Finance Company in the amount of 135,488,000 which ended from 13 July 2017; and a management fee and other charges.
- (iii) A lease agreement entered into with a lease agreement mainly obtained in the bank ledger-lease arrangement from Finance Company, the fee for the subsidiary of the Group.

(2) Aging analysis of other receivables is as follows:

	30 June 2017	31 December 2016
Within 1 year (Inclusive)	9,174,370	9,667,565
1 to 2 years (Inclusive)	558,934	999,143
2 to 3 years (Inclusive)	31,344	95,819
Over 3 years	189,953	165,799
Subtotal	9,954,601	10,928,326
Less: provision for doubtful debts	(1,710,625)	(1,580,439)
Total	8,243,976	9,347,887

The aging is calculated from the date that the receivable was recognized.

As at 30 June 2017 and 31 December 2016, the Group has no other material receivable recorded in the impairment (31 December 2016: Nil).

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For the period ended from 1 January and ended 30 June 2017

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(English Text has Prevailing Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

(3) Other receivables analysed by categories are as follows:

Note	30 June 2017				31 December 2016			
	Book balance		Provision for doubtful debts		Book balance		Provision for doubtful debts	
	Amount	% of total balance	Amount	Ratio (%)	Amount	% of total balance	Amount	Ratio (%)
Other receivable in amount that are individually significant (4)	8,234,184	82.72%	1,604,552	19.49%	9,379,989	85.83%	1,503,143	16.02%
Other receivable in amount that are not individually significant	1,720,417	17.28%	106,073	6.17%	1,548,337	14.17%	77,296	4.99%
Total	9,954,601	100.00%	1,710,625	17.18%	10,928,326	100.00%	1,580,439	14.46%

The Group did not hold any collateral as for other receivable in provision for bad debts.

(4) As at 30 June 2017, other receivables with amounts that are individually significant:

	Book balance	Provision for doubtful debts	Ratio (%)	Reason
Receivable arising from financing leased assets	490,664	-	0.00%	None
Receivable arising from lease contracts increased/decreased in fees	4,119,061	-	0.00%	None
Loan	278,889	72,255	25.91%	None
Redemption from demurrage claim	1,020,166	-	0.00%	None
Advance payment fees and financial gain	1,658,985	1,468,464	88.52%	None
Tax refund receivable	51,531	-	0.00%	None
Others	614,888	63,833	10.38%	None
Total	8,234,184	1,604,552		

Note 1: The provision for doubtful debts is individually assessed based on the recoverability of individual balance.

(5) Reversal or recovery of provision for the period

The provision for doubtful debts has ended at RMB142,700,000 (For the period from 1 January to 30 June 2016: RMB412,354,000). A provision for doubtful debts amount of RMB777,000 (For the period from 1 January to 30 June 2016: RMB68,853,000) has been reversed/recovered.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

(6) Other receivables that are written off in current period

Other receivable written off in current period amounted to RMB6,579,000 (For the period ended June 30 2016: Nil).

(7) As at 30 June 2017, the five largest balances of other receivables are analysed as follows, accumulated by arrearage parties:

	Notes	Nature	Book balance	Aging	% of total balance	Provision for doubtful debts
Tianjin Lan h i Off ha e Enginee ing Limied	(i)	Receivable arising from sale of land	3,575,000	Within 1 year	35.91%	-
Shanghai (Tianjin Lan h i)		Advance payment for land	1,658,985	Within 1 year	16.67%	1,468,464
Sin acific Off ha e & Enginee ing C ., L d		Advance payment for land	503,568	1-2 years	5.06%	-
Zhenjiang CIMC Embellish Y Real Estate C ., L d	(ii)	Receivable from Associates	299,950	3-5 years	3.01%	-
Changjiang Securities Company Limited		Balance due to share	152,100	Within 1 year	1.53%	-
Ji h Securities Company Limited		Balance due to share				
Total			6,189,603		62.18%	1,468,464

The total amount of the Group's five largest other receivable as at 31 December 2016 amounted to RMB7,130,634,000, accounting for 65.25% of the total balance.

(i) As at 23 December 2016, Qianhai CIMC Leasing (Shenzhen) Co., Ltd. (referred to as "Qianhai Leasing"), the former subsidiary, and Tianjin YngWang machine equipment leasing Ltd (referred to as "Tianjin YngWang"), the former subsidiary, and Tianjin Bi eWang signed a joint investment agreement and industrial and commercial registration in a changed on 28 December 2016. As at 30 June 2017, the total bill 3.575 billion has been received. According to the contract, after the date of the financial statement, Tianjin Bi eWang should have been an annual expected earning field for the 4.9853% from 2017-2019 which will be paid from the year 2018. After the end of the period, the difference of the financial statement and the non-current liability in the balance sheet of 487,632,000 will be the difference of the financial statement and the non-current liability in the balance sheet of 487,632,000.

(ii) As at 14 October 2016, 80% share of Embellish Y Real Estate, the wholly-owned subsidiary of the Group, was transferred to Nanjing Ga ch n C n - Ga den Real Estate Development Co., Ltd (referred to as "C n - Ga den") by the Group and the industrial and commercial registration in a changed then. The interest of the lending from the Group Embellish Y Real Estate was transferred to the lending from the Group C n - Ga den. According to the joint investment agreement, in the next 9 months after the industrial and commercial registration in the C n - Ga den will be Embellish Y Real Estate's interest in the Group. As at 30 June 2017, the total amount of the Group's RMB503,568,000.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

- (8) Other receivables from shareholders holding more than 5% (including 5%) of the voting rights of the Company are analysed as follows:

As at 30 June 2017 and 31 December 2016, no amount due from shareholders holding more than 5% (including 5%) of the voting rights of the Company is included in the above balance of other receivables.

- (9) As at 30 June 2017, other receivables from related parties are analysed as follows:

Company name	Relationship with the Group	30 June 2017				31 December 2016			
		Amount	Nature	% of total balance	Provision for doubtful debts	Amount	Nature	% of total balance	Provision for doubtful debts
Ruiyi Real Estate	Associate	503,568	Funding	5.06%	-	824,391	Funding	7.54%	-
China Merchants Development Co., Ltd.	Subsidiary of significant shareholder	70,650	Transfer of equity	0.71%	-	70,650	Transfer of equity	0.65%	-
Shanghai Fengang	Associate	34,204	Funding	0.34%	-	34,204	Funding	0.31%	-
Xingang World Ind.	Associate	12,305	Funding	0.12%	-	436	Funding	0.00%	-
Others		24,247		0.24%	-	16,463		0.15%	-
		644,974		6.48%	-	946,144		8.66%	-

6. Prepaid expenses

- (1) Prepaid expenses analysed by categories are as follows:

	30 June 2017	31 December 2016
Raw material (including expenses for hire of container)	2,519,661	2,313,829
Cost of hire of container	864	553
Others	106,137	78,567
Subtotal	2,626,662	2,392,949
Less: provision for doubtful debts	(233,632)	(226,967)
Total	2,393,030	2,165,982

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Prepaid expenses (Continued)

(2) Aging analysis of prepaid expenses is as follows:

	30 June 2017		31 December 2016	
	Amount	% of total balance	Amount	% of total balance
Within 1 year (Incl. 1 year)	1,562,745	59.50%	1,201,088	50.19%
1 - 2 years (Incl. 1 year)	164,197	6.25%	285,595	11.94%
2 - 3 years (Incl. 1 year)	272,648	10.38%	619,004	25.87%
Over 3 years	627,072	23.87%	287,262	12.00%
Sub-total	2,626,662	100.00%	2,392,949	100.00%
Less: Provision for doubtful debts	(233,632)	8.89%	(226,967)	9.48%
Total	2,393,030	91.11%	2,165,982	90.52%

The aging is calculated from the date the prepaid expense is incurred.

Of the prepaid expense aged over 3 years, mainly the expense incurred for the purchase of materials and engineering services from the Group. Since the end of the engineering services, all the remaining balance of the prepaid expense has been settled.

(3) As at 30 June 2017, the five largest balances of prepaid expenses are analysed as follows, accumulated by arrearage parties:

	Amount	% of total balance
Sum of the five largest arrearage parties	968,260	36.86%

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Prepaid expenses (Continued)

- (4) The condition of the companies whose shareholders hold 5% (including 5%) or more of the voting shares of the Company in the prepayments at the end of the year

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

(1) Inventories are summarised by categories as follows:

	30 June 2017			31 December 2016		
	Book balance	Provision for decline in the value of inventories	Net book Value	Book balance	Provision for decline in the value of inventories	Net book Value
Raw material	3,705,526	(168,780)	3,536,746	3,252,604	(163,944)	3,088,660
Work in progress	2,569,392	(27,821)	2,541,571	2,223,924	(27,978)	2,195,946
Finished goods	4,109,445	(112,544)	3,996,901	3,713,285	(125,107)	3,588,178
Construction materials	212,003	(242)	211,761	113,302	(242)	113,060
Stores and spare parts	184,079	(4,655)	179,424	213,712	(1,538)	212,174
Low value consumables	40,055	(76)	39,979	35,951	(72)	35,879
Material in transit	30,731	-	30,731	22,887	-	22,887
Completed but not yet sold	801,710	-	801,710	852,395	-	852,395
Prepaid expenses	1,425,597	-	1,425,597	1,400,761	-	1,400,761
Offshore engineering services	4,718,967	(121)	4,718,846	4,658,377	(123)	4,658,254
Amounts due from customers (4)	853,605	-	853,605	1,241,321	-	1,241,321
Total	18,651,110	(314,239)	18,336,871	17,728,519	(319,004)	17,409,515

As at 30 June 2017, the Group's closing balance of inventories included cash and cash equivalents of 263,341,000 (31 December 2016: 187,359,000). The increase is due to the increase in cash and cash equivalents of 3.39% (31 December 2016: 4.07%).

As at 30 June 2017, the Group's closing balance of inventories included inventories of (31 December 2016: Nil).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

(2) Analysis of book balance movement of inventories for the period is as follows:

	31 December 2016	Increased during the period	Decreased during the period	30 June 2017
Raw material	3,252,604	22,385,554	(21,932,632)	3,705,526
Work in progress	2,223,924	17,436,459	(17,090,991)	2,569,392
Finished goods	3,713,285	28,817,225	(28,421,065)	4,109,445
Construction in progress	113,302	1,299,933	(1,201,232)	212,003
Stores and spare parts	213,712	301,210	(330,843)	184,079
Leased container	35,951	136,378	(132,274)	40,055
Material in transit	22,887	50,168	(42,324)	30,731
Completed but not yet sold	852,395	406,123	(456,808)	801,710
Pre-owned equipment	1,400,761	240,987	(216,151)	1,425,597
Offshore engineering equipment	4,658,377	86,687	(26,097)	4,718,967
Amortized intangible assets	1,241,321	4,110,882	(4,498,598)	853,605
Total	17,728,519	75,271,606	(74,349,015)	18,651,110

(3) Provision for decline in the value of inventories are as follows:

Category	31 December 2016	Increased during the period	Decreased during the period		Exchange Difference arising from translation	30 June 2017
		Increased	Real	Write-off		
Raw material	163,944	40,938	(39,065)	(993)	3,956	168,780
Work in progress	27,978	431	(1,575)	(435)	1,422	27,821
Finished goods	125,107	38,387	(41,076)	(10,509)	635	112,544
Construction in progress	242	-	-	-	-	242
Stores and spare parts	1,538	-	(1,565)	(4,458)	9,140	4,655
Leased container	72	4	-	-	-	76
Offshore engineering equipment	123	-	-	-	(2)	121
Amortized intangible assets	-	-	-	-	-	-
Total	319,004	79,760	(83,281)	(16,395)	15,151	314,239

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

(3) Provision for decline in the value of inventories are as follows: (Continued)

- (a) The line decline in ale of he G ' in en ie d ing he e i d a ec gni ed main f he ice d f ce ain d c and he l -m ing a e m a i a i l.

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f *ff/ll* :

Category	Basis for provision	Reason for reversal/write-off
Raw material	The net realisable value of inventory is less than the net book value	Inventory is sold at a profit
Work in progress	The net realisable value of inventory is less than the net book value	Inventory is sold at a profit
Finished goods	The net realisable value of inventory is less than the net book value	Inventory is sold at a profit
Construction contract	The net realisable value of inventory is less than the net book value	Inventory is sold at a profit
Share	The net realisable value of inventory is less than the net book value	Inventory is sold at a profit
Liability	The net realisable value of inventory is less than the net book value	Inventory is sold at a profit
Offshore engineering firm	The net realisable value of inventory is less than the net book value	Inventory is sold at a profit
Amendment to contract	The net realisable value of inventory is less than the net book value	Inventory is sold at a profit

(4) Amount due from customer for contract work

	30 June 2017	31 December 2016
Aggregated and confirmed data (Leaseable)	4,138,034	6,293,908
Lease billing received and receivable	(3,349,614)	(5,131,718)
	788,420	1,162,190
Including:		
Concurrence of lease billing	853,605	1,241,321
Pre-billing concurrence	(65,185)	(79,131)
	788,420	1,162,190

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Assets classified as available for sale

	30 June 2017			
	Book value	Fair value	Expected disposal costs	Expected disposal time
Intangible assets	26,401	26,401	-	2017
Fixed assets	92,269	115,743	6,768	2017
Intangible assets	85,177	97,563	4,614	2017
Total	203,847	239,707	11,382	

As at 11 November 2016, the balance of the Badwill of the Group's subsidiary, Jidong (Qinhangda) Vehicle Manufacturing Co., Ltd., the fair value of the Group's signed and cancellable agreement with the Qinhangda Economic and Technological Development Zone Land Acquisition and Release Center, which is fixed at the carrying amount of 36,377,000 and intangible assets at the carrying amount of 74,954,000. The agreement is expected to be completed within 2017. As at 16 November 2016, the balance of the Badwill of the Group's subsidiary, CIMC Vehicle (Group) Xinjiang Co., Ltd., the fair value of the Group's signed and cancellable agreement with the Xinmen Intangible Assets at the carrying amount of 26,401,000, fixed assets at the carrying amount of 55,892,000 and intangible assets at the carrying amount of 10,223,000. Urumqi High-tech Industrial Development Zone (New Urban Area) People's Government and the Management Committee of Urumqi Hi-Tech Industrial Development Zone, which is expected to be completed by 2017. The above-mentioned assets are identified as available for sale and are included in the balance sheet (31 December 2016: 203,847,000).

9. Current portion of non-current assets

	30 June 2017	31 December 2016
Finance lease receivable	5,677,533	5,467,492
Leasehold financing income	(1,179,085)	(1,252,505)
Finance lease receivable-net	4,498,448	4,214,987
Sale of goods in progress	19,769	33,378
Others	4,401	518
Subtotal	4,522,618	4,248,883
Leasehold improvements	(404,590)	(307,194)
Total	4,118,028	3,941,689

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Current portion of non-current assets (Continued)

As at 30 June 2017, the balance of the long-term receivable from related parties due within one year of the Group was 36,658,000 (31 December 2016: 108,990,000).

Company Name	Relationship with the Group	30 June 2017	31 December 2016
LiH Energy and Power Co., Ltd. (LiH Energy)	Associate	26,619	90,752
Y&C Engine Co., Ltd. (Y&C Engine)	Joint Venture	10,039	18,238
Total		36,658	108,990

Current non-current assets are classified as follows:

	30 June 2017				31 December 2016			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance
Current non-current assets which are individually significant and individually impaired by loss	310,099	6.86%	77,175	24.89%	143,170	3.37%	49,775	34.77%
Current non-current assets which are combined with individually impaired by loss *	4,212,519	93.14%	327,415	7.77%	4,105,713	96.63%	257,419	6.27%
Total	4,522,618	100.00%	404,590	8.95%	4,248,883	100.00%	307,194	7.23%

Note*: This category includes non-current assets due within one year which have been classified as impaired in individual cases.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Other current assets

	30 June 2017	31 December 2016
Tax deductible/ withheld	704,034	656,847
Others	15,142	45,631
Total	719,176	702,478

11. Available-for-sale financial assets

	30 June 2017	31 December 2016
Measured at fair value		
Available-for-sale equity investments - Listed	1,761	2,441
Financial asset	20,000	-
Bond	31,086	30,803
Measured at historical cost		
Available-for-sale equity investments (1), Unlisted	411,970	412,240
Others	10	307
Less: Impairment	(3,065)	(3,065)
	461,762	442,726

- (1) Because the equity investments of these companies have no quoted price in active market and their fair value cannot be reliably measured, such investments are stated at cost less any impairment losses.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Available-for-sale financial assets (Continued)

(2) Detailed information of the available-for-sale financial assets:

Available-for-sale equity instruments measured at fair value:

	30 June 2017	31 December 2016
Available-for-sale equity instruments		
Fair value	1,761	2,441
Historical cost	4,582	4,582
Accumulated net change in fair value of available-for-sale financial assets recognized in the income statement	(2,821)	(2,141)
Financial instrument		
Fair value	20,000	-
Historical cost	20,000	-
Accumulated net change in fair value of available-for-sale financial assets recognized in the income statement	-	-
Bond		
Fair value	31,086	30,803
Historical cost	31,813	31,914
Accumulated net change in fair value of available-for-sale financial assets recognized in the income statement	(727)	(1,111)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Available-for-sale financial assets (Continued)

(2) Detailed information of the available-for-sale financial assets: (Continued)

Available-for-sale equity investments measured at fair value:

	31 December 2016	Increased in 2016	Decreased in 2016	30 June 2017	Shareholding percentage	Carrying amount
Available-for-sale equity investments						
China United International Rail Container Company Limited (CR International)	380,780	-	-	380,780	10.00%	4,000
Bank of Communications Shanghai Finance Management Company Limited (BOCM Shanghai)	8,125	-	-	8,125	5.00%	-
Beihai Yinyuan Company Limited (Beihai Yinyuan)	1,700	-	-	1,700	1.01%	-
Guangdong Sameng Engineering Company Limited (Guangdong Sameng)	1,365	-	-	1,365	0.09%	-
Donghai Container Terminal Service Company Limited	270	-	(270)	-	0.00%	-
Zhuhai Yinhua Technology Company Limited (Zhuhai Yinhua)	20,000	-	-	20,000	2.00%	-
Subtotal	412,240	-	(270)	411,970		4,000
Provisional impairment	(3,065)	-	-	(3,065)		-
Total	409,175	-	(270)	408,905		-

Available-for-sale equity investments measured at fair value mainly consist of investments in unlisted companies, which do not have quoted prices in active markets. The available-for-sale investments are fair value measurements, and the availability of the investments cannot be reasonably confirmed. Thus, the fair value cannot be determined reliably. The Group therefore has elected to measure them at cost.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables

	30 June 2017	31 December 2016
Finance Lease Receivable	21,106,913	21,814,831
Less: Unearned financing income	(7,601,148)	(8,593,181)
Finance lease receivable-net	13,505,765	13,221,650
Sale of goods in instalment	235,898	325,592
Others	210,113	158,052
Sub-total	13,951,776	13,705,294
Less: Provision for impairment	(452,449)	(485,052)
Total	13,499,327	13,220,242

At the end of 30 June 2017, the impairment loss on long-term receivable decreased from 5% (including the impairment loss on long-term receivable) to 5% (including the impairment loss on long-term receivable) (31 December 2016: Nil).

The total of the minimum lease receivable under finance lease after the balance sheet date, which is based on the contractual cash flows (including in the amount of the contractual cash flows) if the balance sheet date is the balance sheet date, is as follows:

Minimum lease receivable	30 June 2017	31 December 2016
Within 1 year (including)	5,677,533	5,467,492
1 and 2 years (including)	3,746,417	3,608,636
2 and 3 years (including)	2,543,013	2,261,810
Over 3 years	14,817,483	15,944,385
Sub-total	26,784,446	27,282,323
Less: unearned finance income	(8,780,233)	(9,845,686)
Total	18,004,213	17,436,637

At 30 June 2017, the impairment loss on long-term receivable decreased from 5% (including the impairment loss on long-term receivable) to 5% (including the impairment loss on long-term receivable) (31 December 2016: Nil).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables (Continued)

At the end of 30 June 2017, the Group's long-term receivable deferred amount was 213,007,000 (31 December 2016: 107,298,000).



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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments

(1) Classification of long-term equity investments:

		30 June 2017	31 December 2016
Joint venture	(2)	512,490	500,501
Associate	(3)	1,736,940	1,661,718
		2,249,430	2,162,219
Less: impairment		(2)	(2)
Total		2,249,428	2,162,217

The impairment allowance is in the consolidated financial statements.

No impairment loss is recognized which is reflected in the consolidated financial statements and the joint venture and associate.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

(2) Long-term equity investments in joint ventures:

	31 December 2016	Movements in consolidated					Change in foreign exchange rate	30 June 2017	Percentage ownership
		Inc./decr./ disposal in the period	Net financial assets disposed	Adjustment for impairment losses	Other movements	Capital dividend received			
Guangdong CIMC Logistic Equipment Manufacturing Co., Ltd.	36,294	-	3,345	-	-	-	-	39,639	-
Shanghai (Shanghai) Refrig. Equip. Co., Ltd.	2,171	-	(295)	-	-	-	-	1,876	-
Shanghai Shen's Special Vehicle Parts Co., Ltd.	11,340	-	-	-	-	-	(338)	11,002	-
NYK Zhenhai Logistics (Tianjin) Co., Ltd.	75,432	-	823	-	-	(4,753)	-	71,502	-
Kaifeng Zhenghai Logistics (Tianjin) Co., Ltd.	22,330	-	1,417	-	-	-	-	23,747	-
Qingdao Jiefeng Baijian Container Mainenance Co., Ltd.	14,531	-	1,476	-	-	-	(433)	15,574	-
Dalian Jilong & Baijian Logistics Co., Ltd.	5,678	-	397	-	-	(1,000)	(169)	4,906	-
Shanghai Baijian De'ei Container Mainenance Co., Ltd.	23,888	-	2,045	-	-	-	(711)	25,222	-
Tianjin Jinshi Baijian Container Mainenance Co., Ltd.	7,933	-	1,087	-	-	-	(236)	8,784	-
Y&C Engine Co., Ltd.	195,777	-	6,149	-	-	-	-	201,926	-
Shenzhen CIMC Mobile International Service Co., Ltd.	1,630	-	(1,015)	-	-	-	-	615	-
Ningbo Meihuan Bonded Area Changhui Liancheng Logistics Management Park (Limited Partnership)	50,100	3,000	-	-	-	-	-	53,100	-
Hangzhou Yinghe Logistics Management Park (Limited Partnership)	20,100	1,200	-	-	-	-	-	21,300	-
Nei Mongol Shining UG	33,287	-	-	-	-	-	-	33,287	-
Hangzhou Xin'e Logistics Management Park (Limited Partnership)	10	-	-	-	-	-	-	10	-
Total	500,501	4,200	15,429	-	-	(5,753)	(1,887)	512,490	-

Refer to Note VI.2 for details in joint ventures.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

(3) Long-term equity investments in associates:

	Movement in the period										30 June 2017	Profit/(Loss) attributable to the investee
	31 December 2016	Increase/(Decrease) in the period	Net Profit/(Loss) attributable to the investee	Adjustment in the period	Other comprehensive income/(loss)	Cash dividend declared	Change in fair value	Recognized impairment loss	Other			
Xin'ang Wudongkang Co., Ltd.	7,071	-	-	-	-	-	-	-	-	7,071	-	
Ningbo Beilindong Chemical Co., Ltd.	1,200	-	-	-	-	-	-	-	-	1,200	-	
Xiamen CIMC Hai Chemical Co., Ltd.	23,350	-	1,505	-	-	-	-	-	-	24,855	-	
Dalian Jilong Logistics Co., Ltd.	47,615	-	529	-	-	-	-	-	-	48,144	-	
Serji (Jiangmen) Technology Co., Ltd.	45,684	-	790	-	-	-	-	-	-	46,474	-	
Enkang Optoelectronics Co., Ltd.	8,374	-	389	-	-	-	-	-	-	8,763	-	
Shanghai Fengang Real Estate Development Co., Ltd.	104,191	-	-	-	-	-	-	-	-	104,191	-	
TSC	212,905	-	-	-	-	-	(6,338)	-	-	206,567	-	
Malaysia Sbea & Chemicals Limited	2	-	-	-	-	-	-	-	-	2	(2)	
Tianhui (Shanghai) International Freight Agency Co., Ltd.	1,900	-	75	-	-	-	-	-	-	1,975	-	
LiHagage and Logistics Co., Ltd. (LiHagage Energy)	102,176	-	2,832	-	-	-	-	-	-	105,008	-	
Jiang Rongcheng Machinery Co., Ltd.	28,123	-	-	-	-	-	-	-	-	28,123	-	
Ji'an Enkai Kaili Genetic Machinery Co., Ltd.	2,608	-	(1,225)	-	-	-	-	-	-	1,383	-	
Oon Inc (Shanghai)	16,589	-	(81)	-	-	-	-	-	-	16,508	-	
Xinhai CIMC Wudong Co., Ltd.	27,519	-	302	-	-	-	-	-	-	27,821	-	
Tianjin Sincindong Animal Husbandry Co., Ltd.	30,436	-	(2,316)	-	-	-	-	-	-	28,120	-	
Qingdao Puhua International Trade and Logistics Co., Ltd.	43,400	-	1,246	-	-	-	-	-	-	44,646	-	
ZPMC-Red Bull Energy Services Limited	14,567	-	(14,567)	-	-	-	-	-	-	-	-	
Tianjin Shenglim & Energy Trading Co., Ltd.	21,110	-	-	-	-	-	-	-	-	21,110	-	
Jiahua Shiling Co., Ltd. (Jiahua Shiling)	126,454	-	-	-	-	-	(2,966)	-	-	123,488	-	
Xinda Freight Co., Ltd.	688	-	150	-	-	-	-	-	-	838	-	

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13. Long-term equity investments (Continued)

(3) Long-term equity investments in associates: (Continued)

	Movements in consolidated										30 June 2017	Profit/(loss)
	31 December 2016	Income/(expense)	Net/(gross) income	Adjusted/(revised) income	Other/(non-recurring) income	Capital/(debt) income	Change in foreign exchange	Recognized/(unrecognized) income	Other/(non-recurring) income			
Chifeng Lian'an Fan C., Ltd.	6,296	-	-	-	-	-	-	-	-		6,296	-
CIMC Arabia Facility Company Limited	5,227	-	-	-	-	-	-	-	-		5,227	-
Shanghai Xiang'ao Co., Ltd.	679	(603)	(76)	-	-	-	-	-	-		-	-
Ningbo Jiajia Ltd.	14,633	-	-	-	-	-	-	-	-		14,633	-
Ningbo Changming Naval Gas Development Co., Ltd.	18,331	-	-	-	-	-	-	-	-		18,331	-
Chengdu Tianmin Chemical Engineering Co., Ltd.	2,637	-	(240)	-	-	-	-	-	-		2,397	-
Shenzhen Radnet Technology Co., Ltd.	7,407	2,000	-	-	-	-	-	-	-		9,407	-
Beijing Bole Electronics Co., Ltd.	12,423	-	-	-	-	-	-	-	-		12,423	-
Guangzhou Chongli Technology Co., LTD	23,829	-	321	-	-	-	-	-	-		24,150	-
China Fire Safe Engineering Limited (China Fire Safe)	485,275	-	-	-	-	-	29,718	-	-		514,993	-
Shanghai Tanklink Supply Chain Technology Development Co., Ltd.	2,000	-	-	-	-	-	-	-	-		2,000	-
Zhejiang Xinling Bamboo Industry Co., Ltd.	14,447	-	-	-	-	-	-	-	-		14,447	-
Ningbo Guanghen Bamboo Products Co., Ltd. (Guanghen)	662	-	-	-	-	-	-	-	-		662	-
Fujian Qingchen Bamboo Industry Co., Ltd. (Qingchen bamboo industry)	2,448	-	-	-	-	-	-	-	-		2,448	-
UCS Age LLC	5,779	-	-	-	-	-	-	-	-		5,779	-
Wadlink Yib (Beijing) International Logistics Co., Limited	3,120	-	-	-	-	-	-	-	-		3,120	-
Jiang Baiking Apparel Co., Ltd.	23,755	-	111	-	-	-	(422)	-	-		23,444	-
Shenzhen Cadell Hardware Engineering Co., Ltd. (Cadell Hardware)	17,858	-	-	-	-	-	-	-	-		17,858	-
Zhongxi Xintai	22,648	-	-	-	-	-	-	-	-		22,648	-
Henan Yida Tianjia Logistics Technology Co., Ltd. (Henan Yida)	378	-	-	-	-	-	-	-	-		378	-
CIMC Longin (Beijing) Chain Technology Co., Ltd.	580	80	-	-	-	-	-	-	-		660	-
Qianhai Riji Technology Co., Ltd.	3,718	-	(363)	-	-	-	-	-	-		3,355	-

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

(3) Long-term equity investments in associates: (Continued)

	Movement in the period										30 June 2017	Profit/(Loss)
	31 December 2016	Inc./Decrease in investment	Net adjustment	Adjustment	Other adjustments	Capital dividend declared	Change in foreign exchange rate	Recognized impairment	Other			
Shanghai Inco Management Co., Ltd.	117,775	-	(2,633)	-	-	-	-	-	-	-	115,142	-
CIMC Shanghai (Changhui) Logistics Co., Ltd.	3,000	(3,000)	-	-	-	-	-	-	-	-	-	-
Ming (Shanghai) International Trade Co., Ltd. (Ming Shanghai)	851	-	(68)	-	-	-	-	-	-	-	783	-
Shanghai Xin Bai Qin Vehicle Co., Ltd.	-	16,000	428	-	-	-	-	-	-	-	16,428	-
Shenzhen Sky Capital Co., Ltd. (SESKYC)	-	2,750	-	-	-	-	-	-	-	-	2,750	-
Readline Investment Inc. (Readline Capital Fund Co., LLP)	-	30,539	-	-	-	-	-	-	-	-	30,539	-
Xinghe Chelian Technology Co., Ltd.	-	1,750	-	-	-	-	-	-	-	-	1,750	-
CELASA	-	18,605	-	-	-	-	-	-	-	-	18,605	-
Total	1,661,718	68,121	(12,891)	-	-	-	19,992	-	-	-	1,736,940	(2)

Refer to Note VI.2 for details in associates.

The Group's investment in TSC, LiHua Energy, Jiang Ruchen, Oron Inc (Shanghai), ZPMC, Cadu Hualic, Zhongxi Xinlei, Henan Yida and Shenzhen Road Network Technology Co., Ltd. are all below 20%. Because the Group has no significant influence over the investee, the Group had no significant influence over them. Therefore, the investment in these associates are accounted for as long-term investments.

As at 30 June 2017, except for MSC, the Group did not need to recognize impairment loss on its long-term investments in joint ventures and associates based on the impairment test. The Group had no impairment loss on its long-term investments in joint ventures and associates (31 December 2016: Nil).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Investment properties

	Buildings and relevant land use rights	Land use rights	Total
1 January 2016	730,168	-	730,168
Addition	78,176	-	78,176
Change in fair value	75,792	-	75,792
Transfer from fixed assets	131,859	-	131,859
Transfer from intangible assets	46,843	130,551	177,394
Transfer from construction in progress	786	-	786
Realization gain on transfer	102,062	482,772	584,834
Transfer of classified held for sale	(26,401)	-	(26,401)
Transfer	-	-	-
31 December 2016	1,139,285	613,323	1,752,608
1 January 2017	1,139,285	613,323	1,752,608
Addition	-	-	-
Change in fair value	-	-	-
Transfer from fixed assets	-	-	-
Transfer from intangible assets	-	-	-
Transfer from construction in progress	1,287	-	1,287
Realization gain on transfer	-	-	-
Transfer of classified held for sale	-	-	-
Transfer	(17,704)	(17,685)	(35,389)
Exchange difference arising from translation of foreign currency	3,559	-	3,559
30 June 2017	1,126,427	595,638	1,722,065

In the period, there is no impairment loss on investment properties (For the period ended 30 June 2016: Nil).

The fair value of the investment properties of the Group is determined by Level 3. Details of the valuation method and significant assumptions used by the Group in determining the fair value of the investment properties are set out in Note XIV.6.

In the period, amount transferred from fixed assets and intangible assets are 17,704,000 and 17,685,000, respectively.

As at 30 June 2017, the building with carrying amount of 156,697,000 (31 December 2016: 113,196,000) had not been enrolled for the new lease classification and is classified as investment property.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets

(1) Fixed assets

	Plants and buildings	Machinery and equipment	Office & other equipment	Motor vehicles	Offshore engineering equipment	Dock, wharf	Total
Original cost							
31 December 2016	10,676,684	10,112,067	1,981,991	1,045,215	6,783,391	1,262,820	31,862,168
Additions during the period							
Combination	24,321	11,604	7	71	-	-	36,003
Additions during the period	58,845	160,773	76,355	167,934	-	-	463,907
Transfer from construction							
Charge	35,997	206,727	159,382	12,060	-	-	414,166
Transfer from other assets	41,738	-	-	-	-	-	41,738
Decrease during the period	(86,498)	(296,266)	(85,105)	(27,882)	(79,025)	-	(574,776)
Transfer to other assets	-	-	-	-	-	-	-
Disposal during the period	-	-	-	-	-	-	-
Exchange difference arising from revaluation of foreign currency	13,616	(4,898)	(1,713)	1,104	(65,291)	(12,759)	(69,941)
30 June 2017	10,764,703	10,190,006	2,130,917	1,198,502	6,639,075	1,250,061	32,173,264
Accumulated depreciation							
31 December 2016	2,522,207	4,231,582	1,254,278	528,237	686,944	232,400	9,455,648
Additions during the period							
Combination	4,742	5,969	6	60	-	-	10,777
Decrease during the period							
Charge	213,148	341,224	110,381	90,651	135,213	25,881	916,498
Transfer from other assets	24,034	-	-	-	-	-	24,034
Decrease during the period	(54,520)	(105,017)	(80,543)	(14,433)	(8,436)	-	(262,949)
Transfer to other assets	-	-	-	-	-	-	-
Disposal during the period	-	-	-	-	-	-	-
Exchange difference arising from revaluation of foreign currency	5,832	(2,924)	2,550	506	(10,729)	(5,593)	(10,358)
30 June 2017	2,715,443	4,470,834	1,286,672	605,021	802,992	252,688	10,133,650
Property, plant and equipment							
31 December 2016	311,653	40,801	14,560	2,245	-	-	369,259
Additions during the period							
Combination	-	-	-	-	-	-	-
Impairment recognized during the period	75	1,459	-	-	-	-	1,534
Written off during the period	-	(2,387)	(9,433)	(19)	-	-	(11,839)
Exchange difference arising from revaluation of foreign currency	6,149	(224)	-	-	-	-	5,925
30 June 2017	317,877	39,649	5,127	2,226	-	-	364,879
Construction in progress							
30 June 2017	7,731,383	5,679,523	839,118	591,255	5,836,083	997,373	21,674,735
31 December 2016	7,842,824	5,839,684	713,153	514,733	6,096,447	1,030,420	22,037,261

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets (Continued)

(1) Fixed assets (Continued)

As at 30 June 2017, the machine in hand net book value was 375,761,000 (original cost of 525,362,000) and accumulated depreciation of 109,272,000 (31 December 2016: 398,144,000 (original cost of 525,305,000)) and accumulated depreciation of 159,815,000, see Note IV. 24.

In the period, depreciation of fixed assets recognized amounted to 916,498,000 (For the period ended 30 June 2016: 1,056,717,000), of which 776,825,000, 9,897,000 and 129,776,000 (For the period ended 30 June 2016: 891,935,000, 14,860,000 and 149,922,000) have been charged in cost of sale, selling and distribution expenses, general and administrative expenses, respectively.

In the period, the original cost of fixed assets transferred from construction in progress is 414,166,000 (2016: 1,206,156,000).

- (2) As at 30 June 2017, the carrying amount of temporarily idle buildings, machinery and equipment amounts to 344,385,000 (original cost of 614,561,000) (31 December 2016: carrying amount of 207,894,000 and original cost of 409,415,000). The following table presents the detail:

	Original cost	Accumulated depreciation	Provision for impairment	Carrying amount
Building	390,069	(108,091)	(12,592)	269,386
Machinery and equipment	193,270	(98,910)	(26,036)	68,324
Transportation	3,510	(2,640)	(102)	768
Office & household items	27,712	(17,845)	(3,960)	5,907
	614,561	(227,486)	(42,690)	344,385

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15. Fixed assets (Continued)

	30 June 2017			31 December 2016		
	Book balance	Accumulated depreciation	Carrying amount	Book balance	Accumulated depreciation	Carrying amount
Building	2,626	(2,183)	443	2,626	(1,875)	751
Machinery & equipment	527,751	(149,865)	377,886	527,599	(127,256)	400,343
Offshore engineering equipment	215,852	(89,251)	126,601	31,113	(12,187)	18,926
Total	746,229	(241,299)	504,930	561,338	(141,318)	420,020

(4) Fixed assets with certificates of ownership unsettled

	Carrying amount	Reasons for pending
Facility	974,123	Pending certification being in the stage
Office building	159,663	Pending certification being in the stage
Workshop	214,459	Information provided, being in the stage
Dominion and Canaan	105,598	Pending certification being in the stage
Warehouse	116,637	Under evaluation finding material
Other	162,602	Certification being in the stage
Total	1,733,082	

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Primary Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Construction in progress

(1) Construction in progress

	30 June 2017			31 December 2016		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Vehicle and construction financing and leasing company	20,301,214	-	20,301,214	19,405,489	-	19,405,489
Raffle H273, H1284 Project	2,747,244	-	2,747,244	2,754,873	-	2,754,873
Enrichment construction project	59,202	-	59,202	88,101	-	88,101
Child Chain Reach In-line Project	49,146	-	49,146	47,633	-	47,633
Refugee aid construction project of Anhui United Feicai	37,622	-	37,622	30,583	-	30,583
Production equipment for C&T dock	35,382	-	35,382	35,218	-	35,218
HJQM equipment for production line	26,477	-	26,477	-	-	-
XHCIMC equipment for production line project	22,418	-	22,418	13,079	-	13,079
Dalian construction project for QDCRC	21,129	-	21,129	21,129	-	21,129
Qingdao CIMC equipment for production line project	19,590	-	19,590	-	-	-
SHYSLE equipment for production line project	11,933	-	11,933	-	-	-
Dongguan CIMC equipment for production line project	5,522	-	5,522	11,497	-	11,497
TCCIMC equipment for production line project	5,400	-	5,400	5,400	-	5,400
Raffle large scale equipment (including 2000T lifting crane)	3,128	-	3,128	3,080	-	3,080
TJICIMC mid-hick large and beam side crawler beam automatic production line	1,981	-	1,981	1,575	-	1,575
TAS New Plan Project	1,824	-	1,824	1,498	-	1,498
XHCIMCS Production Line and Production Facility Rec production project	1,506	-	1,506	1,506	-	1,506
Second phase of Hebei construction	641	-	641	12,033	-	12,033
Others	454,939	(1,645)	453,294	338,916	(2,421)	336,495
Total	23,806,298	(1,645)	23,804,653	22,771,610	(2,421)	22,769,189

The carrying amount of construction in progress at the end of the period included accumulated depreciation of RMB1,750,963,000 (31 December 2016: 1,532,714,000). The increase added of depreciation of RMB217,247,000 (31 December 2016: 217,247,000) and the decrease of RMB269,954,000 (31 December 2016: 269,954,000) during the period. The impairment loss of RMB1,645,000 (31 December 2016: Nil) was recognized during the period.

As at 30 June 2017, there is no pledged construction in progress of the Group (31 December 2016: Nil).

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Construction in progress (Continued)

(2) Movement of significant projects of construction in progress during the year

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Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Disposal of fixed assets

	30 June 2017	31 December 2016
Building	76,267	87,015
Machine and equipment	43,790	42,016
Transportation	124	211
Office & household items	239	808
Total	120,420	130,050

18. Intangible assets and development expenditure

(1) Intangible assets

	Land use rights	Technical know-how and trade marks	Timber concession rights	Customer relationships	Customer contracts	Maritime use rights	Franchise rights	Total
Original cost								
31 December 2016	3,914,000	2,004,623	250,078	400,171	285,273	94,984	111,934	7,061,063
Additions								
- combination	15,198	-	-	-	-	-	-	15,198
- purchased	37,696	122,332	-	-	-	-	-	160,028
Transfer from intangible assets								
- other	22,718	-	-	-	-	-	-	22,718
- purchased	(124,128)	(62,517)	(9,601)	-	-	-	-	(196,246)
Exchange difference arising from - translating foreign currency	(8,753)	12,562	(147)	2,833	597	(1,948)	48	5,192
30 June 2017	3,856,731	2,077,000	240,330	403,004	285,870	93,036	111,982	7,067,953
Accumulated amortization								
31 December 2016	665,789	1,086,080	129,894	151,760	159,755	28,936	8,420	2,230,634
Additions								
- combination	976	-	-	-	-	-	-	976
- purchased	59,665	87,612	-	18,927	6,932	910	1,688	175,734
Transfer from intangible assets								
- other	5,033	-	-	-	-	-	-	5,033
- purchased	(6,983)	(131)	-	-	-	-	-	(7,114)
Exchange difference arising from - translating foreign currency	(1,591)	5,529	(147)	284	923	(413)	48	4,633
30 June 2017	722,889	1,179,090	129,747	170,971	167,610	29,433	10,156	2,409,896
Provisional impairment								
31 December 2016	-	4,564	110,288	1,817	59,003	-	-	175,672
Exchange difference arising from - translating foreign currency	-	-	(2,937)	-	672	-	-	(2,265)
30 June 2017	-	4,564	107,351	1,817	59,675	-	-	173,407
Carrying amount								
30 June 2017	3,133,842	893,346	3,232	230,216	58,585	63,603	101,826	4,484,650
31 December 2016	3,248,211	913,979	9,896	246,594	66,515	66,048	103,514	4,654,757

In the period, accumulated impairment loss on intangible assets amounted to 175,734,000 (For the period ended 30 June 2016: 121,062,000).

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For the period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Text is in Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Intangible assets and development expenditure (Continued)

(2) As of 30 June 2017, intangible assets with pending certificates of ownership are as follows:

	Carrying amount in RMB	Reasons for unsettlement
Ningbo C naine Man fac e land e igh	75,322	in the g e
SCIMCEL Tangkeng land e igh	55,674	e ied and ele an ced e a e e ied
C&C T ck land e igh	19,187	in the g e
Langfang land e igh	8,887	in the g e
SCIMCEL d mi	1,787	in the g e
Total	160,857	

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ce ifica e ha e n k f i m a i m e n .

(3) As of 30 June 2017, there was no restricted intangible asset (31 December 2016: Nil).

(4) As at 30 June 2017, the intangible asset with indefinite useful lives is Gas station Franchise which amounted to 53,300,000 (31 December 2016: 53,300,000).

(5) Development expenditure is as follows:

	31 December 2016	Change added	Recognised in intangible asset	30 June 2017
Project vehicle technology	43,089	21,029	(14,441)	49,677
Other	6,901	10		6,911
	49,990	21,039	(14,441)	56,588

In the e i d, the G ' de el men e endi e am n ed 309,498,000 (F e e i d ended 30 J ne 2016:
248,570,000): 288,459,000 f hich (F e e i d ended 30 J ne 2016: 230,097,000) a i ncl ded in the c en
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Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has final reference only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Goodwill

	31 December 2016	Change added	Change decreased	Exchange difference adjusting foreign currency	30 June 2017
Entity	630,992	-	-	(5,200)	625,792
Vehicle UK	336,360	-	-	9,515	345,875
TGESA	164,502	-	-	6,397	170,899
YPDI	86,558	-	-	-	86,558
Baobe	132,245	-	-	-	132,245
Pei	108,196	-	-	-	108,196
C & C Truck	132,145	-	-	-	132,145
Haohengleng	103,530	-	-	-	103,530
Others	569,673	1,453	-	(140)	570,986
Subtotal	2,264,201	1,453	-	10,572	2,276,226
Less: Intangible assets					
C & C Truck	93,330	-	-	-	93,330
Others	42,978	-	-	(475)	42,503
Subtotal	136,308	-	-	(475)	135,833
Total	2,127,893	1,453	-	11,047	2,140,393

(1) Impairment test for asset group including goodwill

The goodwill allocated to the asset groups and combination of asset groups are measured by using the following:

	30 June 2017	31 December 2016
Container asset group	120,085	120,085
Road and inland vehicle asset group	417,663	408,658
Energy and chemical & feed materials asset group	1,075,392	1,074,195
Offshore engineering asset group	229,442	229,397
Logistics service asset group	120,558	120,558
Heavy truck asset group	38,815	38,815
Air freight materials asset group	108,196	108,196
Asset group with insignificant cash in the age of goodwill	30,242	27,989
Total	2,140,393	2,127,893

Notes to the Financial Statements

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The period ended from 1 Jan. and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Long-term prepaid expenses

	31 December 2016	Addition debt combination	Con- solidated addition	Con- solidated main	Exchange difference adjusting from anlaing foreign currency	30 June 2017
Yard facilities	9,691	-	223	(1,424)	29	8,519
Project finance and commitment	133,924	-	31,369	(30,658)	(2,513)	132,122
Implementation of debt held under leasing lease	9,439	-	5,372	(2,204)	-	12,607
Operating lease in debt lease	-	-	-	-	-	-
Implementation of engineering fee	19,996	-	51,692	(12,110)	(987)	58,591
Other	73,524	52	10,123	(14,283)	(99)	69,317
Subtotal	246,574	52	98,779	(60,679)	(3,570)	281,156
Less: financing expenses	-	-	-	-	-	-
Total	246,574	52	98,779	(60,679)	(3,570)	281,156

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has final Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets and deferred tax liabilities

- (1) The offsetting balances of deferred tax assets and liabilities offset and corresponding deductible or taxable temporary differences

	30 June 2017		31 December 2016	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Provision for impairment	834,767	160,844	1,546,119	322,474
Accrued liabilities	617,576	113,145	690,921	139,994
Employee benefits payable	1,139,847	257,745	1,273,607	296,507
Accrued expenses	120,131	26,479	493,541	89,303
Deductible losses	1,791,531	306,356	1,861,895	332,307
Members' financial and financial assets and financial derivatives/hedging instruments	7,729	1,634	27,566	6,892
Available-for-sale financial assets	-	-	14,230	2,134
Intangible non-current assets	29,871	7,468	18,904	4,726
Others	2,180,446	436,088	278,319	69,580
Subtotal	6,721,898	1,309,759	6,205,102	1,263,917
Offsetting amount	(187,229)	(32,843)	(25,512)	(6,247)
Offsetting balances	6,534,669	1,276,916	6,179,590	1,257,670
Including:				
Amounts estimated to be realized within one year (including)		227,983		552,415
Amounts estimated to be realized beyond one year		1,048,933		705,255
		1,276,916		1,257,670
Deferred tax liabilities:				
Members' financial and financial assets and financial derivatives/hedging instruments	(2,385)	(448)	(26,076)	(6,483)
Members' financial and financial instruments	-	-	(700,853)	(170,909)
Members' financial and hedging instruments	(7,998)	(1,200)		
Realized gain on combination	(1,000,899)	(208,194)	(933,696)	(231,947)
Goodwill impairment (allowance) and impairment	(588,747)	(103,031)	(253,352)	(63,338)
Accelerated depreciation	(807,509)	(201,877)	(441,782)	(179,383)
Others	(1,029,888)	(205,977)	(46,412)	(11,601)
Subtotal	(3,437,426)	(720,727)	(2,402,171)	(663,661)
Offsetting amount	187,229	32,843	25,512	6,247
Offsetting balances	(3,250,197)	(687,884)	(2,376,659)	(657,414)
Including:				
Amounts estimated to be realized within one year (including)		(431,300)		(140,809)
Amounts estimated to be realized beyond one year		(256,584)		(516,605)
		(687,884)		(657,414)

Notes to the Financial Statements

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For the period ended from 1 Jan a and ended 30 June 2017
(All am n in RMB'000 nle he ĩe a ed)
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets and deferred tax liabilities (Continued)

(2) Unrecognised deferred tax assets

	30 June 2017	31 Decembe 2016
Ded c ible ĩ e	1,712,996	1,606,035
Im ai ĩmen ĩ e f SOE	634,426	340,729
Im ai ĩmen ĩ e f imbe ĩC nce ĩ n ĩgh	22,119	22,119
O he	3,125	3,125
T al	2,372,666	1,972,008

(3) Maturity of deductible losses that are not recognised as deferred tax assets:

	30 June 2017	31 Decembe 2016
2017	1,296,480	1,199,243
2018	1,086,941	1,086,941
2019	437,892	340,655
2020	819,702	819,702
2021 and af e 2021	4,149,817	4,149,817
T al	7,790,832	7,596,358

Note 1: B he end f 2016 and a a 30 June 2017, n ĩc gni ed defe ĩed a a e aged e 5 ea (incl ĩ e) a ĩng f ĩm ded c ible a ĩ e ĩ led f ĩm f ĩgn b ĩdia ĩe ĩ e a ĩng ĩ e. Ded c ible a ĩ e ge ĩe ĩed f ĩm H ng K ng, he Uni ed S a e f Ame ĩca, he Uni ed Kingd m f G ea B ĩain and A ĩalia can be ff e ĩ ĩh f ĩ e ĩ ĩf ĩ indefĩnĩ el; ded c ible a ĩ e ge ĩe ĩed f ĩm he Ne he ĩand can be ff e ĩn he b e ĩ en ĩne ea.

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Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Other non-current assets

	30 June 2017	31 December 2016
Endorsed loan	13,721	35,547
Prepayment for land lease	6,956	32,235
Prepayment for equipment	-	8,695
Prepayment for construction	-	7,429
Others	-	2,447
Total	20,677	86,353

As at 30 June 2017, The main non-current assets held by the Group include holding more than 5% (including) of the following listed companies. (31 December 2016: Nil).

23. PROVISION FOR ASSET IMPAIRMENT

	31 December 2016	Change added	Change decreased		Exchange difference arising from revaluing foreign currency	30 June 2017
Provision for bad debt						
Including: provision for bad debt for accounts receivable	629,236	79,347	(53,359)	(9,312)	821	646,733
Provision for bad debt for other receivable	1,580,439	142,700	(777)	(6,579)	(5,158)	1,710,625
Provision for bad debt for advance payment	226,967	6,675	-	-	(10)	233,632
Provision for bad debt for construction in progress	307,194	97,471	(70)	-	(5)	404,590
Provision for bad debt for long-term receivable	485,052	4,641	(40,204)	2,997	(37)	452,449
Provision for decline in value of financial assets	319,004	79,760	(83,281)	(16,395)	15,151	314,239
Provision for impairment of long-term investments	2	-	-	-	-	2
Provision for impairment of available-for-sale financial assets	3,065	-	-	-	-	3,065
Provision for impairment of fixed assets	369,259	1,534	-	(11,839)	5,925	364,879
Provision for impairment of construction in progress	2,421	-	-	(776)	-	1,645
Provision for impairment of financial assets	175,672	-	-	-	(2,265)	173,407
Provision for impairment of goodwill	136,308	-	-	-	(475)	135,833
Total	4,234,619	412,128	(177,691)	(41,904)	13,947	4,441,099

Please refer to the accounting policy for the measurement of the provision.

L i n g e n e c e i a b l e a e e d a c l l a e a l f _ m _ g a g e l a n . N e e c e i a b l e a e e d f _ e d i c n i n g , l e d g e f _ l e e _ f g a a n e e a n d l e d g e f _ l _ f n e . R e f e _ I V . 1 5 f _ n - c _ e n e _ i c i n i h e _ i c i n _ h i c h a e e d a c l l a e a l f _ l n g e n a a b l e . R e f e _ N e I V . 2 5 a n d I V . 2 8 f _ d e a i l f _ h _ e m l e d g e d b _ i n g . T h e e _ i c e d c a h a b a n k a n d n h a n d e e e c _ i _ d e _ i , a n d d e _ i i n t h e P e _ l e ' B a n k f C h i n a b F i n a n c e C _ m a n .

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Short-term borrowings

(1) Classification of short-term borrowings:

	Note	30 June 2017	31 December 2016
Guaranteed	(a)		
USD		391,505	2,938,354
RMB		1,962,138	937,852
EUR		16,723	61,487
Sub-total		2,370,366	3,937,693
Pledged	(b)		
RMB		32,821	59,902
Unsecured			
USD		9,299,113	7,427,465
EUR		719,692	478,076
GBP		17,621	178
RMB		5,327,359	3,613,782
AUD		329	2,296
SGD		–	39,006
JPY		–	7,169
Sub-total		15,364,114	11,567,972
Discounted Notes			
RMB		178,447	164,220
Total		17,945,748	15,729,787

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Short-term borrowings (Continued)

(1) Classification of short-term borrowings: (Continued)

- (a) As at 30 June 2017, guaranteed borrowings of the Group consisted of the following: bank loan of \$234,000 (RMB2,195,000); loan of CIMC Raffles Engineering (Singapore) Co., Ltd. amounting to \$1,400,138,000 (RMB230,096,000) and Euro 2,158,000 (RMB16,723,000), guaranteed by the Group and China International Marine Container (Hong Kong) Limited (CIMC Hong Kong); loan of \$450,000,000, which is guaranteed by the Group; loan of \$112,000,000, guaranteed by the CIMC Financing and Leasing Co., Ltd. (CIMCVL); CIMC Financing and Leasing Co., Ltd. (CIMCVL) amounting to \$23,500,000 (RMB159,214,000), guaranteed by the Group and CIMC Hong Kong.
- (b) As at 30 June 2017, the pledged loan of the Group is as follows: the People's Bank of China pledged to the receivable which is a liability of the Finance Company, amounting to \$32,821,000.
- (c) As at 30 June 2017, the average interest rate on the short-term borrowings is less than 5% (including 5%) of the interest of the Group's related parties.
- (d) As at 30 June 2017, the interest rate on the short-term borrowings ranged from 1.30% to 6.09% (31 December 2016: 0.65% to 16.41%).

26. Financial liabilities at fair value through profit or loss

	30 June 2017	31 December 2016
Current		

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For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Notes payable

	30 June 2017	31 December 2016
Bank acceptance note	872,925	1,050,745
Trade acceptance note	380,250	500,837
Total	1,253,175	1,551,582

The above notes payable are due within one year.

28. Accounts payable

(1) The Group's accounts payable is as follows:

	30 June 2017	31 December 2016
Debt on material liability	9,364,746	8,303,845
Integated logistic service charge	468,558	461,925
Project construction charge	291,105	259,029
Project construction charge	398,677	658,048
Debt on equipment liability	618,839	150,029
Transportation charge	69,741	135,159
Processing charge	41,972	129,178
Others	91,540	63,738
Total	11,345,178	10,160,951

The period covered from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Translation of Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Accounts payable (Continued)

(1) The Group's accounts payable is as follows: (Continued)

The aging analysis is fairly accurate and reliable in all respects:

	30 June 2017	31 December 2016
Wi hin 1 ea (incl i e)	10,710,275	9,535,350
1 2 ea (incl i e)	337,357	414,188
2 3 ea (incl i e)	179,384	153,893
O e 3 ea	118,162	57,520
T al	11,345,178	10,160,951

A la 30 June 2017, according to available information, the estimated amount of 634,903,000 (31 December 2016: 625,601,000) attributable to the off-hire engineering business. Since the introduction of the off-hire engineering project, all major maintenance activities have been completed.

The aging is calculated from the data on the acceptable recognition.

(2) As at 30 June 2017, there was no accounts payable owed to shareholders holding more than 5% (including 5%) of the voting rights of the Group. Accounts payable owed to related parties are as listed follows:

		30 June 2017		31 December 2016	
Company name	Relationship with the Group		% of total		% of total
		Amount	balance	Amount	balance
Y&C Engine	Joint Venture	38,931	0.34%	66,157	0.65%
TSC	Associate	13,807	0.12%	25,727	0.25%
Fujian Qingchen Bamboo Industry Co., Ltd.	Associate	10,496	0.09%	8,138	0.08%
Shanghai De'Ang Mobile	Minority shareholder of subsidiary	5,352	0.05%	3,611	0.04%
Ningxia Changming	Associate	2,732	0.02%	2,435	0.02%
Xinhai CIMC Wood Co., Ltd.	Associate	202	0.00%	17,905	0.18%
Ashit Trading Co., Ltd.	Minority shareholder of subsidiary	-	0.00%	15,902	0.16%
Other related parties		5,825	0.05%	7,062	0.07%
Total		77,345	0.67%	146,937	1.45%

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For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has legal reference only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Advanced receipts

(1) Advanced receipts

	30 June 2017	31 December 2016
Advanced freight	2,431,530	3,167,715
Advanced freight commission	1,571,044	155,912
Advanced freight	210,070	208,583
Advanced freight and logistic	139,340	70,508
Others	193,851	177,976
Total	4,545,835	3,780,694

As at 30 June 2017, advanced receipts were related to a carrying amount of 304,804,000 (31 December 2016: 330,291,000), and mainly related to advanced receipts from the engineering business. Since the end of the engineering project, energy and chemical industry project are all completed, the advanced receipts have not been settled.

(2) As at 30 June 2017, advanced receipts from those who hold 5% or more of the voting rights or related parties amounted to 40,000 (31 December 2016: 5,200).

30. Accrued payroll

	Note	30 June 2017	31 December 2016
Short-term	(1)	2,074,384	2,090,125
Defined contribution plan	(2)	45,153	24,156
Diminishing allowance	(3)	880	827
		2,120,417	2,115,108

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For the period ended from 1 January and ended 30 June 2017
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 (English Text in Chinese Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Accrued payroll (Continued)

(1) Short-term wages

	31 December 2016	Consolidated addition	Consolidated decrease	Exchange difference arising from translating foreign currency	30 June 2017
Wage and salary, bonus, allowance and subsidy	1,699,319	2,516,308	(2,475,474)	4,252	1,744,405
Profit-sharing and employee management bonus	205,151	-	(8,951)	-	196,200
Housing fund	6,118	80,860	(80,906)	(30)	6,042
Labour insurance fund and employee medical insurance fund	62,236	27,129	(36,014)	(157)	53,194
Social security contribution and health	12,517	87,991	(77,504)	1	23,004
Including: Medical insurance	9,564	74,051	(65,053)	1	18,563
Work injury insurance	1,583	8,250	(7,850)	-	1,983
Maternity insurance	1,370	5,690	(4,601)	-	2,458
Other short-term wage	104,784	280,656	(334,802)	901	51,539
Total	2,090,125	2,992,944	(3,013,651)	4,967	2,074,384

(2) Defined contribution plans

	31 December 2016	Consolidated addition	Consolidated decrease	Exchange difference arising from translating foreign currency	30 June 2017
Basic pension	21,455	205,171	(186,716)	5	39,915
Unemployment insurance	2,554	8,214	(5,724)	-	5,043
Enterprise annuity	147	1,109	(1,061)	-	195
Total	24,156	214,494	(193,501)	5	45,153

	Net	30 June 2017	31 December 2016
Advance received		2,595,693	1,892,437
Accrual		1,555,619	1,490,340
Qualifying advance		543,228	593,210
Tan Chai Neen fee		500,826	315,605
Ermen Land Leasing		136,633	185,777
Equal commision		82,243	73,619
Construction bid advance	(3)	72,786	111,054
Insurance		27,483	12,732
Rental fee		4,452	601
Performance and training fee		1,712	17,897
Holding maintenance fee		773	5,456
Ermen Leasing Yangon Leasing		-	23,200
Others		605,931	432,145
Total		6,127,379	5,154,073

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For the period from 1 January and ended 30 June 2017

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(English Text has Prevailing Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Other payables (Continued)

- (2) Significant other payables aged over one year mostly consist of unsettled quality guarantee, vehicle mortgage guarantee and various deposits.
- (3) As at 30 June 2017, there was no other payables owed to shareholders holding more than 5% (including 5%) of the voting rights of the Group. Other payables owed to related parties are as listed follows:

Company name	Relationship with the Group	30 June 2017		31 December 2016	
		Amount	% of total balance	Amount	% of total balance
Gaofin Investment S.A.	Minority shareholder	45,571	0.74%	46,990	0.91%
Shanghai F&R Real Estate Investment Company Limited (Shanghai F&R)	Minority shareholder	27,215	0.44%	56,794	1.10%
Shanghai Fengyang	Associate	26,390	0.43%	26,390	0.51%
Xiamen CIMC Haiyang Container Service Company Limited (Xiamen CIMC)	Associate	4,998	0.08%	-	0.00%
Lihua Energy	Associate	-	0.00%	37,690	0.73%
Ningxia Changming	Associate	-	0.00%	11,900	0.23%
TSC	Associate	-	0.00%	6,766	0.13%
Inland Service B.V. (Netherlands)	Minority shareholder	-	0.00%	7,270	0.14%
Other related parties		7,232	0.12%	11,584	0.22%
Total		111,406	1.82%	205,384	3.98%

35. Provisions

Note	31 December 2016	Change added	Change removed	Change realized	Exchange difference arising from revaluation of foreign currencies	30 June 2017
Provision for doubtful debts (1)	690,574	182,393	(34,036)	(183,149)	1,867	657,649
Guarantee provision	79,104	-	(79,104)	-	-	-
Loss provision	43,490	2,301	-	(1,883)	(903)	43,005
Other (2)	34,261	43,131	(10,833)	(2,565)	7,515	71,509
Total	847,429	227,825	(123,973)	(187,597)	8,479	772,163

(1) The Group provides allowance for doubtful debts on the basis of ageing of receivables, the creditworthiness of the debtors, the economic conditions, the industry situation, the historical experience and the main balance of the receivables. The Group will also consider the balance of the receivables in the period of the year-end audit. The balance of the receivables is determined by the Group's management based on the best estimate of the credit risk of the receivables.

(2) HI, the provision for doubtful debts, is the guarantee provision for the banking loan, which is the credit risk of the vehicle loan from HI. HI is the only one of the ending balance of the loan guarantee, considering the credit risk.

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(English Text is in Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Current portion of non-current liabilities

The Group's current portion of non-current liabilities are analysed by categories as follows:

	Note	30 June 2017	31 December 2016
Current portion of long-term borrowings	IV.38		
Unsecured		3,197,042	3,401,313
Guaranteed		1,694,372	124,397
		4,891,414	3,525,710
Current portion of long-term payable			
Finance lease payable		114,537	136,571
Lease: non-cancellable financing lease		(8,826)	(15,826)
Finance lease payable - other	IV.40	105,711	120,745
		18,376	17,567
		124,087	138,312
Current portion of non-current other		-	3,850
Total		5,015,501	3,667,872

37. Other current liabilities

	Note	30 June 2017	31 December 2016
Commercial liabilities of the Group	(1)	2,583,959	1,666,966
Other		28,321	20,796
		2,612,280	1,687,762

- (1) The Commercial liabilities of the Group include CIMC Finance Holding Limited (CIMC Finance) and CIMC HK, the subsidiaries of the Group. As at 20 March 2016, CIMC Finance signed a short-term commercial agreement with Bank of New York Mellon, Goldman Sachs and Bank of China (London Branch) in relation to the commercial liabilities of the Group amounting to USD450 million (equivalent to RMB2,154,471,000). As at the end of the period, the net amount of the outstanding commercial liabilities was USD318,000,000 (equivalent to RMB2,154,471,000). As at 21 December 2015, CIMC HK entered into a deal to refinance the commercial liabilities with Bank of China and Bank of China (London Branch) in relation to the commercial liabilities of the Group amounting to USD600 million. As at 30 June 2017, the net amount of the outstanding 3-year commercial liabilities of the Group was USD63,400,000 (equivalent to RMB429,488,000).

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has primary reference only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Long-term borrowings

(1) Classification of long-term borrowings

	Notes	30 June 2017	31 December 2016
Bank borrowing			
Unsecured		10,276,585	11,496,937
Mortgaged	(i)	5,772,819	6,260,830
Guaranteed	(ii)	12,507,099	12,791,165
		28,556,503	30,548,932
Lease financing			
Unsecured		3,197,042	3,401,313
Guaranteed	(ii)	1,694,372	124,397
		4,891,414	3,525,710
Total		23,665,089	27,023,222

(i) As at 30 June 2017, the subject matter of the financial leasing contracts of the subsidiary of CIMC Financing and Leasing Co., Ltd. are mortgaged assets of the Group's mortgaged loans.

(ii) As at 30 June 2017, the Group's long-term guaranteed borrowings were comprised of the following: bank borrowings of RMB10,088,075,000 (equivalent to USD1,489,000,000) which were guaranteed by the Company, among which the Company has provided USD2,000,000 (equivalent to RMB13,550,000); bank loan of CIMCVL amounting to USD352,157,000 (equivalent to RMB2,385,719,000), guaranteed by the Company and CIMC Hong Kong, among which the Company has provided USD248,114,000 (equivalent to RMB1,680,822,000); bank borrowings of Xiamen Hongbin Beig Leasing Co., Ltd. amounting to 25,787,000 guaranteed by Tianjin Hongbin Beig Co., Ltd.; bank borrowings of Delligen Technology Co., Ltd. amounting to 7,518,000 guaranteed by the Company.

(2) No amount due to the shareholders who hold 5% or more of the voting rights of the Company or due to related parties is included in the above balance of long-term borrowings. (31 December 2016: Nil).

(3) As at 30 June 2017, the interest rate of long-term borrowing ranged from 1.20% to 6.37% (31 December 2016: 1.45% to 6.77%).

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F ĩ ĩhe e ĩ d a ĩed f ĩm 1 Jan a ĩ and ended 30 J ĩne 2017

(All am ĩn ĩn RMB'000 ĩnle ĩhe ĩe a ĩed)

(Engl ĩ ĩT an ĩa ĩ ĩn f ĩRefe ĩe ĩce Onl ĩ)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Debentures payable

	31 Decembe ĩ 2016	C ĩen ĩ ĩe	30 J une 2017
Medi m- e ĩn ĩe	7,986,500		7,986,500

(1) Related information is as follows:

Debenture name	Par value	Issuance date	Maturity	Issuance amount
Medi m- e ĩn ĩe -16CIMC MTN1 (i)	3,500,000	11 A ĩg 2016	3 ea ĩ	3,500,000
Medi m- e ĩn ĩe -16CIMC MTN2 (i)	2,500,000	22 A ĩg 2016	3 ea ĩ	2,500,000
Medi m- e ĩn ĩe -16CIMC MTN3 (ii)	2,000,000	17 Oc ĩe 2016	3+N ea ĩ	1,986,500
T al	8,000,000			7,986,500

(i) The C m an ĩ can ĩe medi m- e ĩn ĩe ĩn ĩe ĩa ĩ ĩn ĩe ĩbank b ĩd ma ĩke. The c m an ĩ ed medi m- e ĩn ĩe (MTN) ĩ ĩam ĩn f 3.5 ĩll ĩn ĩn 11 A ĩg 2016 ĩ ĩa ceiling f 6 ĩll ĩn ĩn ĩ ĩ ĩ ĩn ĩe ĩn ĩe ĩa ĩ ĩn ĩe ĩbank b ĩd ma ĩke; ĩ ĩa al e f 100 e ĩn e and f ĩed ĩn e ĩe a e f 3.07% e ĩann m. ĩn e ĩ ĩe ĩe ĩd ĩn 11 A ĩg ea ĩ ea ĩn ĩe a ĩea ĩ ĩ ĩedem ĩn and a ĩal e ĩe ĩd ĩn 11 A ĩg 2019. The ĩe a e ĩe ĩed and a ĩe ĩn ĩ ĩ ĩ ĩn ĩe ĩn ĩe ĩa ĩ ĩn ĩe ĩbank ma ĩke. A a 22 A ĩg 2016, ĩe C m an ĩ made ĩe e c ĩd ĩe ĩ ĩam ĩn f 2.5 ĩll ĩn ĩ ĩa al e f 100 e ĩn e and f ĩed ĩn e ĩe a e f 3.15% e ĩann m a c c e f ĩ ĩ ĩed ĩl ĩcl ĩ. ĩn e ĩ ĩe ĩd ĩn 22nd A ĩg ea ĩ ea ĩn ĩe a ĩea ĩ ĩ ĩedem ĩn and a ĩal e ĩe ĩd ĩn 22 A ĩg 2019. The ĩe a e ĩe ĩed and a ĩe ĩn ĩ ĩ ĩ ĩn ĩe ĩn ĩe ĩa ĩ ĩn ĩe ĩbank ma ĩke.

(ii) A a 17 Oc ĩe 2016, ĩe C m an ĩ ed medi m- e ĩn ĩe ĩ ĩam ĩn f 2 ĩll ĩn a fa c e al e. The ĩe am ĩn a f e ĩd c ĩng ĩe ĩe fee a 1,986,500,000. The medi m- e ĩn ĩe a e ĩ ed f ĩ ĩe ĩal c ĩ a e f ĩn a ĩe ĩe. The f ĩ ĩe ĩn e ĩe -be a ĩng ea ĩ a e a c c e d a an ĩn e ĩe a e f 3.89% e ĩann m and a e ĩd a n n al l f ĩm Oc ĩe 14, 2017 and ĩe C m an ĩ can ĩe a d e f e ĩd ĩn e ĩe a m e n. F ĩm ĩe f ĩ ĩn e ĩe -be a ĩng ea ĩ ĩe c ĩn a e ĩe e e e 3 ea ĩ. The medi m- e ĩn ĩe ĩa e n f ĩed e ĩ ĩda e and ma ĩe e d e e m b ĩ ĩe C m an ĩn a f e Oc ĩe 14, 2019 a ĩe ĩn m ĩn al al e, ĩe ĩe ĩ ĩa a m e n f a n a c c e d, n a ĩd a d e f e ĩd ĩn e ĩe. B e f ĩe ĩe e ĩe m e n f d e f e ĩd ĩn e ĩe (ĩncl d ĩng ĩe ĩn e ĩe f d e f e ĩd ĩn e ĩe), ĩe ĩe c a n ĩ d ĩb e d ĩd e n d, e d c e c a ĩal a n ĩe a m e n e c ĩe ĩe ĩa e ĩn f e ĩ ĩe m ĩd e m ĩe. A a e ĩ f ĩe ĩ ĩde ĩe c ĩncl a e, ĩ ĩe ĩe a ĩe f ĩe ĩe ĩde ĩe C m an ĩe ĩe ĩe d e a ĩe ĩncl al and ĩn e ĩe ĩf ĩe C m an ĩ and ĩd ĩa ĩe ĩa ĩ ĩ ĩd ĩm e ĩan 80% e ĩ ĩ ĩa f ĩl l e ĩe a n f ĩn a ĩ ĩn ĩ ĩ ĩl a n d e ĩe c e e d ĩe a ĩe d am ĩn. The e f ĩe, ĩe medi m- e ĩn ĩe a e a e a d a ĩl ĩl ĩe.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Long-term payables

	30 June 2017	31 December 2016
Financial Lease payable	303,625	323,920
Lease: non-cancellable financing lease	(41,174)	(34,723)
Financial Lease payable, net	262,451	289,197
Payable minimum lease payments	120,789	120,789
Deferred lease	100,635	117,922
Others	21,034	1,464
Total	504,909	529,372

(1) Details of financial leasing payables

As at 30 June 2017, the total of the minimum lease payments under finance lease, which are based on contractual undiscounted cash flows (including interest payments committed during contractual lease period), are as follows:

Minimum lease payments	30 June 2017	31 December 2016
Within 1 year (including)	114,537	136,571
Over 1 year but within 2 years (including)	251,829	287,267
Over 2 years but within 3 years (including)	12,352	3,564
Over 3 years	39,444	33,089
Sub-total	418,162	460,491
Lease: recognised finance expense	(50,000)	(50,549)
Carrying amount	368,162	409,942

The Group had no financial leasing guaranteed by independent third party during the period.

		31 December 2016	Con e id addi i n	Con e id dec ea e	30 June 2017	Rea n
Gameplay	(1)	829,742	44,700	(44,624)	829,818	Gameplay received, be recognized in the period
Other		9,996		(3,164)	6,832	Other leaving receivable, be recognized in the period
Total		839,738	44,700	(47,788)	836,650	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income (Continued)

(1) Government grants

Project name	31 December 2016	Change added	Recognised amount	Other change	30 June 2017	Related amount / increase
Yantai Raffle National Develpment and Refinement Commitment in the lease fund gaining project budget	200,000	-	-	-	200,000	Related amount
Enjicel capital construction	184,253	-	3,566	-	180,687	Related amount
Enjicel facility development	80,396	-	1,735	-	78,661	Related amount
Shanghai CIMC Vehicle Industry Garden construction	54,052	-	651	-	53,401	Related amount
Ningbo China Marine Manufacturing fund	38,000	-	-	-	38,000	Related increase
C&C Truck development build main	30,000	-	-	-	30,000	Related amount
TAS industrial base project	28,291	4,220	803	-	31,708	Related amount
Yantai Raffle Seehorse Genealogy Site Deep-sea Drilling Platform (Baiting) Inn Special	26,504	-	-	-	26,504	Related increase
Taichang CIMC Special Logistic Equipment Ltd.	11,396	-	152	-	11,244	Related amount
TCCIMC land construction	9,862	-	131	-	9,731	Related amount
CQLE Land grant fee refund	8,021	-	100	-	7,921	Related increase
Zhenhua Group and P. H. Tan Special Equipment Construction and Industrial Investment	7,844	-	450	-	7,394	Related amount
Special Equipment Construction and Industrial Investment	8,000	-	917	-	7,083	Related amount
TAS information technology development fund	7,348	-	351	-	6,997	Related amount
MEA-Hebei	6,301	-	-	-	6,301	Related increase
Enjicel main facility deep-sea floating production storage and offloading (FPSO) and allocation of the South China Sea	6,000	-	-	-	6,000	Related amount
MEA special fund industrial investment	5,520	-	460	-	5,060	Related amount
KGR R&D fund	4,270	-	112	-	4,158	Related amount
Tanfang main project high-tech in Jiang Province Yanghe River	2,256	-	113	-	2,143	Related amount
TAS technology development fund	886	-	48	-	838	Related amount
Development of XHCIMCS	17,362	-	17,362	-	-	Related amount
Development of Xinhe Industrial Building Manufacturing	10,764	-	10,764	-	-	Related amount
Other	82,416	40,480	6,909	-	115,987	Related amount / increase
Total	829,742	44,700	44,624	-	829,818	

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other non-current liabilities

		30 June 2017	31 December 2016
	N e		
Capital increment from strategic investments	(1)(2)	1,549,826	1,549,826
Commitment of identified minority shareholders	IV.5(7)(i)	487,632	487,632
Platform special incentive fee	(3)	73,421	73,421
Rental advance		11,576	12,677
Others		114,359	-
Total		2,236,814	2,123,556

(1) A a 18 Decembe 2015, Shanghai Taif iang h ng P i a e E i F nd (Limi ed Pa ne hi), Nan han Dacheng Ne Ma e al In e ing Pa ne hi (LLP), S mi C i a in and Shen hen Dag n S ce Ha b i In e ing De el men C ., L d. (ge he e e e d a / ne a e gic in e) e e e d an addi al in e men n CIMC Vehicle (G) (e e e d a / HI C n ac i h e C m an, China Re ce Shen hen In e ai al T. In e men C ., L d and China In e ai al Ma ine C n aine (H ng K ng) Limi ed (ge he e e e d a / i ginal ha e lde); In Jan a 2016, ne a e gic in e i de addi al in e men n HI USD166,173,000 (e i a len RMB1,089,580,000), USD15,233,000 (e i a len RMB100,000,000; In Decembe 2015, ne a e gic in e i de addi al in e men n HI am ned USD9,288,117 (e i a len RMB60,246,000, ba ed n he in e ing a men da e e change a e) and 100,000,000 e e ci el / a e he addi al in e ing, hei ha e n HI ill be 16.822%, 1.544%, 0.929% and 1.544% f h le HI ha e Al , he c n a e g la e ha i f HI cann la nch a alid IPO bef a 31 Decembe 2020, ne a e gic in e e ce Shen hen Dag n S ce Ha b i C n e ing De el men C ., L d. l d ha e he i gh a k h e C m an e cha e hei ha e n HI in he f m f ca h. The e cha e ice h l d be he m f (a) he b c i n ice ha he indi id al ne a e gic in e ac al aid in hi addi al in e ing and (b) he al in e calc la ed ba ed n 8% in gle in e e e a and he e l d c e e d f m he da e f he b c i n ice ac al aid he da e he c n lling ha e l d fill a he e cha e am n .

The e f f H h a h e i n e h a e i g h a k e c h a e h l d b e f l l e c g n i e d a a l i a b i l i b e c a e f h e e i e n c e f i g h f e c h a e ;
A a 30 J n e 2017, h e e l e a n l i a b i l i a 1,249,826,000 (31 D e c e m b e r 2016: 1,249,826,000).

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For the period ended from 1 January and ended 30 June 2017

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Share capital

	31 December 2016 '000	Change of share capital during the period '000	31 December 2016 '000	Change of share capital during the period '000	31 December 2016 '000
Shares subject to trading restriction					
• Held by domestic shareholders	699	29			728
Shares not subject to trading restriction					
• RMB-denominated shares	1,261,301	1,747			1,263,048
• Foreign shares listed overseas	1,716,577				1,716,577
Total	2,978,577	1,776			2,980,353

	31 December 2015 '000	Change of share capital during the period '000	31 December 2015 '000	Change of share capital during the period '000	31 December 2015 '000
Shares subject to trading restriction					
• Held by domestic shareholders	866	21		(188)	699
Shares not subject to trading restriction					
• RMB-denominated shares	1,260,377	736		188	1,261,301
• Foreign shares listed overseas	1,716,577				1,716,577
Total	2,977,820	757			2,978,577

The above figures are in RMB1.00.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other equity instruments

	31 December 2016	Change in equity	Change in equity	Paid in equity	30 June 2017
Perpetual bond	2,049,035		35,908	(103,800)	1,981,143

	31 December 2015	Change in equity	Change in equity	Paid in equity	31 December 2016
Perpetual bond	2,033,043		119,792	(103,800)	2,049,035

As at 16 June 2015, the Group incurred a net liability of 2,000 million. The net liability amounted to 1,981,143,000 after the deduction of the income tax. The Group incurred a net liability of 2,000 million for the financing. The interest rate is 5.19% per annum on the financial liability. The interest expense is 104,000 million and the Group can change the financial liability. As at the end of the financial year, the Group incurred a net liability of 2,000 million. This financial liability has not been paid, and the Group can change the financial liability. Before the end of the financial year (including the interest on the financial liability), the Group can not identify the liability as a liability. The Group can change the financial liability.

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For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Capital surplus

	31 December 2016	Change added addition	Change added decrease	30 June 2017
Share premium	3,590,421	29,310	-	3,619,731
Other capital surplus:				
- Exchange difference in foreign currency	692	-	-	692
- Deduct non-cash share	257	-	-	257
- Equity-linked share-based payment	420,004	6,778	(12,103)	414,679
- Capital dividend share in redeemed subsidiary	15,967	70	-	16,037
- Capital dividend in shareholder's contribution	435,101	3,428	-	438,529
- Decrease in minority equity from disposal of subsidiary (including controlling interest in the subsidiary)	900,031	-	-	900,031
- Capital dividend share reduction	(42,696)	-	-	(42,696)
- Capital dividend share minority shareholder's equity	(246,669)	-	(78,103)	(324,772)
- Capital dividend share shareholder's contribution	(58,964)	-	-	(58,964)
- Effect of functional currency change	(406,795)	-	-	(406,795)
- Capital dividend share reduction from subsidiary	(51,925)	-	-	(51,925)
- Recognized minority shareholder gained	(1,549,826)	-	-	(1,549,826)
Other	120,987	-	-	120,987
Total	3,126,585	39,586	(90,206)	3,075,965

	31 December 2015	Change in addition	Change in deduction	31 December 2016
Share premium	3,577,648	12,773	-	3,590,421
Other capital : -				
- Exchange reserve foreign - currency	692	-	-	692
- Deferred tax	257	-	-	257
- Dividend income	402,887	22,316	(5,199)	420,004
- Capital loss on - foreign - investment	14,275	1,692	-	15,967
- Capital loss on - foreign - investment	207,660	227,441	-	435,101
- Decrease in - foreign - investment - (net of - foreign - investment)	899,128	903	-	900,031
- Capital loss on - foreign - investment	(42,696)	-	-	(42,696)
- Capital loss on - foreign - investment	(224,430)	-	(22,239)	(246,669)
- Capital loss on - foreign - investment	(58,964)	-	-	(58,964)
- Effect of financial - change	(406,795)	-	-	(406,795)
- Capital loss on - foreign - investment	(51,925)	-	-	(51,925)
- Recognition of - foreign - investment	(1,249,826)	-	(300,000)	(1,549,826)
Other	113,952	7,035	-	120,987
Total	3,181,863	272,160	(327,438)	3,126,585

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For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has final reference only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Other Comprehensive Income

	For the period from 1 January to 30 June 2017					
	Pre-tax amount incurred in the period	Pre-tax amount attributable to the Company	Pre-tax amount attributable to the minority			
	31 December 2016	31 December 2016	31 December 2016	31 December 2016	30 June 2017	
Items that may be classified as reclassified financial assets and liabilities:						
• Foreign exchange gains/losses	43,754	-	-	-	43,754	
• Change in fair value of available-for-sale financial assets	(3,344)	(113)	(128)	(241)	(3,585)	
• Cash flow hedge	80	7,144	(1,072)	6,072	6,152	
• Exchange difference arising from translating foreign currencies	(164,200)	93,191	-	66,593	26,598	
• Gain/(loss) from the difference between fair value and book value of non-trading investments in equity investments measured at fair value	481,051	-	-	-	481,051	
	357,341	100,222	(1,200)	72,424	26,598	
					429,765	

	Year 2016					
	Pre-tax amount incurred in the period	Less: Income tax	Pre-tax amount attributable to the Company	Pre-tax amount attributable to the minority		
	31 December 2015				31 December 2016	
Items that may be classified as reclassified financial assets and liabilities:						
• Foreign exchange gains/losses	43,754	-	-	-	43,754	
• Change in fair value of available-for-sale financial assets	(3,240)	(104)	(104)	-	(3,344)	
• Cash flow hedge	(4,074)	4,887	(733)	4,154	80	
• Exchange difference arising from translating foreign currencies	(554,570)	462,287	-	390,370	71,917	
• Gain/(loss) from the difference between fair value and book value of non-trading investments in equity investments	3,653	584,834	(83,825)	477,398	23,611	
	(514,477)	1,051,904	(84,558)	871,818	95,528	

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The period covered from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Surplus reserve

	31 December 2016	Change in addition	Change in decrease	30 June 2017
Shareholders' equity	1,489,287			1,489,287
Dividends paid	1,790,092			1,790,092
Total	3,279,379			3,279,379

	31 December 2015	Change in addition	Change in decrease	31 December 2016
Shareholders' equity	1,413,486	75,801		1,489,287
Dividends paid	1,790,092			1,790,092
Total	3,203,578	75,801		3,279,379

In accordance with the C m an La and the C m an ' Article f A cia in, the C m an h ld a a ia e 10% f ne fi f he ea (incl ding ha eh lde and he e i h lde f he C m an) he a a l e e e, and the C m an can cea e a a ia in hen he a a l e e e acc mlaed m e han 50% f he egi eed ca ial. The a a l e e e can be ed make f he l a ncea e he aid in ca ial.

The C m an a a i a e f h e d i c e i n a l e e e a f e h e h a h l d e ' m e e i n g a e h e
a l f m h e B a d f D i e c . The d i c e i n a l e e e c a n b e e d m a k e f h e l
i n c e a h e a i d i n c a i a l a f e a a l f m h e a a i a e a h i e .

49. Undistributed profits

	Net	30 June 2017	31 December 2016
Undistributed profit at the beginning of the year		17,495,053	17,805,808
Add: net profit attributable to the shareholders and the non-controlling interest of the Company for the current period		796,898	539,660
Less: Influence from the subsidiary		(35,908)	(119,792)
Less: available for sale investments		-	(75,801)
Less: dividend payable	(1)	(179,835)	(654,822)
Undistributed profit at the end of the period		18,076,208	17,495,053

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For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Undistributed profits (Continued)

(1) Dividends of ordinary shares declared during the period

	30 June 2017	31 December 2016
Dividend declared by the board	-	-
Total dividend in the period	179,835	654,822

In accordance with the provisions of the Company's general meeting of the Company, on 9 June 2017, the Company paid a cash dividend in the amount of 0.06 yuan per share to the shareholders of the Company as at 30 June 2017 (2016: 0.22 yuan per share), totaling 179,835,000 (2016: 654,822,000).

50. Revenue and cost of sales

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Revenue from main business	32,656,928	22,828,212
Revenue from other business	730,224	714,631
Total	33,387,152	23,542,843
Cost of sale from main business	26,911,617	18,795,869
Cost of sale from other business	329,947	330,627
Total	27,241,564	19,126,496

The above individual contracts do not account for more than 10% of the total revenue.

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For the period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Revenue and cost of sales (Continued)

(1) Revenue and cost of sales from main operations by industries and by products

Industry	For the Period from 1 January to 30 June 2017		For the Period from 1 January to 30 June 2016	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Construction	9,596,787	7,944,171	4,403,976	4,028,151
Road and main vehicle	9,456,259	7,813,816	6,807,849	5,586,799
Engineering and chemical & infrastructure	4,825,819	4,021,439	4,180,940	3,372,051
Offshore business	500,245	461,813	950,752	822,464
Airport facilities	1,147,629	932,468	1,096,364	886,690
Logistics service	3,725,556	3,242,929	3,149,543	2,763,476
Finance	1,145,113	498,703	1,113,604	366,336
Real estate	268,322	160,685	203,751	100,269
Healthcare	1,238,678	1,166,396	790,779	771,101
Others	752,520	669,197	130,654	98,532
Total	32,656,928	26,911,617	22,828,212	18,795,869

(2) Revenue and cost of sales from main operations by locations

	For the Period from 1 January to 30 June 2017		For the Period from 1 January to 30 June 2016	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
P.R. China	27,745,363	22,723,465	19,344,042	15,845,823
Europe	2,752,566	2,371,653	1,244,670	1,041,609
America	1,649,559	1,394,104	1,803,907	1,515,328
Asia (excluding P.R. China)	378,592	317,409	308,619	282,794
Others	130,848	104,986	126,974	110,315
Total	32,656,928	26,911,617	22,828,212	18,795,869

The revenue and cost of sales from main operations by location is determined on the basis of the location in which the service is provided or the goods are delivered.

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For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Revenue and cost of sales (Continued)

(3) Revenue and cost of sales from other operations

	For the Period from 1 January to 30 June 2017		For the Period from 1 January to 30 June 2016	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Renting fee	532,435	239,624	580,116	226,095
Sale of materials	197,789	90,323	134,515	104,532
Total	730,224	329,947	714,631	330,627

51. Taxes and surcharges

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	Tax base
Basic	44,238	24,768	3% and 5% fee on fee
City maintenance and education	44,238	85,368	7% of VAT and basic
Land use fee	17,849	12,290	According to the local government's fee
Education charge	35,470	62,541	3% and 5% of VAT and basic
Other	114,214	9,269	
Total	216,183	194,236	

52. Selling and distribution expenses

For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
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For the period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. General and administrative expenses

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Employee Benefits	1,004,200	783,266
Technology development	288,459	230,097
Performance bonus and retention bonus	165,200	49,872
Debt service	134,408	149,922
Amortization	113,415	99,409
Agency fee	110,796	97,258
Rental	75,806	63,119
Leasehold improvements and material consumed	49,006	30,969
Tax and charge	34,293	127,122
Share-based payment expense	9,583	19,889
Office rent, telephone fee and other	382,873	331,378
Total	2,368,039	1,982,301

54. Financial expenses-net

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Interest expense	779,849	594,185
Lease liability deduction	257,584	279,103
Lease interest income	117,661	97,294
Exchange (gain)/loss	111,742	(29,461)
Other	77,905	116,617
Total	594,251	304,944

Notes to the Financial Statements

For the period from 1 January and ended 30 June 2017

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Expenses by nature

Cost of service, selling expense, general administrative expense and financial expense in income statement by nature are analysed as follows:

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Finished goods and work-in-process inventory	(741,628)	(244,984)
Construction materials and leased and repaired machinery, etc	24,492,423	16,685,627
Salaries and wages	3,216,847	2,129,005
Depreciation and amortization	1,152,911	1,242,346
Shipping and handling charge	560,202	411,149
Financial expense	594,251	304,944
Rental	130,874	130,385
Technological development	288,459	230,097
Pricing and engineering expense	294,912	211,604
Provision	283,549	180,553
Selling expense	149,651	57,393
Other expense, other manufacturing expense	164,295	234,324
Other expense, other selling and distribution expense	209,567	291,869
Other expense, other general and administrative expense	663,795	585,558
	31,460,108	22,449,870

56. Profit/(Loss) from changes in fair value

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Financial assets at fair value through profit or loss		
Change in fair value during the year		
1. Profit from change in fair value of equity instruments held for trading	29,834	944
2. Profit/(Loss) from change in fair value of debt and equity financial instruments	(73,769)	(136,647)
Profit/(Loss) from recognized financial assets at fair value through profit or loss	1,830	141,409
Subtotal	(42,105)	5,706
Financial liabilities at fair value through profit or loss		
Change in fair value during the year		
1. Profit/(Loss) from change in fair value of debt and equity financial instruments	9,479	131,398
Total	(32,626)	137,104

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Investment income

Investment income by categories

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
(Loss)/income from disposal of financial assets at fair value through profit or loss	(1,830)	(141,409)
Income earned during the holding period of available-for-sale financial assets	4,106	8,855
Income earned from disposal of available-for-sale financial assets	533	7,714
Income from long-term equity investments in the consolidated	2,538	13,800
Income from disposal of long-term equity investments	(25,460)	23,712
Others	9,485	-
Total	(10,628)	(87,328)

58. Asset impairment losses

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Accounts receivable	25,988	14,445
Advances	6,675	-
Other receivables	141,923	343,501
Inventory	(3,521)	6,962
Construction in process	97,401	153,029
Long-term receivables	(35,563)	(129,164)
Other non-current assets	-	178,634
Fixed assets	1,534	94
Restricted cash at bank	-	700,000
Total	234,437	1,267,501

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Other Income

	For the Period from 1 January to 30 June 2017
Financial liability	57,088
Transportation	27,472
Others	6,472
Total	91,032

60. Non-operating income

(1) Non-operating income by categories:

For the Period
from 1 January
to 30 June 2017

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For the period ended from 1 January and ended 30 June 2017
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Non-operating expenses

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	Amount Recognized in Non-Operating Expenses from 1 January to 30 June 2017
Losses on disposal of non-current assets	17,388	9,485	17,388
Including: Losses on disposal of fixed assets	17,388	9,485	17,388
Losses on disposal of intangible assets	-	-	-
Debt interest	352	393	352
Penalties and fines	1,699	380	1,699
Commission income	11,486	989	11,486
Abnormal loss	679	664	679
Others	800	2,234	800
Total	32,404	14,145	32,404

62. Income tax expenses

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Current income tax calculated based on taxable income and related tax laws	499,609	262,989
Deferred income tax	10,024	112,327
Total	509,633	375,316

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Income tax expenses (Continued)

Reconciliations between income tax expense and accounting profit are as follows:

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Profit before tax	1,576,142	(165,844)
Income tax expense calculated at applicable rate	395,233	338,676
Effect of tax incentives	(63,499)	(46,248)
Excess non-deductible expenses	20,714	32,243
Other income tax adjustments	(90,621)	(74,525)
Utilization of deferred tax assets	(5,941)	(7,695)
Tax effect of non-deductible expenses	112,902	38,339
Deductible temporary difference from which non-deductible expenses are recognized in the future	142,126	95,650
Effect of exchange rate on deferred tax	(735)	-
Tax effect of income tax annual filing	(546)	(1,124)
Income tax expense	509,633	375,316

63. Earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Consolidated profit attributable to ordinary shareholders and non-controlling interests of the Company	796,898	(378,034)
Influence of the issuing of new shares	(35,908)	(51,900)
Consolidated profit (adjusted) attributable to ordinary shareholders of the Company	760,990	(429,934)
Weighted average number of ordinary shares outstanding ('000)	2,979,059	2,978,120
Basic earnings per share (RMB/share)	0.2554	(0.1444)
Including: Including non-basic earnings per share	0.2554	(0.1444)

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Earnings per share (Continued)

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding:

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Consolidated profit attributable to ordinary shareholders and non-controlling interests of the Company	796,898	(378,034)
Influence of the issuing of new shares	(35,908)	(51,900)
Effect of the dilutive potential ordinary shares	(1,371)	-
Consolidated profit (adjusted) attributable to ordinary shareholders of the Company	759,619	(429,934)
Weighted average number of ordinary shares outstanding (diluted) ('000) (adjusted)	2,986,410	2,978,120
Diluted earnings per share (RMB/ share)	0.2544	(0.1444)

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	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Weighted average number of ordinary shares outstanding ('000)	2,979,059	2,978,120
Effect of the dilutive potential ordinary shares	7,351	-
Weighted average number of ordinary shares outstanding (diluted) ('000)	2,986,410	2,978,120

The bad debt loss of the Company amounted to RMB60,000,000 (2.01% of the total) in 2017 (RMB2,980,352,786) in 2016. The management and the audit firm have reviewed the financial statements and found no material misstatement.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Notes to the consolidated cash flow statement (Continued)

(4) Cash received related to other financing activities

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Cash aid from financing minority interest	81,616	22,272
Cash aid from financing expense	-	98,104
Total	81,616	120,376

65. Information to cash flow statement

(1) Supplementary information to the consolidated cash flow statement

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	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Net profit	1,066,509	(541,160)
Add: Profit in financial investment	234,437	1,267,501
Decrease in fixed assets	916,498	1,056,717
Amortization of intangible assets	175,734	121,062
Amortization of intangible assets and long-term prepaid expenses	60,679	64,902
Long-term prepaid expenses, intangible assets and long-term assets	(13,739)	3,332
(Gain)/Loss on change in fair value Financial	32,626	(137,104)
Financial	404,604	217,788
Income tax income	10,628	87,328
Share-based payment expense	9,583	19,889
Increase in deferred tax assets	(19,246)	59,293
Increase in deferred tax liabilities	30,470	1,491,247
(Increase)/decrease in inventory	922,591	644,176
Decrease in operating receivable	(6,337,636)	(5,172,278)
Increase/(decrease) in operating payable	1,838,046	1,751,039
Net cash flow from operating activities	(668,216)	933,732

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Information to cash flow statement (Continued)

(1) Supplementary information to the consolidated cash flow statement (Continued)

(1) Changes in cash and cash equivalents

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Cash and cash equivalents at the end of the period	5,940,423	4,310,559
Less: Cash and cash equivalents at the beginning of the period	6,338,667	3,259,123
Net increase/(decrease) in cash and cash equivalents	(398,244)	1,051,436

(2) Information on acquisition of subsidiaries and other business units during the period

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
I. Information on acquisition of subsidiaries and other business units:		
Cash and cash equivalents paid for acquisition	5,000	965,028
Less: Cash and cash equivalents held by subsidiaries and other business units at acquisition date	-	200,451
Net cash paid/(received) for acquisition	5,000	764,577

(3) Cash and cash equivalents

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
I. Cash		
Including: Cash on hand	155,947	3,420
Cash at bank which can be readily drawn on demand	4,686,435	4,074,994
Other monetary funds which can be readily drawn on demand	77,875	232,145
II. Redemption of money at call Finance Company	1,020,166	-
III. Cash and cash equivalents at the end of the period	5,940,423	4,310,559

Note: Affiliated Cash at bank and on hand included restricted cash.

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Monetary items denominated in foreign currency

	30 June 2017		
	Functional currency (in thousands)	Exchange Rate	in RMB
Monetary items			
USD	120,552	6.7744	816,665
HKD	289,640	0.8679	251,384
AUD	15,237	5.2099	79,381
THB	12,960	5.0155	65,000
GBP	16,912	8.8144	149,070
EUR	198,198	7.7496	1,535,952
JPY	403,637	0.0605	24,414
Others			138,215
			3,060,081
Accounts receivable			
USD	1,830,416	6.7744	12,399,969
HKD	38,799	0.8679	33,674
JPY	439,547	0.0605	26,586
AUD	8,411	5.2099	43,820
EUR	102,610	7.7496	795,188
Others			722,795
			14,022,032
Other receivable			
USD	152,854	6.7744	1,035,494
HKD	36,344	0.8679	31,544
EUR	8,620	7.7496	66,804
Others			120,305
			1,254,147
Long-term receivable			
USD	1,495,164	6.7744	10,128,838
GBP	27,827	8.8144	245,276
Others			22,092
			10,396,206

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has final Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Monetary items denominated in foreign currency (Continued)

		30 June 2017	
	Functional currency (in thousands)	Exchange Rate	in RMB
Shareholding			
USD	1,430,476	6.7744	9,690,618
EUR	95,026	7.7496	736,415
GBP	1,999	8.8144	17,621
AUD	63	5.2099	329
			10,444,983
Accounts payable			
USD	237,138	6.7744	1,606,467
HKD	49,007	0.8679	42,534
EUR	83,320	7.7496	645,695
AUD	8,929	5.2099	46,517
THB	2,532	5.0155	12,700
Others			709,653
			3,063,566
Other payable			
USD	190,769	6.7744	1,292,347
HKD	13,687	0.8679	11,879
JPY	98,008	0.0605	5,928
EUR	8,211	7.7496	63,630
AUD	1,004	5.2099	5,233
THB	367	5.0155	1,840
Others			257,379
			1,638,236
Long-term borrowings			
USD	3,267,834	6.7744	22,137,615
HKD	248,000	0.8679	215,244
Others			397,237
			22,750,096
Long-term payable			
USD	29,264	6.7744	198,246

A 30 June 2017, he n mbe f c m anie incl ded in he c e f c n lida in added 621. E ce f he im an b idia ie li ed a bel , he n mbe f he b idia ie held b he G a 360, ih aid-in ca ial am n ing 758,912,000. O he b idia ie mainl incl ded h e engaged in man fac ing e ice i i n, hich ha e elai el mall cale f e a in and he aid-in ca ial a bel 20 milli n USD3 milli n. O he b idia ie al incl ded h e in e men h lding c m anie ih n e a ing ac iie egi eed in H ng K ng, B i h Vigin I land he e e e a c n ie .

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Text has Prevailing Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination

(i) Subsidiaries obtained through establishment

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and subscribed	Shareholding information (of bonds)	Shareholding percentage (%)	
								Direct	Indirect
1	Shenzhen Shengda CIMC Container Manufacturing Co., Ltd. (SCIMC)	Business entity	Shenzhen, Guangdong	723 8(1)Te041.412 8.337 0 Td	infrastructure	188,000,000 RMB	100%	100%	

Notes to the Financial Statements

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For the period ended from 1 Jan. and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Text has Precedence Over Chinese Text)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

						Share capital issued and information of bonds	Shareholding percentage (%)	
Name	Category	Registration Place	Main Premises	Business scope			Direct	Indirect
9 Yang h R n ang L gi ic E i men C ., L d. (YZRYL)	B ine eni	Yang h , Jiang	Yang h , Jiang	Man fac e, e ai and ale f c naine	USD20,000,000			100.00%
10 Shanghai CIMC Yang han L gi ic E i men C ., L d. (SHYSLE)	B ine eni	Shanghai	Shanghai	Man fac e and ale f c naine a ell a ale an echnical ad i	USD29,480,000			100.00%
11 Shanghai CIMC Reefer C naine C ., L d. (SCRC)	B ine eni	Shanghai	Shanghai	Man fac e and ale f eige ai n and hea e e ai n de ice f efer c naine, e f ege a ca and Hea ; P e e ai n ca	USD31,000,000	72.00%		20.00%
12 Nan ng CIMCS eci al Tan ai n E i men Man fac e C ., L d. (NTCIMCS)	B ine eni	Nan ng, Jiang	Nan ng, Jiang	Man fac e, ale and e ai f ai gh, ank a ell a ai eci al ing and an ing e i men and a	USD10,000,000			71.00%
13 Xinh i CIMCS eci al Tan ai n E i men C ., L d. (XHCIMCS)	B ine eni	Jiangmen, G angd ng	Jiangmen, G angd ng	Man fac e and ale f ai c naine emi-fini hed c naine d c and ale an c m nen d c and ale an c m nen and main enance e ice	USD65,499,000	19.01%		80.99%
14 Nan ng CIMC Tank E i men C ., L d. (NTCIMCT)	B ine eni	Nan ng, Jiang	Nan ng, Jiang	Man fac e and ale f ai c naine emi-fini hed c naine d c and ale an c m nen d c and ale an c m nen and main enance e ice	USD35,000,000			70.79%
15 Dalian CIMC Rail a E i men C ., L d. (DLCIMCS)	B ine eni	Dalian, Lia ning	Dalian, Lia ning	De ign, man fac e and ale f ai ail a f eigh e i men d c	USD20,000,000	55.00%		45.00%
16 Nan ng CIMC La ge- i ed Tank C ., L d.	B ine eni	Nan ng, Jiang	Nan ng, Jiang	De ign, d c i n and ale f ank and ale an a ; nd e aking ank- e a ed gene al c n ac ing e jec	USD47,700,000			70.79%
17 Shen hen CIMC S eci al Vehicle C ., L d. (CIMCSV)	B ine eni	Shen hen, G angd ng	Shen hen, G angd ng	De el men, d c i n and ale f ai eci al- e ehicle, a ell a ale an c m nen and a	RMB200,000,000			63.33%

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(continued from page 219)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
18	Qingdao CIMC Special Vehicle Co., Ltd. (QDSV)	Business	Qingdao, Shandong	Qingdao, Shandong	Design, production and sale of special-vehicle, refueling vehicle, special vehicle and maintenance	RMB62,880,000	44.34%	35.25%
19	Fujian CIMC Logistics Equipment Co., Ltd. (Fujian Logistics)	Business	Fujian, Guangdong	Fujian, Guangdong	Design, production and maintenance of logistics and lifting equipment	RMB3,000,000	-	100.00%
20	Shanghai CIMC Vehicle Logistics Equipment Co., Ltd. (SHL)	Business	Shanghai	Shanghai	Design, production, repair, leasing, sale, maintenance and after-sales facilities	RMB90,204,100	-	63.33%
21	Shenzhen CIMC Welding Co., Ltd. (CIMC Welding)	Business	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sale of welding machinery and related products; after-sales service	RMB30,000,000	12.00%	88.00%
22	CIMC Vehicle (Liaoning) Co., Ltd. (LNVS)	Business	Yingkou, Liaoning	Yingkou, Liaoning	Design and production of special-vehicle, after-sales maintenance and after-sales service	RMB60,000,000	-	63.33%
23	Tianjin P&C Zhenhua Logistics Co., Ltd. (Tianjin P&C)	Business	Tianjin	Tianjin	Import and domestic freight agency	RMB100,000,000	-	61.50%
24	CIMC-SHAC (Xi'an) Special Vehicle Co., Ltd. (XASV)	Business	Xi'an, Shaanxi	Xi'an, Shaanxi	Design and production of special-vehicle, after-sales maintenance and after-sales service	RMB50,000,000	-	47.50%
25	Ganxi CIMC Heavy Vehicle Co., Ltd. (GSHV)	Business	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Refueling special vehicle, manufacturing of special vehicle, after-sales maintenance and after-sales service	RMB25,000,000	-	63.33%

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For the period ended from 1 Jan a and ended 30 June 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f e Reference Onl)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

						Share capital issued and information of bonds	Shareholding percentage (%)	
Name	Category	Registration Place	Main Premises	Business scope			Direct	Indirect
26 Xinh i CIMC C m i e Ma e ial Man fac e C ., LTD (XHCM)	B ine eni	Jiangmen, G angd ng	Jiangmen, G angd ng	P d cin, de el men, ce ing and ale fai c m i e la e d c cha la ic, la icall	RMB129,000,000	,		63.33%
27 Qingda CIMC Ec E i men C ., L d. (QDHB)	B ine eni	Qingda , Shand ng	Qingda , Shand ng	De el men, man fac e, ale and e ice f ga bage ea men ck and hec m nen and a	RMB137,930,000	,		63.33%
28 Shanghai CIMC S ecial Vehicle C ., L d. (SHCIMCV)	B ine eni	Shanghai	Shanghai	De el men and d cin fb aile, b ca a ella ele an mechanical d c	RMB10,000,000	,		63.33%
29 CIMC Financing and Lea ing C ., L d. (CIMCVL)	B ine eni	Shen hen, G angd ng	Shen hen, G angd ng	Finance lea e b ine ; di al and main enance f e id al ale f lea ed e ; ad i and a an f lea ing an ac i n	USD70,000,000	75.00%		25.00%
30 Qingda Ref i ge a i n T an E i men C ., L d. (QDRV)	B ine eni	Qingda , Shand ng	Qingda , Shand ng	Man fac e and ale fai ef i ge a ck, in laed ck, he an e i men and a e a	USD29,405,000	,		76.44%
31 Nan ng CIMC Tank E i men C ., L d. (NTCY)	B ine eni	Nan ng, Jiang	Nan ng, Jiang	P d cin fai e i ain ank ca ecial e i ain gh, ank and a	RMB69,945,600	,		70.79%
32 Shen hen CIMC , Tianda Ai S ., L d. (TAS)	B ine eni	Shen hen, G angd ng	Shen hen, G angd ng	P d cin and e ain fai ai e elec e mechanical e i men d c	USD13,500,000	,		54.70%
33 Xinh i CIMC W d C ., L d. (XHCIMCW)	B ine eni	Jiangmen, G angd ng	Jiangmen, G angd ng	P d cin and ale f c naine e d fl and ele an d c fai ecifica i n ; i iding ele an echnical ad i e ice	USD15,500,000	,		100.00%

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

						Share capital issued and information of bonds	Shareholding percentage (%)	
Name	Category	Registration Place	Main Premises	Business scope			Direct	Indirect
34 Inner Mongolia Hainan CIMC W d C., Ltd. (NMGW)	Business entity	Inner Mongolia	Inner Mongolia	Production and sale of various types of steel pipes and steel structures and engineering construction	RMB259,520,000	100.00%		100.00%
35 Jiaxing CIMC W d C., Ltd. (JXW)	Business entity	Jiaxing, Zhejiang	Jiaxing, Zhejiang	Production and sale of various types of steel pipes and steel structures and engineering construction	USD5,000,000	100.00%		100.00%
36 Shenhen Shipbuilding CIMC Container Service Co., Ltd. (SCIMCL)	Business entity	Shenhen, Guangdong	Shenhen, Guangdong	Engaged in container shipping, leasing, mainenance	USD5,000,000	100.00%		100.00%
37 Ningbo CIMC Container Service Co., Ltd. (NBCIMCL)	Business entity	Ningbo, Zhejiang	Ningbo, Zhejiang	Goods handling, packaging, warehousing, distribution and logistics services	RMB30,000,000	100.00%		100.00%
38 CIMC Shenfa Development Co., Ltd. (CIMC SD)	Business entity	Shanghai	Shanghai	Investment, construction and real estate development, leasing and operation	RMB204,123,000	98.53%	1.47%	
39 CIMC Vehicle (Xinjiang) Co., Ltd. (SJ4S)	Business entity	Urumqi, Xinjiang	Urumqi, Xinjiang	Production and sale of mechanical equipment and related technical services	RMB80,000,000	63.33%		
40 CIMC Vehicle (Group) Co., Ltd. (HI)	Business entity	Shenhen, Guangdong	Shenhen, Guangdong	Development, production and sale of high-tech and high-performance special vehicles and accessories	USD212,225,100	44.33%	19.00%	
41 Qingdao CIMC Special Reefer Co., Ltd. (QDCSR)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Manufacture of various types of semi-trailers and related components and accessories	USD39,184,100	100.00%		
42 Tianjin CIMC Logistic Equipment Co., Ltd. (TJCMCLE)	Business entity	Tianjin	Tianjin	Design, manufacture, sale, mainenance and related technical services of logistic equipment and related components and accessories	USD10,000,000	83.50%		

Notes to the Financial Statements

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For the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise stated)
 (English Text has Primary Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
43	Dalian CIMC Logistic Engineering Co., Ltd. (DLL)	Business entity	Dalian, Liaoning	Dalian, Liaoning	Design, manufacture, maintenance and electrical installation; in-house production, engineering, logistics engineering and other services	USD14,000,000	100.00%	
44	Chongqing CIMC Logistic Engineering Co., Ltd. (CQLE)	Business entity	Chongqing	Chongqing	Design, manufacture, lease, maintenance, special construction, engineering, logistics engineering and other services; construction and assembly	USD8,000,000	75.00%	25.00%
45	Dalian CIMC Heat Logistic Engineering Co., Ltd. (DLZH)	Business entity	Dalian, Liaoning	Dalian, Liaoning	In-house production, engineering, design, manufacture, maintenance and electrical installation; other services	USD45,170,000	62.70%	37.30%
46	Shenzhen CIMC Intelligent Technology Co., Ltd. (CIMC Tech)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Design, development, sales, integration of electronic information and other services	RMB66,388,889	62.96%	9.04%
47	CIMC Taicang Refractory Engineering Co., Ltd. (TCCR)	Business entity	Taicang, Jiangsu	Taicang, Jiangsu	Research and development, production and sales of refractory materials and special construction	RMB450,000,000	100.00%	
48	Henan CIMC Bomb Industry Development Co., Ltd. (HNW)	Business entity	Sining, Henan	Sining, Henan	Manufacturing and sales of bombs and other products	RMB28,000,000	100.00%	
49	CIMC Jidong (Qinhuangdao) Vehicle Manufacturing Co., Ltd. (QHDV)	Business entity	Qinhuangdao, Hebei	Qinhuangdao, Hebei	Sales and construction and other services	RMB70,000,000	47.50%	
50	Shenzhen Shihua CIMC Logistic Co., Ltd. (SHLG)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Design and development of energy and chemical & other engineering construction services	RMB80,000,000	100%	

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Translation for Reference Only)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
51	CIMC Management and Training (Shenzhen) Co., Ltd. (CIMC Training)	Business	Shenzhen, Guangdong	Shenzhen, Guangdong				

Notes to the Financial Statements

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For the period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Text is in Reference Only)

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
						Direct	Indirect
60 Chengdu CIMC Industrial Park Investment and Development Co., Ltd. (Chengdu Industrial Park)	Business	Chengdu, Sichuan	Chengdu, Sichuan	Construction, management and lease of warehousing and distribution facilities; sale of vehicles and accessories	RMB60,000,000	-	63.33%
61 CIMC Finance Company (Finance Company)	Business	Shenzhen, Guangdong	Shenzhen, Guangdong	Providing financial services	54,100 (Finance F/Fe(Shenzhen),37%)	0.0212	Td(Providing by Fia)Tj ne he G

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

						Share capital issued and information of bonds	Shareholding percentage (%)	
Name	Category	Registration Place	Main Premises	Business scope			Direct	Indirect
69 CIMC Container Handling Co., Ltd. (CIMC Container Handling)	Business entity	Shanghai, Guangdong	Shanghai, Guangdong	Equipment maintenance and management and related equipment business	RMB2,736,915,400		100.00%	
70 Chengdu CIMC Logistics Equipment Co., Ltd. (Chengdu Logistics Equipment)	Business entity	Chengdu, Sichuan	Chengdu, Sichuan	Chemical liquid tank truck and trailer	RMB15,000,000			63.33%
71 Shanxi CIMC Vehicle Industry Garden (Shanxi Vehicle Garden)	Business entity	Xianyang, Shanxi	Xianyang, Shanxi	Production and sale of special vehicle	RMB80,000,000			63.33%
72 CIMC Holding (B.V.I.) Limited (CIMC BVI)	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Equipment maintenance, equipment maintenance and equipment management	RMB150,000,000			100.00%
73 CIMC Industrial Building Design & Development Co., Ltd. (Industrial Design)	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Design, industrial building and decoration	RMB50,000,000			87.40%
74 CIMC Cold Chain Refrigeration Co., Ltd. (Cold Chain Refrigeration)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Sandwich panel production and special production	RMB50,000,000			100.00%
75 CIMC Cold Chain Equipment Co., Ltd. (Cold Chain Equipment)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Production and equipment maintenance	RMB979,000,000			100.00%
76 Shenyang CIMC Industrial Park Equipment and Development Co., Ltd. (Shenyang Vehicle Garden)	Business entity	Shenyang, Liaoning	Shenyang, Liaoning	Equipment management, equipment management	RMB50,000,000			63.33%
77 Shenyang Tianda CIMC Logistics System Engineering Co., Ltd. (Tianda Logistics)	Business entity	Shanghai, Guangdong	Shanghai, Guangdong	Automated logistics engineering, automated logistics management	RMB60,000,000			54.70%

Notes to the Financial Statements

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For the period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English translation for reference only)

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
						Direct	Indirect
78 Dongguan Cimo Inn Fashion Industrial Park Development Co., Ltd. (Dongguan Cimo Inn Fashion Industrial Park)	Building	Dongguan	Gaogang Park	Real estate development, operation and management of real estate, etc.			

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

						Share capital issued and information of bonds	Shareholding percentage (%)	
Name	Category	Registration Place	Main Premises	Business scope			Direct	Indirect
87 Qingdao CIMC International Pack Development Co., Ltd. (Qingdao Ceaie International Pack)	Business	Qingdao, Shandong	Qingdao, Shandong	Development and management of sea and land; advertising sea and land	RMB10,000,000			82.00%
88 Anhui United Feicai Vehicle Co., Ltd. (United Feicai)	Business	Xiancheng, Anhui	Xiancheng, Anhui	Production and sale of special-use vehicle and engineering machine	RMB158,000,000			66.24%
89 Zhengzhou (Tianjin) Container Service Co., Ltd. (Zhengzhou Container Service)	Business	Tianjin	Tianjin	Domestic and international freight transportation, and related service	RMB85,761,300			75.00%
90 Kunshan CIMC Automation Equipment Co., Ltd. (Kunshan CIMC)	Business	Kunshan, Jiangsu	Kunshan, Jiangsu	Automation equipment, and handling equipment	RMB80,000,000			54.70%
91 CIMC Tianda (Liaoning) International Development Co., Ltd.	Business	Liaoning, Fujian	Liaoning, Fujian	The shipping line, sea management and sea and development	RMB20,000,000			32.82%
92 Albe Ziegler GmbH (Beijing) Sales Co., Ltd. (Ziegler)	Business	Beijing	Beijing	Freight, special-use vehicle and accessories, machine equipment import and export and agency	EUR1,500,000			60.00%
93 Shenzhen CIMC Yang Valley Intelligent Technology Co., Ltd. (Shenzhen Yang Valley)	Business	Shenzhen, Guangdong	Shenzhen, Guangdong	Automation identification card, identification equipment and card and related business	RMB10,000,000			54.72%
94 Shenzhen CIMC Electric Cmm and Logistics Technology Co., Ltd.	Business	Shenzhen, Guangdong	Shenzhen, Guangdong	The development of electric lifting and mechanical	RMB137,844,600			50.78%
95 Nanjing CIMC Sanction Equipment Co., Ltd. (Sanction Nanjing)	Business	Nanjing, Jiangsu	Nanjing, Jiangsu	Manufacture and sale of equipment and chemical equipment, etc.	RMB20,000,000			70.73%

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For the period ended from 1 Jan and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Translation for Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
96	Dongguan CIMC Special Vehicle Co., Ltd. (Dongguan CIMC Special Vehicle)	Business entity	Dongguan, Guangdong	Dongguan, Guangdong	Development, production and sale of special vehicles, engineering vehicles, special vehicles, etc.	RMB200,000,000	63.33%	
97	Guangdong CIMC Vehicle Industry Garden (Guangdong Vehicle Industry Garden)	Business entity	Dongguan, Guangdong	Dongguan, Guangdong	Project investment, sale and development, production and sale of vehicles and parts	RMB30,000,000	100%	
98	Zhenhua (Tianjin) Logistics Chain Management Co., Ltd. (Zhenhua Logistics Chain Management)	Business entity	Tianjin	Tianjin	Warehousing services; Logistics Distribution and loading, unloading, handling services	RMB79,475,000	75.00%	
99	CIMC Technology Co., Ltd. (Jiangmen CIMC Technology)	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Intelligent equipment technology development and industrial investment	RMB50,000,000	100.00%	
100	Shenzhen CIMC Vehicle Park Investment Management Co., Ltd. (Shenzhen Vehicle Park)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Investment management, asset management	RMB152,500,000	63.33%	
101	CIMC Medical Logistics Development Co., Ltd. (Medical Logistics Development)	Business entity	Tianjin	Tianjin	Import and export of medical equipment and agents, general and CIQ affairs	RMB1,049,226,700	100.00%	
102	Dongguan Shengda CIMC Logistics Equipment Manufacturing Co., Ltd. (Dongguan Shengda CIMC)	Business entity	Dongguan, Guangdong	Dongguan, Guangdong	Manufacturing and sales of various kinds of equipment, packaging equipment	RMB600,000,000	100.00%	
103	Ningbo CIMC Container Manufacturing Co., Ltd. (Ningbo Container Manufacturing)	Business entity	Ningbo	Ningbo	Manufacturing, production and sale of containers	RMB500,000,000	100.00%	
104	Shenzhen CIMC Peng Feng Venture Investment Co., Ltd. (Peng Feng Venture Investment)	Business entity	Shenzhen	Shenzhen	Investment	RMB50,000,000	100.00%	

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
105	Shen hen Thae H a Zh Y e in e men C., LTD (Shen hen Thae H a Zh Y e)	B ine en i	Shen hen	Shen hen	In e men h lding	RMB30,000,000	•	66.24%
106	G angd ng H i Zh ng Da La e e i men c., LTD (G angd ng La e e i men)	B ine en i	Jiangmen	Jiangmen	Man fac e fla e e i men	RMB31,800,000	19.01%	80.99%
107	Yang h CIMC H ng Real E ae C., LTD (Yang h H ng Real E ae)	B ine en i	Yang h	Yang h	Real e ae de el men; ale and lea e f e ie in e men in e ie	RMB25,000,000	•	82.00%
108	Yang h CIMC Da Real E ae C., L d. (Yang h Da Real E ae)	B ine en i	Yang h	Yang h	Real e ae de el men; ale and lea e f e ie	RMB25,000,000	•	82.00%
109	Yang h CIMC Ha H el In e men C., LTD (Yang h Ha H el)	B ine en i	Yang h	Yang h	F d and be age e ice; c ae managemen; ad i and in e men managemen	RMB35,000,000	•	82.00%
110	Taicang CIMC S eial L gi ic E i men C. L d. (Taicang S eial E i men)	B ine en i	Taicang, Jiang	Taicang, Jiang	P d c in and man fac e f eial c naine e i men	USD20,000,000	50.00%	50.00%
111	Zheng h C n an Embelli h. Ene g C., LTD (Zheng h C n an Ene g)	B ine en i	Zheng h	Zheng h	A e managemen	RMB43,000,000	•	66.00%
112	CIMC En ic In e men H lding (Shen hen) L d. (En ic Shen hen in e men h lding)	B ine en i	Shen hen	Shen hen	In e men h lding	USD80,000,000	•	70.73%
113	Zhangjiagang CIMC Sanc m C genic E i men Machine C., LTD. (Sanc m C genic)	B ine en i	Zhangjiagang	Zhangjiagang	Man fac e, ce and ale f c genic e i men, e le m chemical e i men men al d c and ale an a; ale ad ad i e ice	RMB30,000,000	•	63.66%

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For the period ended from 1 January and ended 30 June 2017
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					Share capital issued and information
Name	Category	Registration Place	Main Premises	Business scope	

The period from 1 January and ended 30 June 2017
(All amount in RMB'000 unless otherwise stated)
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1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
123	G angd ng CIMC b ilding c n u c i n C . L d	B ine eni	G angd ng	G angd ng	M d le l	RMB50,000,000	„	100.00%
124	CIMC Kai ng L gi ic De el men C . L d.(Kai ng L gi ic)	B ine eni	Nanjing, Jiang	Nanjing, Jiang	L gi ic Se ice	RMB80,000,000	„	51.00%
125	Kai ng L gi ic C ., L d	B ine eni	Nanjing, Jiang	Nanjing, Jiang	L gi ic Se ice	RMB20,000,000	„	51.00%
126	En ic (Jiang) Ene g E i men	B ine eni	Jiang , S h	Jiang , S h	Man fac ing and e l i ing Ene g E i men a e l a c n l i ng e ice ; elf-managemen agenc i m and e u f g d and echn l gie	RMB30,000,000	„	70.73%

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For the period from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1)

The period from 1 January and ended 30 June 2017
(All amount in RMB'000 unless otherwise stated)
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1. Equity in subsidiaries (Continued)

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	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
137	Chan Ra H Iding Limited (Chan Ra)	B ine en i	H ng K ng, China	H ng K ng, China	In e men h Iding	HKD10,000	„	70.73%
138	Chan Bea En e Le Limited (Chan Bea)	B ine en i	B li h Vigin I land	B li h Vigin I land	In e men h Iding	USD50,000	„	63.33%
139	Sha Vi n H Iding Limited (Sha Vi n)	B ine en i	H ng K ng, China	H ng K ng, China	In e men h Iding	HKD1	„	100.00%
140	S nd Winne H Iding Limited (S nd Winne)	B ine en i	B li h Vigin I land	B li h Vigin I land	In e men h Iding	USD50,000	„	70.73%
141	G Ra id Limited (G Ra id)	B ine en i	H ng K ng, China	H ng K ng, China	In e men h Iding	HKD1	„	100.00%
142	P e Jead H Iding L.d.(P e Jead)	B ine en i	B li h Vigin I land	B li h Vigin I land	In e men h Iding	USD10	„	100.00%
143	C ea ie Vela U.A.	B ine en i	H lland	H lland	In e men h Iding	EUR75,000,000	„	70.73%
144	Vela H Iding B.V.	B ine en i	H lland	H lland	In e men h Iding	EUR90,000	„	70.73%
145	CIMC Financial Lea ing (HK) C L.d.	B ine en i	H ng K ng, China	H ng K ng, China	Financial Lea ing	HKD500,000	„	100.00%
146	CIMC Off h e H Iding Limited (CIMC Off h e)	B ine en i	H ng K ng, China	H ng K ng, China	In e men h Iding	HKD2,234,855,000	„	100.00%
147	C ea ie CIMC U.A.(COOP)	B ine en i	H lland	H lland	In e men h Iding	EUR25,500,000	99.00%	1.00%
148	N h Sea Rig H Iding (NSR)	B ine en i	B li h Vigin I land	B li h Vigin I land	Financial lea ing jec c m an	USD6,000	„	91.50%

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The period from 1 January and ended 30 June 2017
(All amount in RMB'000 unless otherwise stated)
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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

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No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
149	H ng K ng CIMC Tianda Ai S L d (TAS H ng K ng)	B ine en i	H ng K ng, China	H ng K ng, China	In e men h lding	HKD1,000,000	„	54.70%
150	CIMC De el men (A alia) P L d (De el men A alia)	B ine en i	A alia	A alia	In e men h lding	AUD8,000,000	„	100.00%
151	Beac n h lding G L d (Beac n h lding)	B ine en i	B i i h Virgin I land	B i i h Virgin I land	Financial lea ing jec c m an	USD4,900	„	100.00%
152	Lih a L gi ic C m an Limied (Lih a)	B ine en i	H ng K ng, China	H ng K ng, China	L gi ic	USD4,850,000	„	75.00%
153	Beac n Pacific G L d (Beac n Pacific)	B ine en i	B i i h Virgin I land	B i i h Virgin I land	Financial Lea ing jec c m an	USD42,500,000	„	100.00%
154	CIMC H lding A alia P L d (H lding A)	B ine en i	A alia	A alia	In e men h lding	AUD8,724,000	„	63.33%
155	CIMC Taile P land SP Z (Taile P land SP Z)	B ine en i	P land	P land	In e men h lding	EUR3,000,000	„	63.33%
156	CIMC FORTUNE HOLDINGS LIMITED (F ne H lding)	B ine en i	H ng K ng	H ng K ng	Financial Se ice	USD2,000,000	100.00%	„
157	CIMC MBS H ng K ng Limied (MBS(HK))	B ine en i	H ng K ng	H ng K ng	In e men h lding	HKD50,000	„	100.00%
158	CIMC M d la B ilding S me (A alia) P L d (MBS AU)	B ine en i	A alia	A alia	M d le l	AUD500,000	„	100.00%

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1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

							Share capital issued and information of bonds	Shareholding percentage (%)	
	Name	Category	Registration Place	Main Premises	Business scope			Direct	Indirect
159	EVERISE CAPITAL PTY LTD (EVERISE)	B ine en i	A alia	A alia	In e men h lding		AUD10	100.00%	
160	GLOBAL PLUS PTY LTD (GLOBAL)	B ine en i	A alia	A alia	In e men h lding		AUD1	100.00%	
161	HARVEST AVENUE PTY LTD (HARVEST)	B ine en i	A alia	A alia	In e men h lding		AUD1	100.00%	
162	CIMC Intelligent Technology (Hong Kong) Co., Ltd	B ine en i	H ng K ng	H ng K ng	R&D e, ninal in elligen e, i men ; P ide IOT e ice		HKD10,000	68.00%	
163	Aden E E Limited (Aden E)	B ine en i	H ng K ng	H ng K ng	In e men h lding		HKD1	100.00%	
164	Glam Ee Limited (Glam)	B ine en i	H ng K ng	H ng K ng	In e men h lding		HKD1	100.00%	
165	Inna e Alliance Limited (Inna e)	B ine en i	H ng K ng	H ng K ng	In e men h lding		HKD1	100.00%	

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(2) The Group does not have subsidiaries obtained through combination under common control

(3) Subsidiaries acquired through combinations under non-common control

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	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
1	L ang CIMC Ling A m bile CO., LTD. (LYV)	B ine en i	L ang, Henan	L ang, Henan	P d cin and ale f a enge ca ank ca machining, e ain fim and e b ine	RMB122,745,700	100.00%	45.26%
2	W h CIMC R iliang A m bile CO LTD (WHVS)	B ine en i	W h , Anh i	W h , Anh i	De el men , d cin and ale f ai eci al ehicle , dina mechanical d c and meal c e a	RMB161,786,100	100.00%	45.76%
3	Liang han D ng eVehicle C .,L.d. (LSDYV)	B ine en i	Liang han, Shand ng	Liang han, Shand ng	P d cin and ale f mi ng ck, eci al ehicle and c m nen and a	RMB90,000,000	100.00%	44.39%
4	Qingda CIMC C n aine Man fac e C .,L.d (QDCC)	B ine en i	Qingda , Shand ng	Qingda , Shand ng	Man fac e and ale f c n aine , e ing and man fac e f ai mechanical a , c e and e i men	USD27,840,000	100.00%	100.00%
5	Qingda CIMC Reefer C n aine Man fac e C .,L.d.(QDRC)	B ine en i	Qingda , Shand ng	Qingda , Shand ng	Man fac e and ale f efige ain and hea e e ain de ice f efer c n aine, efige a ca and hea e e ain ca ; iding main enance e ice	USD86,846,680	100.00%	100.00%
6	Tianjin CIMC N h Ocean C n aine C .,L.d.(TJCIMC)	B ine en i	Tianjin	Tianjin	Man fac e and ale f c n aine , ehicle and hi Afe ale e ice f c n aine	USD15,469,300	47.50%	52.50%
7	Shanghai CIMC Ba ell Ind ie C .L.d (SBWI)	B ine en i	Shanghai	Shanghai	Man fac e and ale f c n aine a ell a ale an	USD28,500,000	100.00%	94.74%
8	CIMC Vehicle (G) (Shand ng) C .L.d. (KGR)	B ine en i	Zhang h , Shand ng	Zhang h , Shand ng	De el men and man fac e f eci al ca and he e ie d c	USD18,930,100	100.00%	55.10%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

						Share capital issued and information of bonds	Shareholding percentage (%)	
Name	Category	Registration Place	Main Premises	Business scope			Direct	Indirect
17 Shijia h ang En ic Ga E i men C ., L d. (Shijia h ang En ic)	B ine en i	Shijia h ang, Hebei	Shijia h ang, Hebei	Man fac ing e e e el	USD32,000,000			70.73%
18 En ic (Langfang) Ene g E i men in eg ai n C ., L d. (Langfang En ic)	B ine en i	Langfang, Hebei	Langfang, Hebei	Man fac ing and e li ing Ene g E i men in eg ai n	HKD115,000,000			70.73%
19 En ic (Beijing) Ene g Techn l g C ., L d. (Beijing En ic)	B ine en i	Beijing	Beijing	Man fac ing and e li ing Ene g E i men in eg ai n	HKD40,000,000			70.73%
20 CIMC En ic (Jingmen) Ene g E i men	B ine en i	Jingmen, H bei	Jingmen, H bei	Sale f chemical and ga machine ie and e i men a ell a afe ale e ice; e ea ch and de el men f ene g c ne ai n echni e	HKD50,000,000			70.73%
21 Jingmen H ng S e cial Ai c af man fac ing C ., L d (Jingmen H ng)	B ine en i	Jingmen, H bei	Jingmen, H bei	De el men and ale ffligh ehicle man fac ing echni e, de ign, d cin and ale f e ciali ed m ehicle ank and e e e el	RMB100,000,000			56.58%
22 Ningg CIMCW d C ., L d. (NGCIMCW)	B ine en i	Ningg , Anh i	Ningg , Anh i	P d cin and ale fl d fl d e c ai e fl and e la ed bamb and d d c; d cha e f d cin	RMB9,884,600			60.00%
23 Yan ai CIMC Raffle ff h e L d. (YCRO)	B ine en i	Yan ai, Shand ng	Yan ai, Shand ng	C n cin fd ck; De ign ai n, d cin f hi; d cin fe i men f e e and ff h e il la f m	RMB2,291,190,000			97.89%

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For the period ended from 1 January and ended 30 June 2017

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

(continued from page 239)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
24	Yantai CIMC Raffles Heavy Container (YCRS)	Business entity	Yantai, Shandong	Yantai, Shandong	Container freight station; warehousing and distribution; international trade and logistics	RMB125,980,000	100%	83.47%
25	Haiyang CIMC Raffles Heavy Container (HCRO)	Business entity	Haiyang, Shandong	Haiyang, Shandong	Container freight station; warehousing and distribution; international trade and logistics	RMB200,000,000	100%	97.89%
26	Lingcheng CIMC Raffles Heavy Container Engineering Co., Ltd. (LCRO)	Business entity	Lingcheng, Shandong	Lingcheng, Shandong	Container freight station; warehousing and distribution; international trade and logistics	RMB290,000,000	100%	97.89%
27	Shandong Maersk Special Vehicle Manufacturing Co., Ltd. (SDMV)	Business entity	Jining, Shandong	Jining, Shandong	Manufacturing and sales of special vehicles and containers	RMB66,000,000	100%	44.39%
28	Xinfa Aiermen Co., Ltd. (Xinfa Aiermen)	Business entity	Beijing	Beijing	Manufacturing and sales of household appliances	RMB25,000,000	100%	38.29%
29	Yangjiang Shangdong Film Real Estate Co., Ltd. (YJFR)	Business entity	Yangjiang, Guangdong	Yangjiang, Guangdong	Real estate development and management; planning and construction; leasing; container terminal and other services	RMB10,000,000	100%	49.20%
30	Nanjing Yangtze Chemical Design & Engineering Co., Ltd. (Yangtze Chemical)	Business entity	Nanjing, Jiangsu	Nanjing, Jiangsu	Process design and engineering services for chemical industry	RMB88,000,000	100%	70.73%

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	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
31	Zhenhua Logistic Group Co., Ltd. (Zhenhua Group)	Business	Tianjin	Tianjin				

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For the period ended from 1 January and ended 30 June 2017
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	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
40	Zhenhua Dajiang (Tianjin) Co., Ltd. (Zhenhua Dajiang (Tianjin))	Business	Tianjin	Tianjin	Container and special freight	RMB50,000,000	75.00%	
41	Tianjin Zhenhua International Trade Bundled Warehousing (Tianjin Zhenhua Trade Bundled)	Business	Tianjin	Tianjin	Cargo handling agency service	RMB5,628,800	75.00%	
42	Biganline Service (Shenzhen) Co., Ltd. (Shenzhen Biganline)	Business	Shenzhen, Guangdong	Shenzhen, Guangdong	Provide container and shipping service and related technical	HKD7,500,000	70.00%	
43	Biganline Service (Shanghai) Co., Ltd. (Shanghai Biganline)	Business	Shanghai	Shanghai	Container handling and repair, mechanical repair, maintenance service	USD513,000	70.00%	
44	Tianjin Free Trade Zone Kaichang							

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
48	Rijili Logistics (Wuhan) Co., Ltd. (武汉里吉力物流有限公司)	Business entity	Wuhan, Anhui	Wuhan, Anhui	Sale and agency of all kinds of heavy special-use vehicle, engineering machine	RMB20,492,100	100%	83.12%
49	C&T Truck Co., Ltd. (C&T 卡车)	Business entity	Wuhan, Anhui	Wuhan, Anhui	Sale and agency of all kinds of heavy special-use vehicle, engineering machine	RMB1,100,000,000	70.06%	100%
50	Anhui FeiCai (Group) Co., Ltd. (安徽飞才集团)	Business entity	Xiangcheng, Anhui	Xiangcheng, Anhui	Manufacture and sale of agricultural vehicle, agricultural machine and other accessories	RMB158,000,000	100%	70.06%
51	Liaoning Haoheng Gaoli (Liaoning) Co., Ltd. (辽宁豪恒高科(辽宁)有限公司)	Business entity	Liaoning	Liaoning	Naval gaolier, refueling, CBM, refueling, design, production and sale of other auxiliary equipment	RMB50,000,000	100%	42.47%
52	Sin-W Jink (Beijing) Investment Co., Ltd. (Sin-W Jink (Beijing) 投资有限公司)	Business entity	Beijing	Beijing	Investment management; asset management; investment advisory; consulting management	RMB35,000,000	100%	50.00%
53	Sin-W Jink (Beijing) International Logistics Co., Ltd. (Sin-W Jink (Beijing) 国际物流有限公司)	Business entity	Beijing	Beijing	International freight forwarding, general cargo	RMB30,000,000	100%	50.00%
54	Qingda Leda Chemical Co., Ltd. (青岛莱达化学有限公司)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Production and sale of ethanol; processing and sale of food and chemical products	RMB30,000,000	100%	70.00%
55	KTIGI Co., Ltd. (Zhengzhou KTIGI Co., Ltd.)	Business entity	Henan, Zhengzhou	Henan, Zhengzhou	Designing and manufacturing of machine	RMB20,000,000	100%	54.70%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

(continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
56	CIMCR Ling Shou Ka Shua P. Ltd. (CIMCA)	Business entity	Australia	Australia	Sale of vehicle	AUD50,000	100.00%	63.33%
57	Enric Energy Equipment Holding Limited (Enric)	Business entity	Cameroon	Cameroon	Investment holding	HKD1,936,838,008 HKD0.01 each share	100.00%	70.73%
58	Berg Indus B.V.	Business entity	Holland	Holland	Investment holding	EUR841,267	100.00%	100.00%
59	CIMC ENRIC Tank and Process B.V.	Business entity	Holland	Holland	Investment holding	EUR20,000,000	100.00%	70.73%
60	Ziemann Hiljeka B.V.	Business entity	Holland	Holland	Sale of equipment	EUR136,200	100.00%	70.73%
61	Ziemann Hiljeka International B.V.	Business entity	Holland	Holland	Production, assembly and sale of equipment	EUR682,500	100.00%	70.73%
62	Pei Global Sdn. Bhd (Pei Global Sdn. Bhd)	Business entity	Malaysia	Malaysia	Sale of vehicle	MYR8,000,000	100.00%	78.14%
63	Nordel B.V.	Business entity	Holland	Holland	Sale of equipment	EUR500,000	100.00%	70.73%
64	Beheermaachij B.V.	Business entity	Holland	Holland	Investment holding	EUR123,155.95	100.00%	100.00%
65	Berg Carve B.V.	Business entity	Holland	Holland	Production of advanced vehicle	EUR18,151,21	100.00%	63.33%
66	Eliaermaachij Inaag B.V.	Business entity	Holland	Holland	Trade, financing and leasing of advanced vehicle	EUR15,925	100.00%	63.33%
67	Hb Tenne B.V.	Business entity	Holland	Holland	Production and sale of oil and chemical and gas	EUR45,378.02	100.00%	100.00%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

						Share capital issued and information of bonds	Shareholding percentage (%)	
Name	Category	Registration Place	Main Premises	Business scope			Direct	Indirect
68 B. g. Service B.V.	Business entity	Holland	Holland	Automobile and aircraft repair, vehicle and aircraft maintenance		EUR150,000	100.00%	70.73%
69 LAG TAILOR N.V.	Business entity	Belgium	Belgium	Manufacturing tailor		EUR3,245,000	100.00%	63.33%
70 Ziemann H. J. J. N.V.	Business entity	Belgium	Belgium	Production of aircraft		EUR991,600	100.00%	70.79%
71 Imm. b. g. N.V. B. e.	Business entity	Belgium	Belgium	Production of aircraft		EUR248,000	100.00%	63.33%
72 Ziemann H. J. J. A/S	Business entity	Denmark	Denmark	Production of aircraft		DKK1,000,000	100.00%	70.73%
73 Di. ac. Cha. i. LLC (DCEC)	Business entity	USA	USA	Manufacturing and sale of special vehicle		USD10,000,000	100.00%	63.33%
74 CIMC TGE Gas Engineering SA (TGESA)	Business entity	Lebanon	Lebanon	Engineering		EUR50,000	100.00%	60.00%
75 TGE Gas Engineering GmbH (TGE Gas)	Business entity	Germany	Germany	Production of CS (Design, Production and Construction) of technical service in LNG, LPG and storage and distribution of gas		EUR1,000,000	100.00%	60.00%
76 CIMC Raffle Offshore (Singapore) Limited (Raffle)	Business entity	Singapore	Singapore	Production of offshore platform, including jack-up drilling platform, semi-submersible drilling platform, FPSO, FSO		SGD594,416,915 and USD303,122,013	100.00%	100.00%

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1. Equity in subsidiaries (Continued)

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	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
77	CIMC Raffle In e men Limited	B ine en i	H ng K ng, China	H ng K ng, China	In e men h lding	HKD2	„	100.00%
78	CIMC Raffle Lea ing P e.L.d.	B ine en i	Singa e	Singa e	Lea ing f ma ine hi	SGD2	„	100.00%
79	Ca ian Dille P e.L.d.	B ine en i	Singa e	Singa e	Lea ing f ma ine hi	USD30,000,000	„	100.00%
80	Techn d ne In e pa i nal Limited (Techn d ne)	B ine en i	Uni ed Kingd m	Uni ed Kingd m	Re ea ch and de el men f ene g e, i men	GBP100	„	60.00%
81	Gadidae AB.	B ine en i	S eden	S eden	In e men h lding	SEK1,000,000	„	100.00%
82	Pe fec Vic In e men Limited (Pe fec Vic)	B ine en i	H ng K ng, China	H ng K ng, China	In e men h lding	USD1	„	100.00%
83	Ziemann In e pa i nal GmbH (Ziemann G)	B ine en i	Ge man	Ge man	De ign, d c i n and ale f bee f men a i n machine	EUR16,000,000	„	70.73%
84	Albe Ziegle GmbH (Ziegle)	B ine en i	Ge man	Ge man	De ign a i n f Ma ine enginee ing	EUR13,543,000	„	60.00%
85	Ba e Techn l g AB (Ba e)	B ine en i	S eden	S eden	De ign a i n f Ma ine enginee ing	SEK1,000,000	„	90.00%
86	CIMC MBS LIMITED (CML)	B ine en i	Uni ed Kingd m	Uni ed Kingd m	M d le l	GBP3,884,303	„	100.00%
87	Zhenh a l gi c (H ng K ng) C .,L.d. (Zhenh a H ng K ng)	B ine en i	H ng K ng, China	H ng K ng, China	L gi c	USD6,600,000	„	75.00%

The period from 1 January and ended 30 June 2017
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VI.

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
88	CIMC Africa Road Transport Equipment P.L.C.(CARTE)	Bine eni	Africa	Africa	Intermen holding	AUD8,300,000	„	63.33%
89	Bigan International Holding Limited (Bigan International Holding)	Bine eni	Hong Kong, China	Hong Kong, China	Intermen holding	HKD10,000,000	„	70.00%
90	Bigan Service Limited (Hong Kong Bigan Service)	Bine eni	Hong Kong, China	Hong Kong, China	China's oil and gas industry, China's oil and gas	HKD5,000,000	„	70.00%
91	Petrol Global Ltd	Bine eni	Singapore	Singapore	Intermen holding	SGD322,947,152	„	78.14%
92	Verb International Limited (VIL)	Bine eni	United Kingdom	United Kingdom	Intermen holding	GBP1,108	„	100.00%
93	CIMC Develpment Limited (CDL)	Bine eni	United Kingdom	United Kingdom	Project package	GBP1	„	100.00%
94	Verb System Ltd (VSL)	Bine eni	United Kingdom	United Kingdom	Mobile oil	GBP1	„	100.00%
95	Bigg Group Limited	Bine eni	United Kingdom	United Kingdom	Beechfield, Hampshire, oil, bi fuel and chemical engineering design and make equipment	GBP3,385,000	„	70.73%
96	Relian Manufacturing Limited	Bine eni	United Kingdom	United Kingdom	Production of metal	692,041 pounds sterling	„	63.33%

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For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(4) There is no significant partial disposal of subsidiary equity in current period (not losing control).

(5) There is no acquisition of significant minority interests in the current period.

2. Equity in associates and joint ventures

(1) Basic information of major associates and joint ventures

	Main Premises	Registration Place	Nature of business	Strategic for the group or not	Shareholding ratio-Direct	Shareholding ratio-Indirect
Joint ventures –						
NKY Zhenhua	Tianjin	Tianjin	Logistic business	N	–	38.25%
Y&C Engine	Wuhu, Anhui	Wuhu, Anhui	Manufacture and sale of heavy-duty engine and components and parts	Yes	–	33.12%
Associates –						
LiHua Energy	Bahui, Hebei	Bahui, Hebei	Gas production and distribution business	N	–	15.58%
Shanghai Fengang	Shanghai	Shanghai	Real estate development	Yes	–	40.00%
TSC	Honolulu (USA)	Cayman Islands	Land and sea drilling platform business	Yes	–	13.42%
Jiahua Shipping	Hong Kong	Hong Kong	Logistic business	N	–	30.00%
China Finance	Chengdu	Cayman Islands	Finance business	Yes	–	30.00%
Shanghai Investment	Beijing	Beijing	Investment management	N	–	45.00%

The entities mentioned above are measured by the time held.

(2) Excess deficit of major associates and joint ventures

The difference between the excess deficit and the time held is as follows.

VII. EQUITY OF THE STRUCTURED BODY NOT INCLUDED IN THE CONSOLIDATION RANGE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The entities of the structured body not included in the consolidation range of the consolidated financial statements are as follows.

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For the period ended from 1 Jan a and ended 30 June 2017
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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. The company does not have any holding company.
2. For the information on the subsidiaries of the company, refer to Note VI.1.
3. For the information about the joint ventures and associates of the Company, refer to Note VI.2.

In addi i n he im an he j in en e and a cia e ha e been di cl ed in N e VI, he e f j in en e and a cia e a e a f ll :

	Main place of business	Registered Address	The nature of the business	The group activity is strategic	Shareholding percentage - direct	Shareholding percentage - indirect
Joint ventures -						
G ang i S he n L gi ic	Nanning	Nanning	L gi ic e ìice	N	„	50.00%
'K'Line Zhenh a L gi ic	Tianjin	Tianjin	L gi ic e ìice	N	„	38.25%
Qingda Jiefeng B ìgan ine	Qingda	Qingda	C n aine main enance e ìice	N	„	35.00%
Shanghai Weide B ìgan ine	Shanghai	Shanghai	C n aine main enance e ìice	N	„	35.00%
Tianjin Jin hi B ìgan ine	Tianjin	Tianjin	C n aine main enance e ìice	N	„	35.00%
Associates -						
X h W d	X h	X h	W d	N	„	35.00%
R n Y Real E a e	Zhenjiang	Zhenjiang	Real e a e	N	„	16.40%
Qingchen Bamb	F jian	F jian	Bamb d	N	„	30.00%
Xin ang W d Ind	H ng K ng	H ng K ng	W d	N	„	20.00%
Shanghai Shen i	Shanghai	Shanghai	A a	N	„	15.83%
Zhejiang Xinl ng Bamb	Zhejiang	Zhejiang	Bamb d	N	„	30.00%
Dalian Jil ng L gi ic	Dalian	Dalian	L gi ic e ìice	N	„	30.00%
Tianjin S nl n D ngjiang Animal H band	Tianjin	Tianjin	Animal h band	N	„	39.22%
Xiamen CIMC	Xiamen	Xiamen	C n aine e ìice	N	„	45.00%
Ningb Beil n	Ningb	Ningb	C n aine e ìice	N	„	21.00%

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information of other related parties

Company name	Relationship with the Group
SUMITOMO CORPORATION	Minority shareholder of subsidiary
Shanghai Hea D Automobile	Minority shareholder of subsidiary
Orien International	Subsidiary of significant shareholder
FML	Subsidiary of significant shareholder
Gaofin	Minority shareholder of subsidiary
Ashit Trading Co., Ltd.	Minority shareholder of subsidiary
Shinde Fintech	Minority shareholder of subsidiary
China Merchants Shekou Industrial Zone Holding Co., Ltd.	Subsidiary of significant shareholder
Fluor Chemicals (China) Co., Ltd.	Subsidiary of significant shareholder
China COSCO Shipping Co., Ltd.	Significant shareholder
Fluor Chemicals (Seas) Co., Ltd.	Subsidiary of significant shareholder

Note: Significant shareholder means holding more than 5% (including) of the Company's share.

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For the period ended from 1 January and ended 30 June 2017
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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions

The following transactions with related parties were conducted under normal commercial terms and conditions.

(1) Purchase of goods and receiving of services

		For the Period from 1 January to 30 June 2017 Amount	For the Period from 1 January to 30 June 2016 Amount
Name	Name of the transaction		
Y&C Engine	Purchase of goods	309,000	140,744
Shanghai Hea D Automobile	Purchase of goods	49,559	28,966
Qingchen Bamb	Purchase of goods	8,259	2,943
Aashi Trading Co., Ltd	Purchase of goods	1,855	23,053
Xinhua Wd	Purchase of goods	394	144
SUMITOMO CORPORATION	Purchase of goods	-	168
TSC	Purchase of goods	-	343
Other related parties	Purchase of goods	1,758	2,526
Subtotal	Purchase of goods	370,825	198,887
Other related parties	Receiving of services	15,681	10,913

Emphasis of the disclosure, and management of the Company refer VIII.5(4).

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(2) Sales of goods and rendering of services

Name	Nature of the transaction	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
		Amount	Amount
Shanghai Deepwater Automobile	Sale of goods	93,174	38,242
Fluorine Maritime Limited	Sale of goods	63,809	66,874
SUMITOMO CORPORATION	Sale of goods	59,136	99,554
Fluorine Container Corporation S.A.	Sale of goods	25,676	52
Fluorine Container Service Ltd.	Sale of goods	12,624	-
Oceanal International Container	Sale of goods	4,965	-
NYK Zhenhua	Sale of goods	228	984
Guangxi Shengda Logistics	Sale of goods	-	4,516
Oceanland Asia	Sale of goods	8,298	6,119
Subtotal	Sale of goods	267,910	216,341
Oceanland Asia	Rendering of service	20,078	10,352

(3) Financing

Name	Amount	Starting date	Ending date	Interest income earned/interest expense recognised from 1 January to 30 June 2017	Note
Financing received					
Ga fin In e men S.A.	45,571	19 Se embe 2008	Re a men da en fi ed	522	Sha eh Ide l an
Sh nde F d	27,215	12 A d 2012	Re a men da en fi ed	-	L an f Sha eh Ide l e a i n
	72,786				
Financing provided					
R nY Real E a e	503,568	25 Decembe 2007	Re a men da en fi ed	6,690	Sha eh Ide l an
Shanghai Feng ang	34,204	25 Decembe 2007	Re a men da en fi ed	-	Sha eh Ide l an
Xin ang Fen n e e n fi ed Sha eh Ide l an					

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For the period ended from 1 Jan a and ended 30 J ne 2017
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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions

- () The C m an ad ed a ne ha e i n cheme ince 28 Se embe 2010 (ee N e IX). De ail f ne e ì ed ha e i n g an ed ke managemen e nnel A a 30 J ne 2017 a e a f ll :

Name	Position	Number of granted share options (in'0000)
Mai B liang	P e iden , Chai man	285
Li X ebin	Vice Chai man	99.7
W Fa ei	Vice Chai man	75
Li Yinh i	Vice Chai man	75
Y Ya	Vice Chai man	65
Zhang Ba ing	Vice Chai man	75
Ga Xiang	Vice Chai man	37.5
Y Y n	Sec e a f he B a d	75
Zeng Han	Gene al Manage f Finance De a men	28.9
T al		816.1

S me ke managemen e nnel e e n n l g an ed he ab e ha e i n f he C m an b al e e g an ed ha e i n f En ic, he b idia f he C m an . De ail f ne e ì ed ha e i n g an ed ke managemen e nnel A a 30 J ne 2017 a e a f ll :

Name	Position	Number of granted share options (in'0000)
W Fa ei	Vice Chai man	50
Y Ya	Vice Chai man	25
Ga Xiang	Vice Chai man	190
Zeng Han	Gene al Manage f Finance De a men	25
Y Y n	Sec e a f he B a d	129.8
T al		419.8

N e: A a 27 Ma ch 2017, a ed b he fi Sha eh lde' Gene al Mee ing in 2017, M Jin Jianl ng, le f fice d e he e i a i n f he e n hile M Zeng Han a a i n ed a he gene al manage f finance de a men . A a 30 J ne 2017, M Jin ill had 640,000 i n f he C m an and 1,400,000 i n f En ic ne e ì ed.

F de ailed inf ma i n f fai al e f he g an ed ha e i n af e aid, lea e efe N e IX.

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

() Directors, Supervisors, Senior Management Personnel and Key Management Personnel

Directors' and key management personnel's emoluments for the period ended 30 June 2017 are as follows:

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries					Others	Total
		Salary and allowance	Pension	Bonus	Entry Bonus	Housing allowance		
Director								
Wang Hong	-	-	-	-	-	-	-	-
Wang Yuhang	-	-	-	-	-	-	-	-
Mai Biliang	-	1,350	42	-	-	-	223	1,615
Wang Zhilian	-	-	-	-	-	-	-	-
Li Chong	-	-	-	-	-	-	-	-
Pan Chenglei	100	-	-	-	-	-	-	100
Wang Guojin	100	-	-	-	-	-	-	100
Pan Zhengyi	100	-	-	-	-	-	-	100
Total	300	1,350	42	-	-	-	223	1,915
Senior Executive								
Xi ng B	-	86	21	-	-	-	6	113
Lin Li	-	-	-	-	-	-	-	-
Zhang Ming'en	-	-	-	-	-	-	-	-
L Sheng h	-	-	-	-	-	-	-	-
Total	-	86	21	-	-	-	6	113
Other Senior Executive								
W Fa ei	-	661	55	-	-	-	16	732
Li Yinh i	-	401	54	-	-	-	16	471
Li X ebin	-	688	55	-	-	-	16	759
Zhang Baoping	-	661	-	-	-	-	-	661
Y Ya	-	375	-	-	-	-	-	375
Ga Xiang	-	718	45	-	-	-	11	774
Jin Jianling	-	330	-	-	-	-	-	330
Zeng Han	-	170	22	-	-	-	8	200
Yang R ng	-	568	48	-	-	-	16	632
Y Y n	-	660	42	-	-	-	16	718
Sub-total	-	5,232	321	-	-	-	99	5,652
Total	300	6,668	384	-	-	-	328	7,680

Note (i): As at 20 December 2016, as resolved by 2016 financial year general meeting, Mr. Lin Li resigned as chairman while Mr. L Sheng h was appointed as the chairman on behalf of shareholders of the company's eighth board of directors.

Note (ii): As resolved by the financial meeting in 2017 of the eighth board of directors, Mr. Jin Jianling, left office due to the change in his term while Mr. Zeng Han was appointed as the general manager of finance department.

The financial results are the highest achieved after the aid from 1 January to 30 June 2017.

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For the period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Text is for Reference Only)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

()

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

(i) Shareholders' resolutions on related party transactions (Continued)

Note (i): At the 31st March 2016, at the Shareholders' General Meeting in 2015, Mr. Zhang Liang, Mr. Wang Shiqing and Mr. Li Kejin left the office due to the expiration of their term of office.

Note (ii): At the 31st March 2016, at the Shareholders' General Meeting in 2015, Mr. Wang Yuhang was recommended by the board of directors as the vice chairman of the board of directors and non-executive director, Mr. Li Chong was recommended as the non-executive director of the board of directors and Mr. Pan Zheng was recommended as the independent non-executive director of the board of directors.

Note (iii): At the 31st March 2016, at the Shareholders' general meeting in 2015, Mr. Wang Zhiqian and Mr. He Jiale were elected as the Mr. Wang Zhiqian was recommended by the board of directors as the non-executive director of the board of directors while Mr. Lin Li and Mr. Zhang Ming were recommended by the board of directors as the independent non-executive director of the board of directors.

Note (i): At the board meeting in 2016 of the board of directors, Mr. Zeng Beihua left the company and Mr. Yang Rong was elected as the general manager of the company.

The following individuals have received the highest amount of cash aid ended from 1 January to 30 June 2016.

Other beneficiaries include family members, pension, medical insurance, etc.

(ii) Shareholders' resolutions on related party transactions

For the period from 1 January to 30 June in 2017, the company has not received any cash aid from the company and the subsidiaries. (For the period from 1 January to 30 June in 2016: Nil).

(iii) Shareholders' resolutions on related party transactions

For the period from 1 January to 30 June 2017, the company has not received any cash aid from the subsidiaries of the company. (For the period from 1 January to 30 June 2016: Nil).

(iv) Shareholders' resolutions on related party transactions

At the 30 June 2017, the company has not received any cash aid from the company and the subsidiaries. (31 December 2016: Nil).

(v) Shareholders' resolutions on related party transactions

For the period from 1 January to 30 June 2017, the company has not entered into any agreement with the company, in which the company has a significant influence in an action, arrangement and contract. (For the period from 1 January to 30 June 2016: Nil).

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VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables due from and payables due to related parties

Refer to Note IV.4 for details of accounts receivable.

Refer to Note IV.5 for details of other receivables.

Refer to Note IV.6 for details of advances received.

Refer to Note IV.9 for details of certain non-current assets.

Refer to Note IV.12 for details of long-term receivables.

Refer to Note IV.22 for details of non-current assets.

Refer to Note IV.28 for details of accounts payable.

Refer to Note IV.34 for details of other payables.

Refer to Note IV.29 for details of advances from customers.

7. Commitments in relation to related parties

As at 30 June 2017, the management in relation to related parties considered that no material commitment is necessary to be recognized in the balance sheet of the Group.

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Primary Reference Only)

IX. SHARE-BASED PAYMENTS

1. Information about share-based payments

The number of shares granted during the period	The number of shares granted by the Company and the Company's subsidiaries.
The number of shares exercised during the period	The number of shares exercised by the Company and the Company's subsidiaries was 1,776,000 and 1,676,000 respectively.
The number of shares forfeited during the period	The Company has no ineffective share-based payments and the number of shares forfeited in the period was 294,000.
The exercise price of shares granted during the period and the weighted average exercise price of shares granted during the period	<ol style="list-style-type: none"> The exercise price of shares granted by the Company in 2009, 2011 and 2014: HKD4, HKD2.48 and HKD11.24 respectively. The weighted average exercise price of shares granted during the period was 2.30, 4.32 and 6.93 respectively. The exercise price of shares granted by the Company in 2010 and 2011: RMB10.49 (after adjustment) and RMB16.02 respectively (after adjustment), the weighted average exercise price of shares granted during the period was 13.24.
The exercise price of shares granted during the period and the weighted average exercise price of shares granted during the period	Nil

The exercise price of shares granted during the period and the weighted average exercise price of shares granted during the period

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
The exercise price of shares granted during the period and the weighted average exercise price of shares granted during the period	9,583	19,889

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For the period ended from 1 January and ended 30 June 2017
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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment

(1) Information on equity-settled share-based payment of Enric

Enric, a subsidiary of the Company, carried a share option plan (the "Plan I"), which was approved by the shareholders' meeting on 11 November 2009. According to the Plan, the key management personnel and the employees of Enric were granted shares in the Enric a nil consideration basis for the shares of Enric. The plan was 50% exercisable after the end of the first year and after 100% exercisable after the end of the second year. Each time the holder of the shares of Enric was granted a share of Enric. The total number of shares granted was 43,750,000, with the exercise price of HKD4 per share.

Enric carried a share option plan (the "Plan II"), which was approved by the shareholders' meeting on 28 October 2011. According to Plan II, the board of directors of the Company approved the grant of shares in the key management personnel and the employees of Enric a nil consideration basis for the shares of Enric. The plan was 40% exercisable after the end of the first year and, 70% exercisable after 2 years from the end of the first year, and then 100% exercisable after 3 years from the end of the first year. Each time the holder of the shares of Enric was granted a share of Enric. The total number of shares granted was 38,200,000, with the exercise price of HKD2.48 per share.

Enric, a subsidiary of the Company, carried a share option plan (the "Plan III"), which was approved by the shareholders' meeting on 5 June 2014. According to the Plan, the key management personnel and the employees of Enric were granted shares in the Enric a nil consideration basis for the shares of Enric. The plan was 40% exercisable after the end of the first year, 70% exercisable after the end of the second year and 100% exercisable after the end of the third year. Each time the holder of the shares of Enric was granted a share of Enric. The total number of shares granted was 38,420,000, with the exercise price of HKD11.24 per share.

Movement of shares in Enric:

	30 June 2017 '000	31 December 2016 '000
Beginning balance	83,572	86,599
Granted in connection with	-	-
Exercised in connection with	(1,676)	(1,211)
Cancelled in connection with	(162)	(1,776)
Forfeited in connection with	(132)	(40)
Ending balance	81,602	83,572

Notes to the Financial Statements

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(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment (Continued)

(2) Information on equity-settled share-based payment of the Company

A share incentive scheme (the "Scheme") was approved in the shareholders' meeting of the Company held on 28 September 2010. According to the Scheme, the Board of Directors of the Company authorized management to administer the Scheme and to determine the eligible participants of the Scheme. The effective period of the Scheme is from the first grant date of shares to the termination date of the Scheme. The maximum number of shares that can be granted under the Scheme is 25% of the total number of shares outstanding at the end of the reporting period. The maximum number of shares that can be granted to each participant is 48 million shares. The remaining 75% of the maximum number of shares that can be granted to each participant is subject to the approval of the Board of Directors of the Company. Each participant shall be granted shares in accordance with the Scheme. In addition, the Board of Directors of the Company shall have the authority to make all necessary arrangements.

(a) The Board of Directors of the Company has approved the Scheme.

(b) The increase of the share-based payment expense of the Company after deducting the income tax credit is 6% and the increase of the share-based payment expense of the Company after deducting the income tax credit is 10% of the share-based payment expense.

(c) During the reporting period, the share-based payment expense of the Company and the share-based payment expense of the Company after deducting the income tax credit is 6% and the increase of the share-based payment expense of the Company after deducting the income tax credit is 10% of the share-based payment expense.

The total number of shares granted is 60,000,000, 54,000,000 among which the initial grant price is 12.39 yuan per share and the remaining 6,000,000 is the deferred share.

The Company determined the cash dividend of 0.35 yuan per share, 0.46 yuan per share, 0.23 yuan per share, 0.27, 0.31 yuan per share, 0.22 yuan per share and 0.06 yuan per share on 31 March 2011, 21 June 2012, 28 June 2013, 27 June 2014, 29 July 2015, 20 July 2016 and 20 July 2017 respectively. In accordance with the Scheme, the Board of Directors of the Company has approved the cash dividend of 0.35 yuan per share, 0.46 yuan per share, 0.23 yuan per share, 0.27, 0.31 yuan per share, 0.22 yuan per share and 0.06 yuan per share on 31 March 2011, 21 June 2012, 28 June 2013, 27 June 2014, 29 July 2015, 20 July 2016 and 20 July 2017 respectively. In accordance with the Scheme, the Board of Directors of the Company has approved the cash dividend of 0.35 yuan per share, 0.46 yuan per share, 0.23 yuan per share, 0.27, 0.31 yuan per share, 0.22 yuan per share and 0.06 yuan per share on 31 March 2011, 21 June 2012, 28 June 2013, 27 June 2014, 29 July 2015, 20 July 2016 and 20 July 2017 respectively.

According to the provisions of the Scheme, the Board of Directors of the Company has approved the cash dividend of 0.35 yuan per share, 0.46 yuan per share, 0.23 yuan per share, 0.27, 0.31 yuan per share, 0.22 yuan per share and 0.06 yuan per share on 31 March 2011, 21 June 2012, 28 June 2013, 27 June 2014, 29 July 2015, 20 July 2016 and 20 July 2017 respectively. In accordance with the Scheme, the Board of Directors of the Company has approved the cash dividend of 0.35 yuan per share, 0.46 yuan per share, 0.23 yuan per share, 0.27, 0.31 yuan per share, 0.22 yuan per share and 0.06 yuan per share on 31 March 2011, 21 June 2012, 28 June 2013, 27 June 2014, 29 July 2015, 20 July 2016 and 20 July 2017 respectively.

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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment (Continued)

(2) Information on equity-settled share-based payment of the Company (Continued)

Measurements of share options in the Company:

	30 June 2017 '000	31 December 2016 '000
Beginning balance	25,229	25,986
Exercised in the period	(1,776)	(757)
Cancelled in the period	-	-
Forfeited in the period	-	-
Ending balance	23,453	25,229

(3) Basis of the best estimate of the number of equity instruments expected to vest is as follows:

At each balance sheet date during the reporting period, the Company makes the best estimate in accordance with the latest information of the number of employees that are expected to exercise the share-based payment in the future. On the vesting date, the estimate shall be equal to the number of employees that have exercised the share-based payment.

There is no significant difference between the number of employees expected to exercise and the actual number of employees who exercised.

As at 30 June 2017, Accumulated amount recognized in capital reserve for share-based payments	414,679
Total amount recognized for share-based payments for the period	
Including:	
Attributed to the Company	-
Attributed to Enticement	9,583
	9,583

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X. CONTINGENCIES

1. Contingent liabilities

CIMC Raffle, a subsidiary of the Company entered into the relevant contracts and the relevant contracts with the relevant parties, which include the relevant contracts for the relevant parties and the relevant parties. The management of Raffle decided to take the relevant parties into high high risk into the relevant parties, therefore the management decided to accept a provision amount of USD3,650,000 (equivalent to RMB24,729,000) (31 December 2016: USD3,650,000 (equivalent to RMB25,320,000)) in accordance with the relevant parties in the relevant parties and the relevant parties decided to take the relevant parties into high high risk. Also, CIMC Raffle entered into the relevant parties of the relevant parties in the relevant parties of the relevant parties. As at 30 June 2017, the balance of the relevant parties of the relevant parties of the relevant parties of USD3,694,000 (equivalent to RMB25,027,000) (31 December 2016: USD5,964,000 (equivalent to RMB38,150,000)).

YZTH, a subsidiary of the Company provided guarantee to the relevant parties of the relevant parties of the relevant parties, which include the relevant parties of the relevant parties of the relevant parties. The management of YZTH decided to accept a provision amount of 9,272,000 (31 December 2016: 19,778,000).

2. Guarantees provided for external parties

CIMC Raffle, a subsidiary of the Group, provided the guarantee of the relevant parties of the relevant parties. As at 30 June 2017, the amount of guarantee of Raffle is 334,250,000 (31 December 2016: 382,000,000).

CIMC Vehicle (Group), a subsidiary of the Group, signed contracts with the relevant parties of the relevant parties of the relevant parties, which include the relevant parties of the relevant parties of the relevant parties. The management of CIMC Vehicle (Group) and its subsidiary decided to accept a provision amount of 786,333,000 (31 December 2016: 1,031,416,000).

ShenYang Vehicle Garden and Shann i Vehicle Garden, a subsidiary of the Group, signed contracts with the relevant parties of the relevant parties of the relevant parties, which include the relevant parties of the relevant parties of the relevant parties. The management of ShenYang Vehicle Garden and Shann i Vehicle Garden, a subsidiary of the Group, decided to accept a provision amount of 8,295,000 (31 December 2016: Nil).

Yang h Da Real Estate, CIMC Ha Y, YJFR and D nggan Inn in Pak, a subsidiary of the Group, provided guarantee to the relevant parties of the relevant parties of the relevant parties. The amount of guarantee of Yang h Da is 714,347,000 as at 30 June 2017 (31 December 2016: 733,443,000).

C&C Truck and its subsidiary signed contracts with the relevant parties of the relevant parties of the relevant parties, which include the relevant parties of the relevant parties of the relevant parties. The management of C&C Truck and its subsidiary decided to accept a provision amount of 314,477,000 (31 December 2016: 386,879,000).

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For the period ended from 1 January and ended 30 June 2017
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X. CONTINGENCIES (CONTINUED)

3. Notes payable issued but not accounted for, outstanding letter of credit issued but undue and outstanding performance guarantees

The Group's denominated bill payable reflects the following: Continging in enjie, advance, and note payable denominated in the local currency of the date of delivery of goods and the maturity date of the bill issued. As at 30 June 2017, the Group had bill issued but not accounted for RMB330,227,000 and outstanding letter of credit RMB88,443,000, totaling RMB418,670,000 (31 December 2016: RMB1,143,013,000).

As at 30 June 2017, the Company had outstanding balance of guarantee for subsidiary RMB915,000,000 and USD20,000,000 (equivalent RMB135,501,000) respectively, totaling RMB1,050,501,000.

As at 30 June 2017, CIMIC Raffle had outstanding balance of guarantee issued by local bank totaling USD53,753,000 (equivalent RMB364,183,000), of which the balance of advance payment guarantee, and liability guarantee were USD32,000,000 (equivalent RMB216,802,000), USD21,753,000 (equivalent RMB147,381,000) respectively (31 December 2016: RMB905,730,000).

As at 30 June 2017, CIMC Enjie had outstanding balance of guarantee issued by local bank totaling RMB698,752,000 of which the balance of performance and advance payment guarantee were RMB342,096,000, the balance of advance payment guarantee were RMB356,656,000 (31 December 2016: RMB779,018,000).

As at 30 June 2017, TLC, the subsidiary of the Group, had outstanding balance of guarantee issued by local bank totaling USD115,000 (equivalent RMB799,000). (31 December 2016: RMB2,844,000).

As at 30 June 2017, QDCRC, the subsidiary of the Group, had outstanding balance of performance guarantee issued by local bank totaling RMB32,537,000 (31 December 2016: RMB10,478,000).

As at 30 June 2017, TAS had outstanding balance of guarantee issued by local bank totaling 684,748,000, of which the balance of performance guarantee, liability guarantee, bid guarantee, advance payment guarantee were RMB375,133,000, RMB20,540,000, RMB32,669,000 and RMB256,406,000 respectively (31 December 2016: RMB682,818,000).

As at 30 June 2017, CIMC Finance Company, the subsidiary of the Group, had outstanding balance of guarantee for the subsidiary of the Group, of which the balance of performance guarantee, liability guarantee, margin guarantee and advance payment guarantee were RMB23,493,000, RMB1,593,000, RMB5,600,000 and RMB9,000,000 respectively, totaling RMB39,916,000 (31 December 2016: RMB28,396,000).

As at 30 June 2017, Zhenhua Logistic Group, the subsidiary of the Group, had outstanding balance of performance guarantee issued by local bank totaling RMB12,970,000 (31 December 2016: RMB42,125,000).

Notes to the Financial Statements

For the period ended from 1 Jan and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

X. CONTINGENCIES (CONTINUED)

3. Notes payable issued but not accounted for, outstanding letter of credit issued but undue and outstanding performance guarantees (Continued)

As at 30 June 2017, QDHFL, the subsidiary of the Group, had outstanding balance of performance guarantee issued by the bank amounting RMB83,000 (31 December 2016: Nil).

As at 30 June 2017, LYV, the subsidiary of the Group, had outstanding balance of performance guarantee issued by the bank amounting RMB1,702,000 (31 December 2016: Nil).

As at 30 June 2017, ZZCIMC, the subsidiary of the Group, had outstanding balance of performance guarantee issued by the bank amounting RMB18,392,000 (31 December 2016: Nil).

As at 30 June 2017, YanTai Tie Hongba, the subsidiary of the Group, had outstanding balance of performance guarantee issued by the bank of RMB255,000 and USD868,000 (all equivalent to RMB6,136,000). (31 December 2016: Nil).

As at 30 June 2017, QDCSR, the subsidiary of the Group, had outstanding balance of performance guarantee issued by the bank amounting RMB3,200,000 (31 December 2016: Nil).

As at 30 June 2017, QDCC, the subsidiary of the Group, had outstanding balance of performance guarantee issued by the bank amounting RMB59,734,000 (31 December 2016: Nil).

As at 30 June 2017, Ziegler, the subsidiary of the Group, had outstanding balance of performance guarantee issued by the bank amounting EUR1,295,000 (equivalent to RMB10,039,000). (31 December 2016: Nil).

As at 30 June 2017, Veib, the subsidiary of the Group, had outstanding balance of performance guarantee issued by the bank amounting GBP 5,947,000 (equivalent to RMB52,395,000). (31 December 2016: Nil).

4. Significant pending litigations

CIMC Raffle, a subsidiary of the Company entered in drilling platform construction contract, and the platform had been delivered to the charter in 2015. The charter believed that the deliverable cannot fulfill the technical requirements stipulated in the contract, hence the agreed Raffle payment commitment amount of USD2,000,000. As at the end of the year, the final decision of the litigation has not been reached. The management team of Raffle received the legal advice from the company, hence the decided to accrue a provision of USD2,000,000 (equivalent to RMB13,550,000) as at 30 June 2017 (31 December 2016: RMB13,874,000).

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For the period ended from 1 January and ended 30 June 2017

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(English Text has Prevailing Reference Only)

XII. EVENTS AFTER THE BALANCE SHEET DATE

- On 5 July 2017, EHL (Shenzhen) entered into the relevant agreement with SOE and SOE Bank, and Li Jida in Team (南通太平洋破產清算組) as the special administrator of SOE, to acquire the equity interest in SOE. On 4 August 2017, the SOE Reorganization Plan was approved at the creditors' meeting of SOE and approved by the court. On 16 August 2017, SOE has become an independent subsidiary of CIMC Enric and an independent subsidiary of the Group. SOE has been named as 南通中集太平洋海洋工程有限公司 (Nantong CIMC Sin Pacific Offshore & Engineering Co., Ltd.). For the information, please refer to the announcement dated 6 July 2017, 4 August 2017 and 16 August 2017 disclosed in China Securities Journal, Shanghai Securities News, Securities Times, Cninfo Web (www.cninfo.com.cn), the Company's website (www.cimc.com) (Notice No.: [CIMC]2017-036, [CIMC]2017-047 and [CIMC]2017-054) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

On 17 July 2017, the Company's subsidiary, CIMC Skanska Real Estate (Shanghai) Co., Ltd. (hereinafter referred to as "CGRE"), which CGRE injected an amount of RMB926,322,300 in the capital of CIMC Skanska Real Estate and held a 25% equity interest in the company. While the Company held 61.5% equity interest in CIMC Skanska Real Estate through CIMC Shenfa. For the information, please refer to the announcement dated 17 July 2017 disclosed in China Securities Journal, Shanghai Securities News, Securities Times, Cninfo Web (www.cninfo.com.cn), the Company's website (www.cimc.com) (Notice No.: [CIMC] 2017-040) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

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XIII. SEGMENT REPORTING

In accordance with the Group's internal organizational structure, management departments and internal departments, nine reportable segments are identified by the Group including: Consumer, Real Estate, Vehicle, Energy and chemicals & feed, IT, Offshore business, Air transport facilities, Logistics services, Finance, Power, development and Healthcare. Each reportable segment is an independent business segment providing different products and services. Independent management is applied to individual business segments at different technical and management levels. The Group is the financial information of individual segments separately determined to all cash and performance measures.

1. Segment profits, losses, assets and liabilities

In order to evaluate the segment performance and to all cash, the Group's management is the segment revenue, expense, asset and liability for each segment separately. The main business information is detailed as follows:

Segment revenue includes tangible revenue, intangible revenue, long-term revenue and accounts receivable, etc., but excludes deferred revenue and non-current assets. Segment liability includes payable, bank loan, provision, special payable and other liability, but excludes deferred liability and other liability.

Segment profit or loss (including internal revenue and internal segment revenue), operating segment revenue, depreciation and amortization, impairment loss, interest expense and income attributable to individual segments. Transaction costs incurred among segments are not included in the transaction costs.

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Primacy over Chinese Text)

XIII. SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

Information is disclosed in each of the Group's reportable segments (including management's editorially edited information and disclosed separately based on accounting standards) has the Group's internal management's financial information, assets and liabilities in the following:

Item	Energy and Road transportation food chemistry & equipment										Elimination between segments	Total
	Containers	vehicles	For the	Offshore	Airport	Logistic	Finance	Property	Heavy trucks	Others		
	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the		
	Period from	Period from	Period from	Period from	Period from	Period from	Period from	Period from	Period from	Period from		
	1 January to	1 January to	1 January to	1 January to	1 January to	1 January to	1 January to	1 January to	1 January to	1 January to		
	30 June 2017	30 June 2017	30 June 2017	30 June 2017	30 June 2017	30 June 2017	30 June 2017	30 June 2017	30 June 2017	30 June 2017		
Operating income	9,887,481	9,626,148	4,981,930	537,143	1,180,919	3,737,122	1,148,040	268,459	1,250,276	769,634	-	33,387,152
Operating expenses	161,574	93,453	78,581	677,366	-	14,080	-	29,205	32,925	624,543	(1,711,727)	-
Cost of sales	8,044,284	7,907,269	4,100,021	1,325,117	932,468	3,351,524	498,703	161,286	1,199,321	1,159,432	(1,767,808)	26,911,617
Income tax expense	(739)	1,185	(1,225)	-	-	(2,787)	2,592	-	6,149	(2,637)	-	2,538
Impairment loss	13,753	37,921	117,644	(290)	545	1,821	62,000	(141)	(43)	1,652	(425)	234,437
Depreciation and amortization	191,681	139,505	218,251	270,460	33,707	48,507	94,243	5,604	68,783	82,170	-	1,152,911
Interest income	59,361	34,139	25,883	31,978	1,104	7,530	109,934	8,802	1,530	674,061	(836,661)	117,661
Interest expense	38,065	52,448	56,079	249,726	6,036	15,047	65,219	5,628	38,641	690,237	(694,861)	522,265
Segment earnings (loss)	904,024	716,090	115,972	(549,219)	1,912	89,396	551,309	73,097	(43,117)	(385,962)	102,640	1,576,142
Income tax expense	222,922	148,074	63,709	1,202	6,085	32,056	35,212	8,062	(303)	6,584	(13,970)	509,633
Net profit (loss)	681,102	568,016	52,263	(550,421)	(4,173)	57,340	516,097	65,035	(42,814)	(392,546)	116,610	1,066,509
Segment assets	18,705,203	15,766,465	13,731,880	33,175,397	3,894,988	4,212,124	36,093,645	3,248,466	4,287,682	40,611,475	(44,228,471)	129,498,854
Segment liabilities	10,242,842	8,147,509	9,127,079	31,811,543	2,416,166	2,714,511	28,524,362	1,616,268	3,872,629	44,880,485	(53,726,423)	89,626,971
Segment information:	-	-	-	-	-	-	-	-	-	-	-	-
Segment earnings (loss) attributable to equity holders of the parent	121,423	82,465	128,878	(60,348)	4,745	7,411	58,820	(141)	213	129,992	(178,406)	295,052
Long-term investments in subsidiaries	29,470	122,966	9,162	33,289	533,598	493,166	402,522	104,191	202,304	318,762	-	2,249,430
Segment earnings (loss) attributable to equity holders of the parent, excluding non-controlling interests	162,230	106,945	304,593	113,416	61,185	46,283	252,235	18,152	24,105	178,622	1,020,953	2,288,719

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XIII. SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

Information is disclosed in each of the Group's reportable segments (including management's editorially edited information and disclosed separately based on accounting standards) has the Group's in measuring segments' performance, assets and liabilities in the following: (Continued)

			Energ. and Rad. and chem. & nuclear								Eliminated between segments	Unallocated	
	Construction	Transportation	Engineering	Offshore	Airport	Logistics	Finance	Power	Healthcare	Others			Total
	For the Period from 1 Jan. to 30 June 2016	For the Period from 1 Jan. to 30 June 2016	For the Period from 1 Jan. to 30 June 2016	For the Period from 1 Jan. to 30 June 2016	For the Period from 1 Jan. to 30 June 2016	For the Period from 1 Jan. to 30 June 2016	For the Period from 1 Jan. to 30 June 2016	For the Period from 1 Jan. to 30 June 2016	For the Period from 1 Jan. to 30 June 2016	For the Period from 1 Jan. to 30 June 2016	For the Period from 1 Jan. to 30 June 2016	For the Period from 1 Jan. to 30 June 2016	For the Period from 1 Jan. to 30 June 2016
Item	30 June 2016	30 June 2016	30 June 2016	30 June 2016	30 June 2016	30 June 2016	30 June 2016	30 June 2016	30 June 2016	30 June 2016	30 June 2016	30 June 2016	30 June 2016
Overall income	4,604,375	6,957,207	4,180,802	1,108,446	1,128,444	3,183,410	1,114,356	315,698	795,514	154,591	-	-	23,542,843
Inter-segment income	294,243	56,147	157,307	2,595,243	-	35,207	-	-	64,845	142,732	(3,345,724)	-	-
Cost of sales/main earnings	4,059,329	5,628,816	3,529,358	3,316,300	886,690	2,798,683	366,336	100,269	833,364	196,168	(2,919,444)	-	18,795,869
Inter-segment income/(expense)	(1,008)	876	-	-	-	10,816	1,638	729	285	464	-	-	13,800
Income from other operations	2,777	5,957	1,243,256	(74)	(5,611)	3,003	18,193	-	-	-	-	-	1,267,501
Depreciation and amortization	209,275	254,554	149,758	308,335	39,122	78,255	85,057	4,913	65,959	13,706	-	33,747	1,242,681
Interest income	101,117	35,774	27,336	51,829	1,476	6,149	104,947	7,358	1,722	563,003	(825,427)	22,010	97,294
Interest expense	23,844	47,735	58,941	123,596	10,075	18,951	71,008	10,655	48,240	16,749	(652,781)	538,069	315,082
Segment earnings/(loss)	(111,321)	481,392	(946,223)	(3,315)	19,751	108,555	490,441	60,771	(96,906)	(14,346)	(56,312)	(98,331)	(165,844)
Income before tax	28,311	119,499	75,354	673	9,046	40,121	36,733	17,996	(383)	677	-	47,289	375,316
Net loss/(profit)	(139,632)	361,893	(1,021,577)	(3,988)	10,705	68,434	453,708	42,775	(96,523)	(15,023)	(56,312)	(145,620)	(541,160)
Segment assets	17,397,726	14,247,786	14,321,362	32,436,954	3,601,739	3,782,472	26,209,657	3,978,965	3,854,489	6,346,909	(16,845,957)	5,467,815	114,799,917
Segment liabilities	9,770,436	7,739,888	9,853,675	32,138,731	2,285,789	2,786,536	22,213,077	2,805,512	3,768,664	3,010,122	(53,106,584)	37,180,383	80,446,229
Segment income/(expense):	-	-	-	-	-	-	-	-	-	-	-	-	-
Segment income/(expense) after tax	(14,050)	7,947	1,225,737	2,716	1,699	2,313	30,740	-	(318)	39,767	-	(187,384)	1,109,167
Long-term investments in subsidiaries	54,358	78,521	4,678	-	-	532,944	192,774	100,217	194,566	842,949	-	-	2,001,007
Segment income/(expense) after tax and long-term investments	331,544	739,497	155,752	967,801	177,076	229,971	3,603,214	1,917	17,927	326,734	-	6,456	6,557,889

Notes to the Financial Statements

For the period from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text is in Reference Only)

XIII. SEGMENT REPORTING (CONTINUED)

2. Geographic information

The following table sets forth the main geographical information of the Group's operating segments and the Group's non-current assets (including financial assets and deferred assets, same as the below). The geographical information is based on the location in which the services are provided to the goods are delivered. The geographical information of the specified non-current assets is based on the historical location of the assets (fixed assets), the location of the business in which the assets are used (including intangible assets and goodwill), the location of the assets and joint ventures.

	Revenue from external customers		Total non-current assets	
	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	30 June 2017	31 December 2016
P.R.China	14,794,349	8,454,654	53,714,927	53,280,989
Asia (excluding P.R.China)	3,384,378	1,838,387	797,571	714,570
America	6,645,230	3,503,214	371,495	391,179
Europe	7,341,001	8,283,362	1,587,871	1,544,659
Others	1,222,194	1,463,226	82,901	85,495
Total	33,387,152	23,542,843	56,554,765	56,016,892

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES

The Group has the following risks from its financial instruments in the normal course of the Group's operation, which mainly include:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk

This note sets forth the main information of the Group's exposure to each of the above risks and, where applicable, the Group's objectives, policies and procedures for measuring and managing risks and etc.

The Group aims to seek the appropriate balance between the risks and benefits from its financial instruments and mitigate the adverse effects of the risks of financial instruments on the Group's financial performance. Based on such objective, the Group's risk management policies are established, identified and analyzed the risks faced by the Group, the appropriate risk limits and controls, and monitor risks and adherence limits. Risk management policies and procedures are designed to regularly reflect change in market conditions and the Group's activities. The internal audit department of the Group undertake both regular and ad-hoc review of risk management controls and procedures.

The ma im m e e c e d i i k i e e e n e d b h e c a i n g a m n f e a c h f i n a n c i a l a e , i n c l d i n g d e i a i e f i n a n c i a l i n j m e n , a i n h e b a l a n c e h e e . E c e f h e f i n a n c i a l g a a n e e g i e n b h e G a e i n N e X , h e G a n d h e C m a n d n i d e a n h e g a a n e e h i c h l d e e h e G a n h e C m a n c e d i i k i . T h e m a i m m e e c e d i i k i n e e c f h e e f i n a n c i a l g a a n e e a h e b a l a n c e h e e d a e i d i c l e d i n N e X .

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(English Text has Prevailing Reference Only)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk

Liquidity risk is the risk that the company will encounter a cash deficiency in meeting obligations associated with its financial liabilities. The Company monitors its ability to meet its cash management, including the timing of cash flows and the timing of financial commitments, to ensure that the company is able to meet its obligations as they fall due. The Group's liquidity is managed by the Group and the subsidiaries, and the Group's liquidity is managed by the Group and the subsidiaries, and the Group's liquidity is managed by the Group and the subsidiaries.

The following table shows the remaining contractual maturity of the balance sheet of the Group's financial assets and financial liabilities, which are based on contractual undiscounted cash flows (including interest payments on financial liabilities) if the balance sheet is as at the end of the period (30 June) and the balance sheet of the Group can be used as follows:

30 June 2017						
Undiscounted contractual cash flow						
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount at balance sheet date
Financial assets						
Cash at bank and in hand	5,737,102	-	-	-	5,737,102	5,737,102
Financial assets at fair value through profit or loss	187,117	-	249,034	-	436,151	436,151
Accounts receivable and other receivable	28,068,602	-	-	-	28,068,602	28,068,602
Contractual financial assets	5,713,273	-	-	-	5,713,273	4,118,028
Available-for-sale financial assets	20,000	-	36,405	411,970	468,375	461,762
Interest receivable	8,580	-	-	-	8,580	8,580
Dividend receivable	42,055	-	-	-	42,055	42,055
Long-term receivable	-	2,306,274	6,769,078	12,501,833	21,577,185	13,499,327
Sub-total	39,776,729	2,306,274	7,054,517	12,913,803	62,051,323	52,371,607
Financial liabilities						
Financial liabilities at fair value through profit or loss	134,772	-	57,718	-	192,490	192,490
Short-term borrowings	17,945,748	-	-	-	17,945,748	17,945,748
Notes payable	1,253,175	-	-	-	1,253,175	1,253,175
Debt payable	189,000	189,000	8,175,500	-	8,553,500	7,986,500
Accounts payable and other payable	17,472,557	-	-	-	17,472,557	17,472,557
Interest payable	533,428	-	-	-	533,428	533,428
Dividend payable	253,412	-	-	-	253,412	253,412
Contractual financial liabilities	5,015,501	-	-	-	5,015,501	5,015,501
Other financial liabilities	2,583,959	-	-	-	2,583,959	2,612,280
Long-term borrowings	735,724	4,954,569	16,058,290	2,812,230	24,560,813	23,665,089
Long-term payable	-	251,518	243,530	19,263	514,311	504,909
Other non-current liabilities	314,210	314,210	314,210	1,685,812	2,628,442	2,037,458
Sub-total	46,431,486	5,709,297	24,849,248	4,517,305	81,507,336	79,472,547
Net	(6,654,757)	(3,403,023)	(17,794,731)	8,396,498	(19,456,013)	(27,100,940)

As at 30 June 2017, the Group has a significant amount of main financial liabilities in the form of bank borrowings, in the form of bank borrowings and long-term demand deposits.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

31 December 2016 Undisclosed financial cash flow						
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount at balance sheet date
Financial assets						
Cash at bank and on hand	6,325,998	-	-	-	6,325,998	6,325,998
Financial assets at fair value through profit or loss	141,160	-	325,187	-	466,347	466,347
Accounts receivable and other receivable	24,619,828	-	-	-	24,619,828	24,619,828
Contract in financial assets	5,513,253	-	-	-	5,513,253	3,941,689
Available-for-sale financial assets	-	-	36,803	412,240	449,043	442,726
Interest receivable	9,250	-	-	-	9,250	9,250
Dividend receivable	41,959	-	-	-	41,959	41,959
Long-term receivable	-	3,997,923	5,268,322	12,907,684	22,173,929	13,220,242
Subtotal	36,651,448	3,997,923	5,630,312	13,319,924	59,599,607	49,068,039
Financial liabilities						
Financial liabilities at fair value through profit or loss	199,225	-	3,816	-	203,041	203,041
Short-term borrowing	15,729,787	-	-	-	15,729,787	15,729,787
Notes payable	1,551,582	-	-	-	1,551,582	1,551,582
Debt payable	189,000	189,000	8,175,500	-	8,553,500	7,986,500
Accounts payable and other payable	15,315,024	-	-	-	15,315,024	15,315,024
Interest payable	303,375	-	-	-	303,375	303,375
Dividend payable	16,746	-	-	-	16,746	16,746
Contract in financial liabilities	3,667,872	-	-	-	3,667,872	3,667,872
Other contract liabilities	1,666,966	-	-	-	1,666,966	1,687,762
Long-term borrowing	1,056,608	10,819,611	16,387,132	3,464,214	31,727,565	27,023,222
Long-term payable	-	520,988	4,767	23,220	548,975	529,372
Other non-current liabilities	314,210	314,210	314,210	1,685,812	2,628,442	2,037,458
Subtotal	40,010,395	11,843,809	24,885,425	5,173,246	81,912,875	76,051,741
Net	(3,358,947)	(7,845,886)	(19,255,113)	8,146,678	(22,313,268)	(26,983,702)

Bank and other borrowing analyzed by management as follows:

	30 June 2017		31 December 2016	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Within 1 year	23,546,054	-	19,255,497	-
1 to 2 years	4,773,878	-	9,763,003	-
2 to 5 years	15,472,650	-	14,362,508	-
Over 5 years	2,709,669	-	2,897,711	-
	46,502,251	-	46,278,719	-

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For the period ended from 1 January and ended 30 June 2017

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(English Text has Prevailing Reference Only)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

3. Interest rate risk

Fixed and floating interest-bearing financial instruments expose the Group to interest rate risk of fair value and cash flows, respectively. The interest rate risk is managed by the Group in order to ensure that the Group is not in a position where it is unable to service its obligations. The Group had entered into interest rate contracts, which were made based on the currency of the borrowing. Hence the Group is exposed to fixed and floating interest rate risk of liabilities, respectively.

(1) As at 30 June 2017, the Group held the following interest-bearing financial instruments:

	30 June 2017		31 December 2016	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Fixed and floating interest-bearing financial instruments				
Financial assets				
Long-term receivable	2.58%-17.53%	13,499,327	2.58%-17.53%	13,220,242
Current financial assets	2.58%-17.53%	4,118,028	2.58%-17.53%	3,941,689
Financial liabilities				
Short-term borrowing	1.30%-6.09%	8,103,587	0.65%-16.41%	6,280,953
Debt payable	3.07%-3.89%	7,986,500	3.07%-3.89%	7,986,500
Current financial liabilities	2.38%-3.35%	995,408	2.65%-2.90%	800,000
Long-term borrowing	1.20%-6.37%	1,936,946	1.45%-6.37%	1,043,007
Other financial liabilities	0.01%-1.00%	2,583,959	0.01%-1.00%	1,666,966
Other non-current liabilities	4.99%-12.00%	2,037,458	4.99%-12.00%	2,037,458
Total		(6,026,503)		(2,652,953)

	30 June 2017		31 December 2016	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Floating interest-bearing financial instruments				
Financial assets				
Cash at bank and in hand	0.30%-2.75%	5,737,102	0.30%-2.75%	6,325,998
Financial liabilities				
Current floating-term borrowing	3M Libor+165bps~3M Libor+240bps	3,896,006	1.15%+1M Libor~3M Libor+240bps	2,725,710
Long-term borrowing	1.15%+1M Libor~6M Libor+195bps	21,728,143	1.15%+1M Libor~6M Libor+310bps	25,980,215
Short-term borrowing	1M Libor+150bps~6M Libor+70bps	9,842,161	1M Libor+180bps~6M Libor+230bps	9,448,834
Long-term payable	8.02%~12.86%	504,909	8.02%~12.86%	529,372
Current floating-term payable	8.02%~12.86%	124,087	8.02%~12.86%	138,312
Total		(30,358,204)		(32,496,445)

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For the period ended from 1 Jan a and ended 30 June 2017
(All am n in RMB'000 nle he ĩe a ed)
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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

3. Interest rate risk (Continued)

(2) Sensitivity analysis

At a 30 June 2017, i ĩ e ĩma ed ha a gene al ĩnc ea e/dec ea e f 25 ba i ĩn (31 Decembe 2016: 25 ba i ĩn) ĩn ĩe ea e, ĩh all he a ĩable held c n an, ĩd ĩnc ea e/dec ea e he G ĩ ĩe ĩ fi b 56,922,000 and e ĩ ĩ b 56,922,000 (2016: 60,931,000 and 60,931,000, e ĩ e ĩ el).

The en ĩ ĩ anal ĩ ab e ĩndica e he ĩn an ane change ĩn he ne ĩ fi and e ĩ ĩ ha ĩd a ĩe a ĩ ĩng ha he change ĩn ĩe ea e had cc ea d a he balance hee da e and had been a ĩ ĩed e mea e h e ĩnancial ĩn ĩmen held b he G ĩ ĩh e e he G ĩ ĩa ĩ al e ĩn ĩe ea e ĩk a he balance hee da e. ĩn e ec f he e e ca h fl ĩn ĩe ea e ĩk a ĩ ĩng f m fl a ĩ ĩng a e n n de ĩ a ĩ e ĩn ĩmen held b he G ĩ a he balance hee da e, he ĩm ac n he ne ĩ fi and e ĩ ĩ e ĩma ed a an ann a ĩ ĩed ĩm ac n ĩn ĩe e en e ĩnc me f ch a change ĩn ĩe ea e. The anal ĩ a e f med n he ame ba i f he e ĩ ea e.

4. Foreign exchange risk

The maj c ĩnc ece ĩ ed b he G ĩ ĩ USD and he maj c ĩnc a ĩd ĩ RMB. ĩn de a ĩd he ĩk e ĩ ĩng f m he fl c a ĩ n f he e change a e f RMB, ĩn e ec f acc n ece ĩable and a able den ĩn a ed ĩn f e ĩgn c e ĩcie, he G ĩ en e ha ĩ ne e e ĩ ke an acce a ĩle el b b ĩ ĩng e ĩ ĩng f e ĩgn c e ĩcie a a e ĩen nece a add e h e m ĩbalance.

- (1) Be ĩde he e e c e ĩnc ĩk a ĩ ĩng f m ĩnancial a e a ĩa ĩ al e h ĩ ĩ ĩ fi ĩl and ĩnancial ĩab ĩ ĩe a ĩa ĩ al e h ĩ ĩ ĩ fi ĩl d ĩ cl ed ĩn N e IV.2 and IV.26, he G ĩ ĩe e a a 30 June c e ĩnc ĩk a ĩ ĩng f m e c ĩn ed a e ĩab ĩ ĩe den ĩn a ed ĩn f e ĩgn c e ĩcie ĩ f ĩl . F e en a ĩ n e, he am n f he e e a e h n ĩn RMB, an la ed ĩng he a e a he balance hee da e. D ĩff e ĩce e ĩ ĩng f m he an la ĩ n f he ĩnancial a e ĩen den ĩn a ed ĩn f e ĩgn c e ĩnc a e e cl ded.

	30 June 2017				31 Decembe 2016			
	USD	EUR	HKD	JPY	USD	EUR	HKD	JPY
Ca ĩ a bank and n ĩ hand	677,567	1,513,464	32,959	24,414	823,367	1,169,615	40,023	44,700
Rece ĩ a ĩle	7,480,210	165,053	18,293	26,586	3,612,395	254,069	18,353	82,916
Sh e m b ĩ ĩng	(6,949,798)	(623,954)	-	-	(5,759,019)	(61,487)	-	(7,169)
L ĩ ĩg e m b ĩ ĩng	(12,385,960)	-	(215,244)	-	(14,736,500)	-	(132,386)	-
Pa a ĩle	(487,959)	(113,654)	(614)	-	(1,023,302)	(118,003)	(30,414)	-
C e ĩn ĩn f n c e ĩn ĩab ĩ ĩe	(13,549)	-	-	-	(2,710,684)	-	-	-
G ĩ balance hee e e	(11,679,489)	940,909	(164,606)	51,000	(19,793,743)	1,244,194	(104,424)	120,447

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For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

- (2) The following are the exchange rates for RMB against foreign currencies applied by the Group and the Company:

	Average exchange rate		Benchmark average exchange rate	
	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	30 June 2017	31 December 2016
USD	6.8871	6.5359	6.7744	6.6312
EUR	7.4349	7.2993	7.7496	7.3750
HKD	0.8857	0.8418	0.8679	0.8547
JPY	0.0616	0.0590	0.0605	0.0645

(3) Sensitivity analysis

Assuming all the risk variable remained constant, 2.80%, 2.80%, 2.70% and 1.90% weakening of the RMB against the USD, EUR, HKD and JPY respectively at 30 June 2017 (2.80%, 2.80%, 2.70% and 1.90% strengthening of the RMB against the USD, EUR, HKD, and JPY respectively at 31 December 2016) would have increased (decreased) earnings and net profit by the amount shown below; the effect in RMB and translated into the share of the balance sheet data is:

	Equity	Net profit
30 June 2017		
USD	(245,269)	(245,269)
EUR	19,759	19,759
HKD	(3,333)	(3,333)
JPY	727	727
Total	(228,116)	(228,116)
31 December 2016		
USD	(415,669)	(415,669)
EUR	26,128	26,128
HKD	(2,115)	(2,115)
JPY	1,716	1,716
Total	(389,940)	(389,940)

2.80%, 2.80%, 2.70% and 1.90% strengthening of the RMB against USD, EUR, HKD and JPY respectively at 30 June 2017 (2.80%, 2.80%, 2.70% and 1.90% weakening of the RMB against the USD, EUR, HKD, and JPY respectively at 31 December 2016) would have had the effect on the amount shown above, on the basis that all the risk variable remain constant.

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

(3) Sensitivity analysis (Continued)

The sensitivity analysis above assumes that the change in foreign exchange rate had been a 1% increase/decrease in the financial instruments held by the Group, which is the Group's foreign exchange risk. The balance sheet data, the analysis of the difference has been disclosed from the analysis of the financial statement denominated in foreign currency. The analysis is performed on the same basis as the sensitivity analysis.

The above sensitivity analysis does not include the currency risk arising from foreign currency contracts, Japanese Yen exchange rate and the currency contracts are disclosed in Note IV.2 and IV.26 about financial assets and liabilities held by the Group and financial liabilities and financial assets held by the Group, but the change in exchange rate may have effect on the cash flows and net income.

5. Other price risks

Other price risk are commodity price risk. As at 30 June 2017, the Group held 40,414,000 shares of Qingda P. Industrial Co., Ltd., 2,996,500 shares of Sin Shan Shiing Limited, etc.

As at 30 June 2017, the Group has a general increase/decrease of the commodity price index of 5.00% (31 December 2016: 5.00%), the Group's shareable held company, the increase/decrease of the Group's shareable held company is 9,158,000 (31 December 2016: 6,651,000).

The sensitivity analysis above assumes that the change in the commodity price index of 5.00% would affect the balance sheet data in the shareable range and had been a 1% increase/decrease in the income in the equity held by the Group. The sensitivity analysis is based on the assumption, namely, the fair value of the income in the equity held by the Group is the same as the commodity price index, and the available-for-sale equity in the income has the same risk factor as the equity in the income, and all the shareable held company. 20.00% change in the commodity price index of 5.00% is a shareable equity in the Group's shareable held company from the balance data of the net balance sheet data.

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For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates

The level in the fair value hierarchy in which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level in the hierarchy that the fair value measurement is based on:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (e.g., prices) or indirectly (e.g., derived from prices);

Level 3: Inputs for the assets or liabilities that are not based on observable market data (e.g., unobservable inputs).

(1) Assets measured at fair value on a recurring basis

The following table presents the Group's assets and liabilities that are measured at fair value in the above hierarchy as at 30 June 2017:

Assets	Level	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Investments in equity instruments held for trading	IV.2	180,357	-	-	180,357
Derivative financial assets	IV.2	-	251,402	-	251,402
Hedging instruments	IV.2	-	4,392	-	4,392
Available-for-sale financial assets	IV.11	1,761	51,086	-	52,847
Financial assets total		182,118	306,880	-	488,998
Non-financial assets					
Investments in real estate	IV.14	-	-	1,722,065	1,722,065
Total		182,118	306,880	1,722,065	2,211,063
Liabilities	Level	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	IV.26	-	(6,359)	-	(6,359)
Hedging Instrument	IV.26	-	(186)	-	(186)
Financial guarantee contracts	IV.26	-	-	(55,980)	(55,980)
Contingent considerations	IV.26	-	-	(129,965)	(129,965)
Total		-	(6,545)	(185,945)	(192,490)

For added in ac i.e make financial in -men , he g - mea e i fai al e a an ac i.e make i.e; f -n added in ac i.e make financial in -men , he g - e al a i n echni e de e m i n e he fai al e. Val a i n m del mainl ed a e he d i c n e d ca h f l m del and make c m a a b l e c m a n m del e c. In al e f he al a i n echni e incl de he i k f e e i n e e a e, benchma k i n e e a e, e change a e, c e d i e a d , l i i d i e m i m, EBITDA m l i l i e, he lack f l i d i d i c n e c.

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For the period ended from 1 Jan and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The Group has adopted the qualified fair value and classification of the fair value of the instruments in the following table. The methods used include income model and cost model. The key assumptions include general market conditions, capitalization rate and discount rate.

The following table presents the measurement of the non-financial assets in Level 3:

	Investment properties
1 Jan and 2017	1,752,608
Purchase	-
Transfer from fixed asset, inangible asset and construction in progress	1,287
Transfer from the head office classified as held for sale	-
Total gain from the construction	-
Gain recognized in profit	-
Gain/(loss) recognized in the cost when the income	-
Transfer from the construction	(35,389)
Exchange difference arising from the foreign currency	3,559
30 June 2017	1,722,065
1 Jan and 2016	730,168
Purchase	78,176
Transfer from fixed asset, inangible asset and construction in progress	310,039
Transfer from the head office classified as held for sale	(26,401)
Total gain from the construction	660,626
Gain recognized in profit	75,792
Gain/(loss) recognized in the cost when the income	584,834
31 December 2016	1,752,608

Finance Department of the Group is responsible for calculating the fair value of financial assets and financial

- (a) The ela i n hi f n b eable i n fa ial e a e a f ll :
- The highef he a e f e n/ca i ali a i n a e, he l ef fa ial e;
 - The highef he e ec ed acanc a e, he l ef fa ial e;
 - The highef he m n hl en al, he highef he fa ial e;
 - The highef he ma ke ice, he highef he fa ial e;
 - The highef he b dge ed c n c i n c be inc ed, he l ef he fa ial e;
 - The highef he an ici a ed de el e' fi ma gin, he l ef he fa ial e.

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(All amounts in RMB'000 unless otherwise stated)

(English Text has primary reference only)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

	Fair value at 31 December 2016	Valuation technique	Name	Significantly measurable in		
				Scatter/weighted average	Reliability of fair value	Observable/Unobservable
Investment securities	1,139,285		Real estate/capital assets	6%-8%		
Commodities		Income model	Mineral (RMB/tonne)	7-95	(a)	Unobservable
		Cost model	Buildings/construction materials (RMB/tonne)	650-4,600		
			Anticipated delivery margin	9%-12%	(a)	Unobservable
Land	613,323	Discounted cash flow	Marine (RMB/tonne)	450-2200	(a)	Unobservable

(2) Assets measured at fair value on a non-recurring basis

The non-current assets held for sale are measured at the lower of book value and fair value less disposal costs. As at 30 June 2017, the Group's assets classified as available for sale include investment securities of RMB26,401,000, fixed assets of RMB92,269,000 and intangible assets of RMB85,177,000, measured at fair value less disposal costs (Note IV.8). The fair value is determined based on the discounted cash flow (RMB26,401,000, RMB115,743,000 and RMB97,563,000), which belong to the highest level.

(3) Assets and liabilities not measured at fair value but for which the fair value is disclosed

Financial assets and liabilities in the group are measured by the amortized cost method including: accounts receivable, short-term borrowings, accounts payable, long-term borrowings, debt payable, long-term payable etc.

As at 30 June 2017, all financial instruments are carried at amounts that are not materially different from fair value.

The financial assets are classified as available and fair value is determined by the fair value in the assets, which belong to the highest level. Fair value of long-term borrowings, long-term payable and debt payable in the assets is determined by the discounted cash flow of the contract in accordance with the historical market and future cash flows under the same conditions, which belong to the highest level.

The period covered from 1 January and ended 30 June 2017
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(English Translation of Reference Only)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(4) Estimation and assumption of fair values

[illegible]

()

Fairly established and make the balance sheet of financial assets fairly high and financial liabilities fairly high (depending on the type), and a fair-ly financial assets if he is an active maker.

()

The fair value is measured at the end of the financial period, divided by the market index at the end of the balance sheet date.

() B. - -

The fair value of the liability, being the amount payable, is not a financial liability in the consolidated financial statements, since the liability is not a financial liability.

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The fair value of financial guarantee issued is determined by reference fee charged in an arm's length transaction on similar service, hence information is not obtainable, the fee is estimated by reference in the same differential, by comparing the actual fee charged by lender. Hence the guarantee is made available with the estimated fee. Hence the lender would have charged, had the guarantee not been available, the fee payable is estimated for which information can be made.

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

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XV. CAPITAL MANAGEMENT

The Group's objective of managing capital is to safeguard the Group's ability to maintain a sustainable development in the long term, to provide a sufficient return to shareholders and to ensure the Group's ability to maintain an optimal capital structure to support its business.

In order to maintain a good capital structure, the Group may adjust the amount of dividend paid to shareholders, the capital structure, the interest rate, the debt structure and the debt structure.

Total capital of the Group is the sum of the total assets, the total liabilities and the total equity. The Group's objective is to maintain a capital structure that is in line with the business and the debt structure.

The Group's main capital structure is the Debt-Account. This is calculated as a total liability divided by total assets.

In 2017, the Group manages capital to ensure that the Debt-Account is not exceed 70% (2016: not exceed 70%). The Debt-Account is as at 30 June 2017 and 31 December 2016 as follows:

	30 June 2017	31 December 2016
Total Liability	89,626,971	85,479,956
Total Assets	129,498,854	124,614,748
Debt-Account Ratio	69%	69%

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS

1. Cash at bank and on hand

	30 June 2017	31 December 2016
Bank deposits	2,292,935	2,647,574
Other cash balance	7,391	12,648
	2,300,326	2,660,222
Including: cash at hand	503	519

As at 30 June 2017, the cash at bank and on hand of the Company amounted to RMB503,000 (31 December 2016: RMB2,752,000).

As at 30 June 2017, the fixed deposits of the Company in the Financial Company, a subsidiary of the Group, amounted to RMB1,594,000,000 (31 December 2016: RMB942,000,000).

Notes to the Financial Statements

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Financial statements for the period from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English text is the primary reference)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Dividends receivable

	30 June 2017	31 December 2016
CIMC Holding Company	3,333,084	3,435,198
SCIMC	592,706	592,706
SCIMCEL	462,372	462,372
SCRC	216,000	-
TJCMC	48,915	48,915
SCIMCEL	19,263	19,263
Middle East Logistics	29,146	29,146
CIMC World	-	874
CIMCVL	-	149,577
QDSV	2,468	17,356
Tianjin Kangde Logistics Engineering Co., Ltd	411	411
	4,704,365	4,755,818

3. Other receivables

(1) Other receivables are analysed by categories of customers as follows:

	30 June 2017	31 December 2016
Amounts due from related parties	12,940,182	13,109,464
Debit and margin	14,739	15,711
Others	18,233	10,821
Subtotal	12,973,154	13,135,996
Less: Provision for bad debts	(4,580)	(4,580)
Total	12,968,574	13,131,416

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

(2) Other receivables are analysed by aging as follows:

Aging	30 June 2017	31 December 2016
Within 1 year (Inclusive)	9,525,395	9,642,304
1 - 2 years (Inclusive)	1,528,555	1,530,022
2 - 3 years (Inclusive)	587,541	574,631
Over 3 years	1,331,663	1,389,039
Subtotal	12,973,154	13,135,996
Less: Provision for bad debts	(4,580)	(4,580)
Total	12,968,574	13,131,416

The ageing is calculated according to the date the receivable is recognised.

At 30 June 2017 and 31 December 2016, the Company did not have aged the receivable have been impaired.

(3) Other receivables are analysed by categories as follows:

Note	30 June 2017				31 December 2016			
	Ending balance		Provision for doubtful debts		Ending balance		Provision for doubtful debts	
	% of total		% of total		% of total		% of total	
	Amount	balance	Amount	balance	Amount	balance	Amount	balance
Other receivable in which the debtor is individually significant (4)	12,873,563	99.23%	-	-	13,066,919	99.47%	-	-
Other receivable in which the debtor is individually not significant (5)	99,591	0.77%	4,580	4.60%	69,077	0.53%	4,580	6.63%
Total	12,973,154	100.00%	4,580	0.04%	13,135,996	100.00%	4,580	0.03%

The debtor classification of the Company held for other receivable has been made in accordance with the impairment test.

Notes to the Financial Statements

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For the period ended from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise stated)
 (English Text is in Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

- (4) Other receivables with amounts that are individually significant and that the related provision for doubtful debts is provided on the individual basis

As at 30 June 2017 and 31 December 2016, the Company has the receivable in amount has been individually significant and has the related provision for doubtful debts is provided on the individual basis.

- (5) Other receivables with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis

As at 30 June 2017 and 31 December 2016, the Company has the receivable in amount has been individually insignificant but has the related provision for doubtful debts is provided on the individual basis.

- (6) Other receivables that the related provision for bad debts is provided on grouping basis using the ageing analysis method are analysed as follows:

30 June 2017

31 December 2016



Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

(9) As at 30 June 2017, the five largest other receivables are analysed as follows:

	Nature	Amount	Aging	% of total balance	Provision for doubtful debts
CIMC Hong Kong	founded and established	3,612,395	Within 1 year	27.85%	-
C&C Truck	founded and established	1,421,641	Within 1 year, 1-2 years, 2-3 years	10.96%	-
Hong Kong	founded and established	1,098,758	Within 1 year	8.47%	-
CIMCVL and its subsidiaries	founded and established	849,639	Within 1 year	6.55%	-
Tianjin Hong Kong	founded and established	591,447	Within 1 year	4.56%	-
		7,573,880		58.39%	-

The Company's financial age of the receivable as at 31 December 2016 amounted to 7,609,722,000 and accounting for 57.93% of the total receivable.

(10) Other receivables from shareholders holding more than 5% (including 5%) of the voting rights of the Company are analysed as follows

As at 30 June 2017, no amount is due from shareholders holding more than 5% (including 5%) of the voting rights of the Company included in the above balance of the receivable.

Notes to the Financial Statements

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For the period ended from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise stated)
 (English Text is in Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

(11) Other receivables from related parties

	Relationship with the Company	Amount	% of total balance
Accounts receivable	Accounts receivable	255,255	1.97%
Subsidiaries	Subsidiaries	12,684,927	97.78%
Total		12,940,182	99.75%

(12) Other receivables derecognised due to transfer of financial assets

As at 30 June 2017, there were no other receivables derecognised due to transfer of financial assets of the Company (31 December 2016: Nil).

(13) Amount of assets and liabilities recognised due to the continuing involvement of securitised other receivable

There were no recognised other receivables during the year (31 December 2016: Nil).

4. Available-for-sale financial assets

	30 June 2017	31 December 2016
Measured at cost		
Available-for-sale equity investments ⁽¹⁾	391,970	391,970
Loans to subsidiaries	(3,065)	(3,065)
	388,905	388,905

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has primary reference only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Available-for-sale financial assets (Continued)

(1) Related information analysis of available-for-sale financial assets is as follows:

Available-for-sale financial assets measured at cost:

	31 December 2016	Increased in connection with disposal	Decreased in connection with disposal	30 June 2017	Share holding (%)	Carrying amount declared
Available-for-sale equity investments						
China Railway Group Limited						
BOCM Shanghai Sinochem Management	8,125	-	-	8,125	5.00%	-
China Railway Group Limited	380,780	-	-	380,780	10.00%	4,000
Guangdong Samling	1,365	-	-	1,365	0.09%	-
Beihai Yinjian	1,700	-	-	1,700	1.01%	-
Subtotal	391,970	-	-	391,970		4,000
Less: impairment	(3,065)	-	-	(3,065)		-
Total	388,905	-	-	388,905		4,000

(2) Available-for-sale financial assets measured at cost held by the group are mainly unlisted equity investments with no active market price and their reasonable fair value estimates has large variation range; the probability determining the fair value estimate can not be reasonably determined so their fair value cannot be reliably measured. The group has no disposal of the investment plan.

5. Long-term equity investments

(1) Long-term equity investments are analysed by categories as follows:

	30 June 2017	31 December 2016
Subsidiary	9,490,535	9,375,276
Less: impairment	-	-
Total	9,490,535	9,375,276

The main subsidiaries held by the Company are:

Notes to the Financial Statements

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For the period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Text is in Reference Only)

XVI.NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Long-term equity investments (Continued)

(2) Subsidiaries:

In e ee	31 December 2016	Change ended in 2016	30 June 2017	Share holding (%)	Voting right (%)	Proportion of investment	Im ai men provided in the c en e id	Ca h di idend declared
Cost method – Investment in subsidiaries								
SCIMC	110,831		110,831	100%	100%			
XHCIMC	36,500		36,500	100%	100%			
TJCIMC	77,704		77,704	100%	100%			
DLCIMC	48,764		48,764	100%	100%			
TCCIMC	131,654	(40,230)	91,424	100%	100%			33,642
CQVL	39,499		39,499	100%	100%			
SCRC	200,892		200,892	92%	92%			216,000
XHCIMCS	82,026		82,026	100%	100%			
CIMC H ng K ng	1,690		1,690	100%	100%			
CIMC SD	162,686		162,686	100%	100%			
HI	606,912		606,912	80%	80%			98,789
CIMC Tech	41,526		41,526	100%	100%			
CIMCWD	54,817		54,817	100%	100%			
CIMC Training	48,102		48,102	100%	100%			
DLZH	182,136		182,136	100%	100%			
MEA	111,703		111,703	100%	100%			
CIMC W d	3,472		3,472	100%	100%			

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has final Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Long-term equity investments (Continued)

(2) Subsidiaries: (Continued)

Invee	31 December 2016	Current period	30 June 2017	Shareholding (%)	Voting (%)	Principal investment	Immunized in the current period	Capital dividend declared
SZ Investment								
Holding	72,401		72,401	100%	100%			
Finance Company	482,590		482,590	100%	100%			
CIMCVL	422,363		422,363	100%	100%			
QDSV	26,912		26,912	80%	80%			
SHOE	40,000		40,000	100%	100%			
SZ Investment	140,000		140,000	100%	100%			
SESKYC	90,000		90,000	100%	100%			
DLCIMCS	69,806		69,806	100%	100%			
Container Holding	4,104,227		4,104,227	100%	100%			
COOP	205,022		205,022	99%	99%			
CIMC Medical								
Logistics								
Development								
Company, Ltd.	803,904		803,904	100%	100%			
C&C Truck	898,977	81,616	980,593	70%	70%			
Offshore Holding	35,000		35,000	100%	100%			
Overseas Holding								
Company	13,160		13,160	100%	100%			
Gangdong								
Vehicle Park								
Investment								
Company	30,000		30,000	100%	100%			
Taicang Special								
Enterprise		73,873	73,873	100%	100%			
Subtotal	9,375,276	115,259	9,490,535					348,431

Notes to the Financial Statements

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For the period ended from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise stated)
 (English Text is in Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Short-term borrowings

(1) The analysis of the Company's short-term loans is as follows:

	30 June 2017	31 December 2016
Bank borrowing		
Unsecured	3,660,000	2,710,000

7. Financial liabilities at fair value through profit or loss

	30 June 2017	31 December 2016
Current financial liabilities		
Non-current financial liabilities		
Financial liabilities at fair value through profit or loss	-	65
Financial liabilities at fair value through profit or loss	1,738	3,296

8. Taxes payable

	30 June 2017	31 December 2016
Income tax payable	2,834	2,042
Withholding individual income tax	1,067	1,120
Others	123	484
Total	4,024	3,646

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has primary reference only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Interest payable

	30 June 2017	31 December 2016
Interest on bank borrowings	218,242	70,249
Interest on finance lease liabilities	5,957	3,522
Interest on other financial liabilities	1,365	1,984
Total	225,564	75,755

10. Other payable

(1) The analysis of the Company's other payables is as follows:

	30 June 2017	31 December 2016
Accounts payable	2,162,672	2,948,279
Prepayments	10,459	16,735
Other receivables	429	429
Accruals	-	7,592
Others	11,962	17,769
Total	2,185,522	2,990,804

(2) Significant other payables aged over one year

As at 30 June 2017, significant other payables aged over one year were primarily other receivables and 0.5% BDC ()Tjd()Tjd 0.0 C5>

Notes to the Financial Statements

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For the period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Text is in Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

11. Current portion of non-current liabilities

- (1) The analysis of the Company's current portion of non-current liabilities by categories is as follows:

	Net	30 June 2017	31 December 2016
Current portion of long-term borrowings			
Unsecured	(2)	995,000	800,000

- (2) As at 30 June 2017, there were no overdue long-term borrowings of which the durations are extended (31 December 2016: Nil).

12. Long-term borrowings

- (1) The analysis of the Company's long-term loans is as follows:

	30 June 2017	31 December 2016
Bank borrowing		
Unsecured	826,000	1,621,000

As at 30 June 2017, there were no long-term borrowings of which the durations are extended (31 December 2016: Nil).

As at 30 June 2017, the interest rate of long-term borrowings ranged from 1.20% to 3.35% (31 December 2016: 1.20% to 3.65%).

13. Debentures payable

Information of the Company's debentures payable is set out in Note IV.39.

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text has Prevailing Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

14. Deferred tax assets and deferred tax liabilities

- (1) The offsetting balances of deferred tax assets and liabilities offset and corresponding deductible or taxable temporary differences

	30 June 2017		31 December 2016	
	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) Temporary differences	Deferred tax assets / (liabilities)
Deferred tax assets:				
Employer benefits payable	196,808	49,202	205,760	51,440
Provision for fair value of financial assets at fair value through profit or loss	1,738	434	3,360	840
Subsidiary	198,546	49,636	209,120	52,280
Offsetting amounts	-	-	-	-
Offsetting balances	198,546	49,636	209,120	52,280
Including:				
Amounts estimated to be recoverable (including)		49,636		52,280

Notes to the Financial Statements

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For the period ended from 1 Jan a and ended 30 June 2017
 (All am n in RMB'000 nle he ĩe a ed)
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XVI.NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15. Capital surplus

	31 Decembe 2016	Inc ea e in c en e ĩ d	Dec ea e in c en e ĩ d	30 June 2017
Share ĩmi m	3,601,855	29,311		3,631,166
Other ca ĩal ĩl :				
• Exchange e e e n f e ĩgn c en c ca ĩal	687			687
• D na ed n n-ca ĩa e e e e	87			87
• E ĩ ĩ e led ĩa e-ba ed a men	253,012		(12,104)	240,908
Other	(568,492)			(568,492)
T al	3,287,149	29,311	(12,104)	3,304,356

	1 Jan a 2016	Inc ea e in c en ea	Dec ea e in c en ea	31 Decembe 2016
Share ĩmi m	3,589,082	12,773		3,601,855
Other ca ĩal ĩl :				
• Exchange e e e n f e ĩgn c en c ca ĩal	687			687
• D na ed n n-ca ĩa e e e e	87			87
• E ĩ ĩ e led ĩa e-ba ed a men	258,211		(5,199)	253,012
Other	(568,492)			(568,492)
T al	3,279,575	12,773	(5,199)	3,287,149

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

XVI.

Notes to the Financial Statements

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For the period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Text is for Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

18. Profit/(loss) from changes in fair value

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Text is in full Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

22. Non-operating expenses

	For the period from 1 January to 30 June 2017	For the period from 1 January to 30 June 2016
Abnormal loss	396	1
Loss on disposal of fixed assets	586	1
Others	764	248
Total	1,746	249

23. Income tax expenses

	For the period from 1 January to 30 June 2017	For the period from 1 January to 30 June 2016
Change in deferred income tax	2,644	27,968

The income tax based on the applicable tax rate is adjusted income tax expense based on the actual tax rate of the consolidated income tax expense:

	For the period from 1 January to 30 June 2017	For the period from 1 January to 30 June 2016
Total tax before tax	31,304	153,333
Income tax expense calculated at applicable rate	7,826	38,333
Expense on deductible tax loss	803	1,878
The amount of the current deferred income tax expense recognized	82,123	17,498
Income tax benefit	(88,108)	(29,741)
Income tax expense	2,644	27,968

Notes to the Financial Statements

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For the period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Text is in Reference Only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

24. Notes to the cash flow statement

(1) Supplementary information to the cash flow statement:

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	For the period from 1 January to 30 June 2017	For the period from 1 January to 30 June 2016
Net profit	28,661	125,365
Decrease in prepaids	6,370	5,965
Amortisation of intangible assets	129	129
Amortisation of long-term prepaid expenses	5,517	2,113
The decline in amortisation	3,000	-
Accrued expenses increased	(7,592)	-
(Profit)/Loss on disposal of intangible assets, intangible assets	586	(115)
Profit on change in fair value	(1,623)	(1,985)
Financial expenses	300,050	50,735
Income tax expense	(359,040)	(118,963)
Decrease/(Increase) in deferred tax assets	2,644	27,968
Decrease/(Increase) in trading receivable	185,423	(501,056)
Decrease/(Increase) in trading payable	(1,544,959)	44,642
Net cash flow from operating activities	(1,380,835)	(365,202)

()

	For the period from 1 January to 30 June 2017	For the period from 1 January to 30 June 2016
Cash and cash equivalents at the end of the year	699,840	330,140
Less: Cash and cash equivalents at the beginning of the year	1,715,470	652,865
Net change of cash and cash equivalents	(1,015,630)	(322,725)

(2) Composition of cash and cash equivalents

	30 June 2017	30 June 2016
I. Cash		
Including: Cash at bank that can be withdrawn at any time on demand	698,935	320,261
Other monetary funds that can be withdrawn on demand	905	9,879
II. Cash and cash equivalents at the end of the year that can be withdrawn at any time on demand	699,840	330,140

Note: After deducting cash at bank and non-current restricted cash.

For the period from 1 January and ended 30 June 2017
(All amount in RMB'000 unless otherwise stated)
(English Translation of Reference Only)

For the Period from	For the Period from
1 January to	1 January to
30 June 2017	30 June 2016

Profit/(Loss) in consolidated financial statements	13,739	(3,332)
Gain/(Loss) recognized in consolidated financial statements	91,032	135,375
Reclassification of fair value adjustments in the consolidated financial statements	-	-
Gain/(Loss) from change in fair value arising from holding financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, and income from gain arising from disposal of financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets, except for the effective hedging activities related to the group's dynamic activities	(20,332)	12,264
Occurrence of non-financial business recognized in consolidated financial statements	-	-
Net gain/(Loss) from disposal of subsidiaries	(25,460)	23,712
Realized financial receivable and payable and bad debt provision in consolidated financial statements	-	-
Other non-recurring income and expenses other than the above items	38,201	21,101
Other non-recurring gain and loss items	(105,549)	-
Subtotal	(8,369)	189,120
Effect of income tax	(30,200)	(30,604)
Effect of minority interest (after tax)	(29,616)	(34,350)
Total	(68,185)	124,166

N e: Af e aid n n-ec ing -fi l a e ened a am n bef e a a i n.

Basis for preparation of statement of non-recurring profit or loss

Under the Enforcement in E-lana ann ncemen N.1 n inf main di cl eb c m anie ffeing ec iie he blic n n-ec ing fi d [2008] f m CSRC n n-ec ing fi d efe he aie f m an acin and ee n ha a e n di cl ele an dina ac iie , ha a e ele an dina ac iie , b a e e a dina and n e ec ed ec fe enl ha ld ha e an infl ence n e f financial a emen making ec n mic deci i n n he financial ef mance and fi abili f an ene e ie.

Supplementary Information

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For the period ended from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Text is in Reference Only)

II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with the Interim Policy Statement on the Presentation of Financial Information Disclosed by Companies Listing Public Shares No. 9, Earnings per share and diluted earnings per share (2010 revised) and the accounting standards, the calculation of earnings per share and diluted earnings per share of the Company is as follows:

	Weighted average return on net assets(%)		Earnings per share			
	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	Basic earnings per share For the Period from 1 January to 30 June 2017	Basic earnings per share For the Period from 1 January to 30 June 2016	Diluted earnings per share For the Period from 1 January to 30 June 2017	Diluted earnings per share For the Period from 1 January to 30 June 2016
Net attributable ordinary shareholders of the Company	2.76%	(1.64%)	0.2554	(0.1444)	0.2544	(0.1444)
Net attributable ordinary shareholders of the Company after deducting non-controlling interests	3.00%	(2.11%)	0.2783	(0.1861)	0.2772	(0.1861)

304 Chapter X Documents Available for Inspection

- I. The original copy of the income statement of the Company for 2017 signed by the Company's legal representative.
- II. The original copy of the audited financial statement of the Company for the month ended 30 June 2017 issued under CASBE and signed and sealed by the legal representative of the Company, the person-in-charge of accounting affairs, and accounting person-in-charge (General Manager of Financial Management Department).
- III. The original copy of the documents and announcements of the Company published in the newspaper issued by the China Securities Regulatory Commission during the Reporting Period.
- IV. The English and Chinese version of the 2017 income statement of the Company published in the website of the Hong Kong Stock Exchange.

Wang Hong

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

September 2017

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Driving new value Moving the world

China International Marine Containers (Group) Co., Ltd.
CIMC R&D Center, No.2 Gangwan Avenue, Shekou,
Nanshan District, Shenzhen, Guangdong, P.R.C

Tel: 86-755-26691130

Fax: 86-755-26692707

www.cimc.com