

IMPORTANT NOTICE

The Board, the Supervisory Committee and the Directors, Supervisors and senior management of the Company have been faithfully discharged, fulfilling their duties and responsibilities in the 2017 interim report (the "Report"), and jointly and individually accept full legal responsibility for the truthfulness, accuracy and completeness of 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, presided over the Meeting, Mr. Zhang Jian, and Mr. Li Chong, non-executive Director, attended 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.

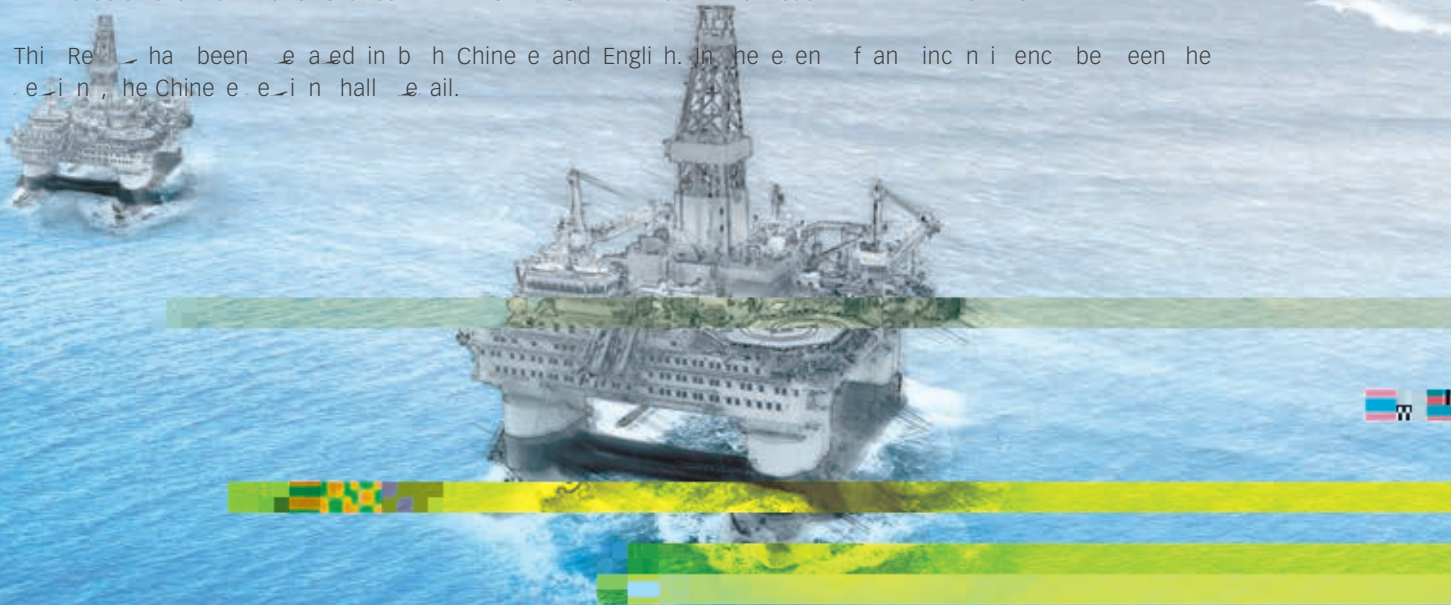
Mr. Wang Hong, in-charge of the Company and chairman of the Board, Mr. Mai Biliang, CEO and President, and Mr. Zeng Han, general manager of the financial management department, in-charge of accounting affairs and head of the accounting department (the financial controller), together with the truthfulness, accuracy and completeness of this Report and the 2017 Interim Financial Report.

Neither the controlling shareholders (including indirect) nor the substantial shareholders (including indirect) of the Company have influenced the preparation of the Company.

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

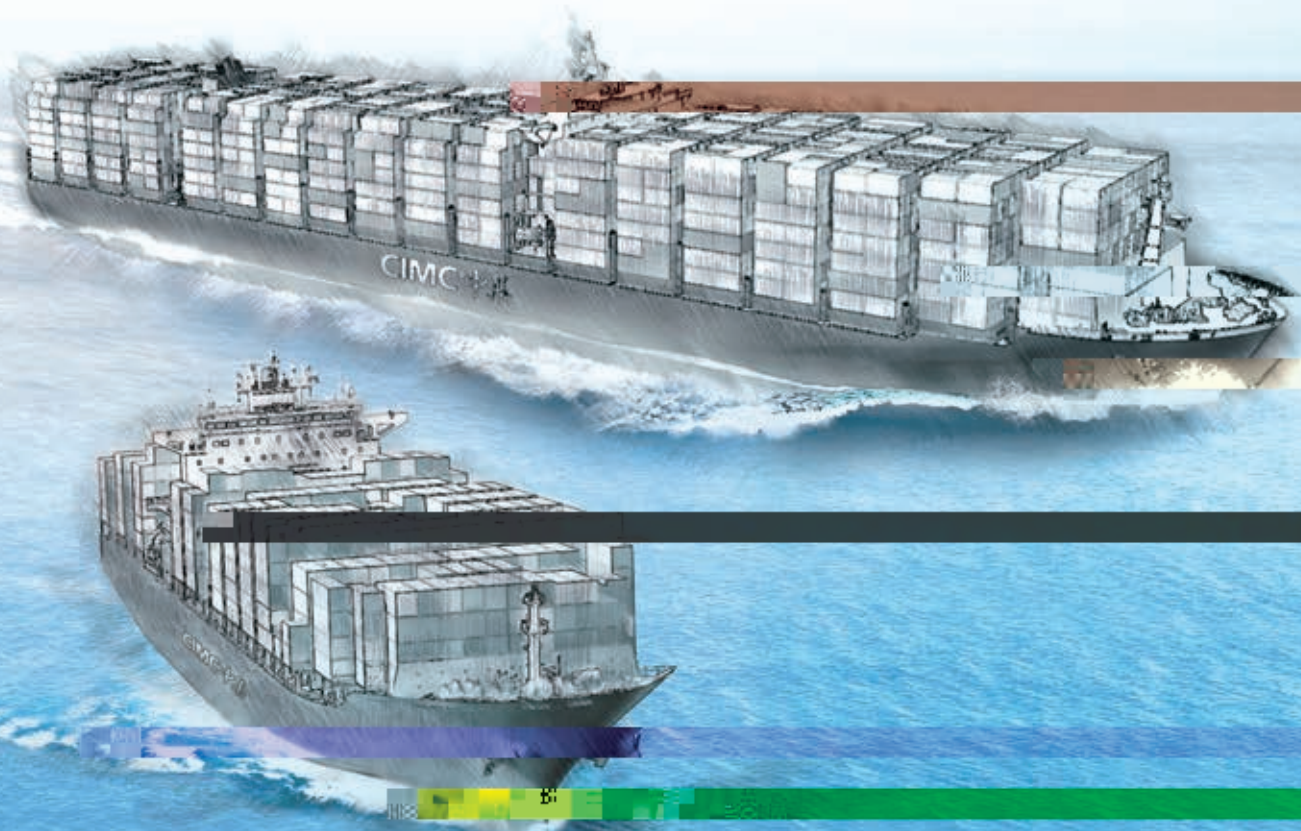
This Report contains forward-looking statements made on the basis of the best estimates and judgments of the relevant departments in relation to the financial condition, earnings and business of the Group, which are subject to risks, uncertainties and assumptions beyond the Group's control and to a high degree of uncertainty in nature. Therefore, the actual results may differ materially from the forward-looking statements. Such forward-looking statements are not the representation of the Group's performance and do not constitute any commitment in the future. In the future, the Group should be able to handle the risks of the forward-looking statements.

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 Regulation, the meaning of the following terms shall have the meaning as defined 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 a non-listed subsidiary of 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 a practicing 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 an associated 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 a wholly-owned large shareholder of the Company and a shareholder of the Company.
9. China Mechano Group	China Mechano Group Limited, a company incorporated in the PRC with limited liability on 14 October 1986 and a wholly-owned large shareholder of the Company and a shareholder of the Company.
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 a non-listed subsidiary of the Company.
12. CIMC Finance Company	CIMC Finance Co., Ltd., a company incorporated in the PRC with limited liability on 9 February 2010 and a wholly-owned subsidiary of 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 Aircraft Services 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 equipment.
Jack-Drilling Platform	A jack-drilling platform is a mobile drilling rig installed on a vessel. Most jack-rigs are in a deck 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 assembled at sea.
ONE Model	Operational Excellence, the lean management system of the GMDSS.
QHSE	A management system and control system in the field of Quality, Health, Safety and Environment.
Semi-immobile Drilling Platform	A semi-immobile drilling platform is a mobile rig; however, it is fixed to the hull of the vessel and the vessel is fixed to the hull, in the area connected to the column. When in operation, the vessel is fixed in the sea. A semi-immobile platform is generally used in deep sea drilling 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 cargo.
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:	haohai@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:	haohai@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:	haohai@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 (New)
Stock Code:	2039, 299901 (New)

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 legal representative is changed during the Reporting Period

Applicable, Not Applicable

When the telephone and information are changed during the Reporting Period

Applicable, Not Applicable

08 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 up)	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 hedge of the effective hedging activities relating to the Group's financial activities	(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:

Reasonable and identifiable 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 iron and steel products, engineering, chemical and liquid products, offshore engineering products 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 data from the China Internet Network Information Center (CNNIC), the number of internet users in China reached 688 million by the end of June 2017, an increase of 10.1 million compared with the end of the first half of 2016. The number of mobile internet users also increased, reaching 645 million. The growth of the internet market has brought about a series of new business models and opportunities. For example, the online retail market has continued to expand, and the number of online retail transactions has increased significantly. In addition, the online education market has also shown rapid growth, and the number of online education users has increased significantly. Overall, the internet market in China has continued to grow, and the number of users has increased significantly.

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 ai n 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 i n and e each and de el men ba e in China, the 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 .

In the first half of 2017, the global market for intelligent and adaptive medical devices and the Chinese economic growth all became stable. The overall market demand in the replacement of high-end medical devices and main vehicle benefiting from the ended implementation of the policy of the mandatory standard for the limit of dimension, a level of safety of vehicle, safety and combination of vehicle (GB1589-2016) will lead to the central government in 2016 and the continued medical engineering equipment again increasing. Meanwhile, medical equipment infrastructure project commenced construction, which boosted the growth of demand for intelligent medical devices. In the foreseeable future, although the high-end performance in the North American market remained strong, the clinical demand for semi-automatic declined. With the economic recovery in Europe, the demand in the medical market in emerging markets will also increase.

During the Reporting Period, benefiting from the global economic recovery in China and Europe, the Group's main vehicle business achieved sales of 81,468 units (compared with 58,231 units in 2016), increasing year-on-year by 39.90%. It recorded revenue (including the headlight business) of RMB9,719.601 million (compared with 2016: RMB7,013.354 million), increasing year-on-year by 38.59%, and achieved net profit (including the headlight business) of RMB568.016 million (compared with 2016: RMB361.893 million), increasing year-on-year by 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 lead the industry and replaced high-end and high-quality in the market and enlarged the market share and continued to lead the first half of the year. The Group's cumulative sales exceeded 55% of the annual target in terms of revenue and profit. In the domestic market, in order to eliminate the effect of cyclical decline in the market, CIMC Vehicle (Group) accelerated its development in the North American market, and focused on leading

A meeting in the 2016 Interim Report, 2016 Annual Report and the relevant announcement of the Company, on 1 June 2016, CIMC Enric terminated the acquisition in full effect in the SOE form the end and the termination of financial assistance SOE due to the failure in fulfillment of certain conditions precedent in the relevant agreement with SOEG PTE LTD, Jiang Pacific Shipbuilding Group Co., Ltd. and Eegreen Group Co., Ltd., and therefore the end of the aid contribution and SOE of the plan and the guarantee of bank loan. After a comprehensive and careful examination of the

C n i d e n g h a S O E i n d e p e n d e n t R e c e i v e r s h i f
 h e R e c e i v e r s a n d i b b i n e a n d a e m a
 l e m e n a n d c l l a b a e i h h e b i n e f
 C I M C E n i c , n 5 J I 2 0 1 7 , C I M C E n i c , h g h i
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 R e c e i v i n g I n e m e n A g e e m e n i h S O E a n d
 S O E B a n k c a n d L i d a i n T e a m * (南 通 太
 平 洋 破 产 清 算 组) a n d a c t i v e l y e n e e d i n g
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 (N a n t o n g C I M C S i n P a c i f i c O f f h o u s e & E n g i n e e r i n g
 C o . , L d . *) . F o l l o w i n g t h e a n n o u n c e m e n t
 a n n o u n c e m e n t b l i s h e d b h e C m a n n 6
 J I , 4 A g a n d 1 6 A g 2 0 1 7 . A c c o r d i n g h e
 i n t e n c a n a l i s e a c t e d b h e R e c e i v e r s
 h e e c o n o m i c a m o u n t f h e a m o u n t d e f i n e d
 S O E f C I M C E n i c a e i m a g e d b e R M B 1 9 0 . 5 2 1
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 S u c h i n i t i a l i n c l u d e d i n h e 2 0 1 7
 c o n t a i n e d i n e m f i n a n c i a l a n d f h e G e n e r a l

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 electrical and construction of the leading construction of high-end offshore engineering equipment in China and has been actively engaged in the construction of the industrial manufacturing of 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, Lifaba, floating production storage and offloading, liquefied gas, OSV, clean gas, mid-high-end ship and the electrical and construction of a major offshore engineering construction.

In the first half of 2017, before the beginning of the international oil price, the price of the global offshore engineering equipment made increased a considerable amount. In the second half of the year, because of the high oil price, the international oil price began to decline, and the price of the global offshore engineering equipment began to decline; the price of the global offshore engineering equipment began to decline and the price of the global offshore engineering equipment began to decline.

In the event of an emergency, CIMC Raffle
 will be able to provide information about the
 location of the building. During the Re-Opening
 Period, CIMC Raffle will be able to provide
 information about the location of the building.

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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 subsidiary CFSE of the
adoption of the PEI. The subsidiary has
included the building bridge, a maintenance
team and Government of the Environment (GSE)
has included the health care and living
laboratory (e.g.), fire truck and health care
vehicle as well as the maintenance.

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In the first half of 2017, the legal and regulatory environment in China kept tightening with the intensification of financial regulation and lending restrictions, which affected the legal measures. The government also introduced the financial deleveraging policy to enhance financial regulation and reduce the demand for funds and securities. Under the guidance of the tightened financial control, the legal measures made moderate adjustments. The overall trend of the legal measures remained stable, with no significant changes.

During the Reporting Period, the Group's legal measures achieved a balance of RMB297.664 million (compared with RMB315.698 million in 2016), decreasing by 5.71%, and net profit of RMB65.035 million (compared with RMB42.775 million in 2016), increasing by 52.04%, which is mainly due to the receipt of agency service fees from the land lease and the end of the legal reporting period.

In the first half of 2017, CIMC Space Real Estate enhanced its efficiency 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 Weifang and accelerated the implementation of an industrial real estate project in the Neishagang Chemical Service Zone in Beijing. In April, CIMC Elite Apartments entered the Shanshan Lake, Dngg(i n)13.2(an8.1(e)TJ(e 76())37(13.3(.05 76())37 he)13.1 13.3a e0.047 Tc 0 -1.3T 0 -1.512 TD[(ell a D ngg(i n)ac. 47.1()d G (e0.0e d,)49.40% Ge. CIMC Elite Fee e

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In the second half of 2017, the Group's main business building business will further consolidate and improve market share in the U.K. and Australia and will also maintain market efficiency in the European market. The Group will continue to expand its business in Africa and North America and will also expand its business in the Middle East. In the domestic market, the Group will continue to expand its business in the Belt and Road, the China-Xinjiang-Northern Area and the National High-Speed Rail network. The Group will also expand its business in the field of infrastructure construction. The Group will also expand its business in the field of infrastructure construction. The Group will also expand its business in the field of infrastructure construction.

The Group's subsidiary CIMC M Lim Dal Tan (Delema) Co., Ltd.* (中集多式聯運發展有限公司) (CIMC M Lim Dal Tan Co., Ltd.) is engaged in multimodal transport business. It aims to provide comprehensive multimodal transport services in land, air, sea, finance and insurance, and will continue to expand its business in the field of infrastructure construction. The Group will also expand its business in the field of infrastructure construction. The Group will also expand its business in the field of infrastructure construction.

In the second half of 2017, the Group's main business building business will further consolidate and improve market share in the U.K. and Australia and will also maintain market efficiency in the European market. The Group will continue to expand its business in Africa and North America and will also expand its business in the Middle East. In the domestic market, the Group will continue to expand its business in the Belt and Road, the China-Xinjiang-Northern Area and the National High-Speed Rail network. The Group will also expand its business in the field of infrastructure construction. The Group will also expand its business in the field of infrastructure construction.

III. FUTURE DEVELOPMENT AND OUTLOOK

1. Macroeconomic Environment and Policies

In the second half of 2017, the global economic environment will continue to be stable, and the international trade will further expand. China will continue to expand its business in the field of infrastructure construction. The Group will also expand its business in the field of infrastructure construction.

2. Industry Development Trend and Market Outlook

In respect of the container manufacturing business, based on the latest prediction of CLARKSON (an authoritative analysis firm in the industry), the global container market will be a stable market in 2017. The global container market will be a stable market in 2017. The global container market will be a stable market in 2017.

In 2016, the National Development and Reform Commission in China implemented the One Belt One Road (OBOR) initiative, which aims to accelerate the economic development of the region. The OBOR initiative is a major infrastructure project that will connect the East and the West, and it will have a significant impact on the global economy. In addition, the OBOR initiative will also promote the development of the Belt and Road region, and it will create a new global economic corridor.

In respect of the financial business, in the second half of 2017, the global balance sheet in terms of assets and liabilities was strengthened. Real estate and banking balance sheet of the Fed will increase global economic and financial risk. Affected by real estate regulation and financial deleveraging, the investment in fixed assets in China will face downward pressure to achieve a certain extent. The growth in macroeconomic may be lifted and fall in the end. The financial leverage index in China will maintain a growth momentum but a slight decline. The increasing financing cost will facilitate the deflation. Under the impact of deleveraging, domestic credit risk will continue to be alleviated. The increasing risk of financial leverage on the side will increase.

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In respect of the logistics services business, in the second half of 2017, it will further enhance strategic alliances and improve the business cycle and gain a competitive edge; enhancing capital efficiency and profitability; further improving the lean management in the logistics business; completing the risk management in business management; further improving the enhancement in the financial return; improving the development of financial innovation in the integration of the idea of "Innovation". The Group will also further enhance independent collaboration in business and improve the financial and operational performance and further enhance the competitive edge in the global logistics network and the competitive edge in the global logistics network and the competitive edge in the global logistics network.

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 the pilot in financial leasing and leasing of a share in 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 "13th Five-Year Plan" as the main and strategic goals for the country's economic development. The new industrial policy, agricultural policy, energy policy, ecological and land policy, etc. have a huge

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

I. BUSINESS OVERVIEW

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

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

1. Significant Changes in the Major Assets

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2. Main Overseas Assets

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(III) Analysis of Core Competitive Advantages

Strategic Positioning of "Manufacture + Service + Finance"

The Group has formed an industrial alliance spanning biological and energy fields, and has developed major business segments in high-tech leading industries and global sectors, and will continue to explore and develop in emerging industries which help give full play to the Group's advantages. While strengthening its edge in traditional industries, the Group formed a comprehensive demand-driven business alliance in form manufacturing, increasing service, freed customers from the limitations of being the end user of a product, and established the strategic planning and industrial ecosystem for manufacturing + service + finance.

Development Philosophies of Business Diversification and Globalisation

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A Standardised and Effective Corporate Governance System

The Group has developed an effective governance model combining high governance, sound and management mechanism. Accordingly and effectively, the governance structure is the initial stage of the Group's sustainable and health development. Since 2010, the Group has launched the strategic development plan for building an effective and sustainable and health development of CIMC. According to the general annual plan, in the next five years, the Company has established a hierarchical management model, combining the effective committee, special committee and the Board of Directors, and in addition, the lean management concept. As a result, the Company has established an innovative and forward-looking management system for sustainable and health development of the Group.

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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 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 of the Company 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 financial 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 administrative expense of the Company in the first half of the year, mainly due to the decrease of the administrative expense of SOE by CIMC Enric in the first half of the year.
(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 income from derivative financial instruments in the first half of the year.

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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 Shen Shen CIMC Electric Equipment and Logistic Technology Co., Ltd. in the same period last year.

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The substantial change in operating income is due to the Company and 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

□ Applicable □ Not applicable

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 increase 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 expense	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
Current bank and cash	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 tax receivable	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							
al e ĩgh ĩfi							
(e ĩding							
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 ĩ e 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 h 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 assets held 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 assets held at fair value through profit or loss	Self-funded
Other securities held at the end of the period			—		812	(210)	—	—	—	—	17,745	—	—

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A l i c a b l e N a l i c a b l e

Uni : RMB h and

												Proportion of Investment amount at the end of the period to net assets of the Company at the end of the Reporting Period	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, Standard Chartered and the bank	Nil	N	Foreign exchange floating derivatives	-	2015/1/29	2018/4/16	219,820	-	-	-	236,667	0.79%	9,452
China Construction Bank, HSBC and the bank	Nil	N	Interest rate derivatives	-	2010/1/20	2021/6/28	10,302,060	-	-	-	9,849,606	33.03%	(74,075)
Standard Chartered, Industrial and the bank	Nil	N	Currency derivatives	-	2017/6/23	2017/12/20	-	-	-	-	154,473	0.52%	333
Total				-	-	-	10,521,880	-	-	-	10,240,746	34.34%	(64,290)

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28 March 2017

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Nil

Ri kan al i e ga d i n g i i n i n d e i a i e d i n g h e R e 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 c l d i n g b n l i m i t e d m a k e i k , l i d i i k , c a d i i k , e a i n i k a n d l a i k e c)

A 30 J n e 2017, he d e a i e f i n a n c i a l i n t h e m e n h e l d b e h e G e e m a i n f f a i g n e c h a n g e f a d, i n e a e a a n d c e n c a c n a c . T h e i k f i n e a e a c n a c e c l e d e l a e d h e f i c a i n f i n e a e . T h e i k c a i 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 i n h e m a k e i k a l a n g e c h a n g e a e a n d h e G e c a f l c e a i n f f a i g n c e n c e e n i n h e f e . T h e G e c n c l n h e d e a i e f i n a n c i a l i n t h e m e n a m a i n e f f e c i e n t i n m a k i n g d e n e l e c i n a n d e a m i n a i n h e e a n d a n i f n e l a d d e d e a i e f i n a n c i a l i n t h e m e n a d e a i e a n a c i n h e G e d e l e d i n e i n p a l a e m a n d e a i n c e a e, a n d c l a s s i f i e d h e a l a d a n d h a i n c e d e f a l l e l e i n l e d, a c n a l a c i a d i k a .

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Peid, he eific mehd and ele an a min and aame e ed hall be
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From January to June 2017, the Group's financial performance change in fair value of the derivative financial instrument is RMB(64,290) million. Fair value of the derivative financial instrument of the Group is determined based on market price of the equal financial instrument.

Elaine is a significant change in the C-man's accounting practice and specific accounting principles and ideas between the Reeling Period and the Helix Reeling Period.

N

Specific information found in the Diacron database in the men and women of the German

The C m a n i n e e d e i n d e l a i f f e h e e f e d e d a d a i n e a i n b l i n e e a i n f h e C m a n i n d e m h h e f l 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 c h a n g e a e a n d i n e a e . T h e e f f e c h e c h a n g e a e a n d i n e a e n h e e a i n f h e
C m a n a a d c e d c h e n h a i i a c c e a b l e a n d e c n l h e e a i n a b i l e d a n d i m e d , h i c h e n a d h e l n e e a i n g
e a g i c b j e i e e e b e a c h i e d . T h e C m a n h e a b i l i t y a n d i n e a l c n l e m a n d i n e i n 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
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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

, A ĩlicable N ĩ a ĩlicable

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 this Report for the details of the main financial holding subsidiaries of the Group during the Reporting Period.

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

Unit: RMB million

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
Taichang 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

All rights reserved. Not applicable.

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

Warning and explanation in the forecast of the foreseeable 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.

All rights reserved. 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 the Development and Change of the Business Risk of the detailed risk of the Company and the related initiatives.

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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	Pr inci al b line 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
21 Feb a 2017	Field e ea ch	Zhe hang F nd	Same a ab e
22 Feb a 2017			

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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, recent industrial development and outlook
28 April 2017	Telephone conference	CICC and investment	Exchange in Q1
17 May 2017	Field research	Finance Securities	Principal business condition, investment, recent industrial development and outlook
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 outlook 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 outlook in logistics main

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The following contain the financial information presented in accordance with the relevant provisions of the Hong Kong Listing Rules. The following discussion and analysis shall be read together with the charter and the 2017 Interim Financial Report (undated) of the Group in this Report.

CHANGES IN ACCOUNTING POLICIES FOR THE REPORTING PERIOD

On 28 August 2017, a convened and a closed board meeting of the eighth session of the Board of Directors of the Company for 2017 and the sixth meeting of the eighth session of the Special Committee for 2017, the Company decided the accounting policies of the Company and the related amendments under the new provisions of Revised Accounting Standards for Basic 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 new provisions of the Accounting Standards for Basic Enterprise No. 42, Non-current Asset Held for Sale, Disposal Group and Termination of Operation (Cai Kai [2017] No. 13) issued by MOF, and which, (1) the Company has implemented the new provisions of Revised Accounting Standards for Basic Enterprise No. 16, Government Subsidy (Cai Kai [2017] No. 15) issued by MOF since 12 June 2017. Government grant relating to the discontinued activities of the Group shall be included in the income based on the nature of economic substance. Government grant relating to the discontinued activities of the Group shall be included in non-recurring income and expense. The specific allocation method shall be determined by the accounting treatment of the government grant received on 1 January 2017 of the Group. Adjustments shall be made for the government grant arising from 1 January 2017 the effective date of the change. The comparative financial statements of the Group for January to June 2016 were amended. (2) The Company has implemented the new provisions of the Accounting Standards for Basic 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. Further, please refer to the 33rd Chapter of the 2017 Interim Financial Report (Undated) in this Report.

CONSOLIDATED OPERATING RESULTS

During the Reporting Period, the Group recorded a net profit of RMB33,387.152 million (amounted in 2016: RMB23,542.843 million), decreasing a year-on-year increase of 41.81%, and a fairly stable cash flow and the net cash flow of the Company of RMB796.898 million (amounted in 2016: amounting a total of RMB378.034 million). Further, please refer to the information in the chapter headed "Chapter III Summary of Accounting Data and Financial Indicators and II. Review of Principal Business during the Reporting Period under Chapter III Review of the Board in this Report.

SEGMENT INFORMATION

Further, please refer to the segment information of the Group during the Reporting Period, please refer to "II. Review of Principal Business during the Reporting Period under Chapter III Review of the Board and the XIII Chapter of the 2017 Interim Financial Report (Undated) in this Report.

GROSS PROFIT MARGIN AND PROFITABILITY

During the Reporting Period, the gross profit margin of the Group was 18.41% (amounted in 2016: 18.76%), decreasing a slight year-on-year decrease of 0.35%. Among the principal business, the gross profit margin of the main manufacturing and health care increased, the gross profit margin of the engineering business decreased from the affected by the concentration of the main business, the gross profit margin of the remaining segments remained basically stable. The decrease of the main business is mainly due to the following factors: Further, please refer to "2. Comments on Principal Business during the Reporting Period" of "II. Analysis of Principal Business" of "II. Overview of Discussion and Analysis" of "IV. Overview of Discussion and Analysis" presented in accordance with the Domestic Securities Regulation Rules in this Report.

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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 a rate of

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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.

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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 is committed to maintaining an appropriate capital structure and debt, in order to maintain an effective capital structure and to maintain a strong financial position.

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 source of the Group's business revenue is in U.S. dollars, while most of the expenditure is made in RMB. As the exchange rate of RMB has affected both domestic and international economic and financial situation, 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 currencies, which may affect the Group's operating results and financial condition. The management of the Group has established a foreign exchange risk management policy and has implemented a foreign exchange hedging policy. 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 relating to its interest-bearing bank loans and borrowings. To minimize the impact of interest rate risk, the Group entered into interest rate swap contracts with certain banks. For details, please refer to 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, derivative financial instruments entered into for hedging purposes, etc. Except for the credit risk incurred by the management in negotiating business, for details, please refer to XIV. 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 pledged assets accounted for 8.76% as compared with the end of the previous year. For details, please refer to IV. 24 of the 2017 Interim Financial Report (Undated) in this Report.

CAPITAL COMMITMENTS

As at 30 June 2017, the Group had capital expenditure commitments of a total 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 investment in the construction of new vessels and the purchase of new vessels. For details, please refer to 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 of a surplus 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 principal 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 raising 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 raising cash flow. The Group has sufficient cash and funding meet the requirements of capital expenditure and working capital.

CAPITAL EXPENDITURE AND FINANCING PLAN

Based on change in the economic situation and raising investments, as well as the requirements of the Group's strategic goals and business development, the expected capital expenditure of the Group in 2017 is a surplus of RMB7,900 million, among which a surplus of 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 Chairman issued a non-binding proposal for the A-share eligible investors to fund more than RMB6,000 million (the Non-binding Proposal for A Share). On 17 January 2017, a certain measure will need to be implemented, the Chairman briefed an allocation of the CSRC for the implementation of the decision of the decision of the Non-binding Proposal for A Share. On 9 June 2017, in accordance with the implementation of the plan, the non-binding proposal and a surplus of the annual general meeting of 2016 and the first 2017 class meeting of A Share and the first 2017 class meeting of H Share, the Chairman issued a proposal for the Non-binding Proposal for A Share and ended the validity period of the plan 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-binding Proposal for A Share is still pending.

On 9 June 2017, the Company held the 2016 annual general meeting, the FY 2017 A Shareholders' Class Meeting and the FY 2017 H Shareholders' Class Meeting. The notice, convening, holding and voting procedures for each meeting were in compliance with the relevant provisions of the PRC Company Law, the Articles of Association and the Hong Kong Listing Rules. The announcements on the relevant matters were published in China Securities Journal, Shanghai Securities News and Securities Times and on Cninfo website (<http://www.cninfo.com.cn>) on 9 June 2017, and on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cimc.com>).

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The executive Director, CEO and President Mr. Mai Biliang and the non-executive Director Mr. Li Ching and independent non-executive Director Mr. Pan Cheng ei, Mr. Pan Zheng and Mr. Wang Kai Heng also attended the above mentioned 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 above mentioned affair.

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Under Article A.2.7 of the Charter, The chairman shall convene a shareholders meeting and shall preside over the meeting of the non-executive Director (including independent non-executive Director) and 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 in the presence of the executive Director.

Under Article A.6.7 of the Charter, Independent non-executive Director and the non-executive Director shall also attend general meeting and deliver a balanced independent view of the financial performance. Under Article E.1.2 of the Charter, The chairman of the Board shall also attend the annual general meeting. He shall also invite the chairman of the audit committee, independent non-main and an independent committee (audit committee) to attend. The independent non-executive Director of the Chairman also attended 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 above mentioned general meeting during the above mentioned 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 in the financial performance and efficiency in relation to financial management, accounting), Mr. Pan Zheng and Mr. Wang Kai Heng, also.

On 27 August 2017, the audit committee reviewed the unaudited 2017 Interim Financial Results and the Report of the Group for the interim period ended 30 June 2017, and agreed to present the same to 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 in 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 did not distribute cash dividend, but have increased share capital by way of transfer from capital reserve for the period ended 30 June 2017 (the same as of 2016: Nil).

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 civil case filed in the first half of 2014	337,600	N	In progress	Not concluded	-	-	-
9 civil case filed in the second half of 2015	322,200	N	In progress	Not concluded	-	-	-

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 effe i e j d gemen 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.

Chapter VI Significant Events

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 plan (the '2006 Share Option Scheme') at the extraordinary general meeting held on 12 July 2006, under which CIMC Enric granted a total of 120,370,000 shares in a share award and benefit provided to certain employees, directors and other eligible persons of 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 plan (the '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 senior 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 senior 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 (share)	0
Total shares exercised during the Reporting Period (share)	1,775,800
Total shares cancelled during the Reporting Period (share)	0
Total shares lapsed during the Reporting Period (share)	0
Total shares granted by awarding at the end of the Reporting Period in accordance with the share option scheme (share)	23,453,740
Total shares granted and exercised at the end of the Reporting Period in accordance with the share option scheme (share)	31,860,635
Adjustment of share price and exercise price 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 Yimin	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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Nil

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 small number of the Net Asset Backed Agreement in the financial year 2016. During the Reporting Period, the aggregate transaction amount is RMB107,074,000 and did not exceed the cap of 2017 (RMB450,000,000).

N a l i c a b l e

[illegible]

Uni : RMB h and

5. Other Material Connected Transactions

A licable N A licable

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

A licable , N A licable

The ~~an~~ ~~n~~-easing ~~cial~~ ~~f~~ ~~he~~ ~~C~~ ~~m~~ ~~an~~ ~~h~~ ~~ich~~ ~~a~~ ~~cc~~ ~~ied~~ ~~b~~ ~~c~~ ~~n~~ ~~lling~~ ~~Sha~~ ~~eh~~ ~~Ide~~ ~~and~~ ~~i~~ ~~elated~~ ~~a~~ ~~ie~~ ~~d~~ ~~ing~~ ~~he~~ ~~Re~~ ~~ing~~ ~~Pe~~ ~~id~~.

XV. MATERIAL CONTRACTS AND THEIR PERFORMANCES

1. Trusteeship, Contracting or Leasing

(1) Trusteeship

A licable , N A licable

During the Reeling Period, he also achieved the C-man gene, a high
 contributed 10% of the total of the C-man during the Reeling Period.

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(2) Contracting

Assets: Nil, Liabilities: Nil

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

(3) Leasing

Assets: Nil, Liabilities: Nil

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

2. MATERIAL GUARANTEES

Assets: Nil, Liabilities: Nil

(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 guarantee facilities provided during the Reporting Period (A1)		1,122,000		Total amount of guarantee facilities provided during the Reporting Period (A2)				1,048,597
Total guarantee facilities provided at the end of the Reporting Period (A3)		5,372,000		Total balance of guarantee facilities provided 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 de facto controller and related parties (D)								0
Debt guarantee amount provided by independent third parties (E)								9,013,380
Amount of guarantee in net assets 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 Chinafobie (.cninfo.com.cn), the Company's website (.cimc.com) and the Hong Kong Stock Exchange website (.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		Emission concentration	Pollutant emission standards in effect	Approved	
			emission outlets	Distribution of emission outlets			Total emission	Excessive emission
Shanghai CIMC Logistic Engineering Co., Ltd.	Storage tank, methylene chloride and m-f VOC	Condensed emission	19	Distribution: 11 in Shanghai, 8 in Jiangsu	Emitted concentration: 0.001 mg/m³	Permitted standard: 0.001 mg/m³	0.001 mg	Nil
Nanjing CIMC Chemical Co., Ltd.	Production of methylene chloride, ethylene, and ammonia	Incineration and emission	14	Distribution: 10 in Nanjing, 4 in Jiangsu	Emitted concentration: 0.001 mg/m³	Permitted standard: 0.001 mg/m³	0.001 mg	Nil
Shanghai CIMC Industrial Co., Ltd.	Production of ammonia, ethylene, and ammonia	Organic (chimney) emission	4	Distribution: 1 in Shanghai, 3 in Jiangsu	Emitted concentration: 0.001 mg/m³	DB31/933-2015 Permitted standard: 0.001 mg/m³	0.001 mg	Nil
Shanghai CIMC Yangshan Logistic Engineering Co., Ltd.	Ammonia, PH, ethylene, and ammonia	Incineration and collection	6	Distribution: 6 in Shanghai	Emitted concentration: 0.001 mg/m³	Permitted standard: 0.001 mg/m³	0.001 mg	Nil
Shenzhen CIMC Special Vehicle Co., Ltd.	Production of methylene chloride, ethylene, and ammonia	High-altitude emission	10	Distribution: 10 in Shenzhen	Emitted concentration: 0.001 mg/m³	DB44/27-2001 Permitted standard: 0.001 mg/m³	0.001 mg	Nil
Nanjing CIMC Tank Engineering Co., Ltd.	Chemical ammonia, ethylene, and ammonia	Incineration and emission	6	Distribution: 6 in Nanjing	Emitted concentration: 0.001 mg/m³	Permitted standard: 0.001 mg/m³	0.001 mg	Nil

[illegible]

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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 shares of the wholly-owned subsidiary Sae Limited (indirect holding shares 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" wholly-owned subsidiary 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 shares of the Company) through Sae Limited and China Merchants (CIMC) International Company Limited. After the merger and integration of shares of the Company held by China Merchants Group remained unchanged before and after the transfer of shares 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 in the plan 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 the holding 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 c e d i ' mee i ng f SOE and a ed b he c . On 16 A g 2017, SOE ha bec me an i d i e c h l l - ned b i d i a f CIMC E n i c and an i d i e c n - h l l - ned b i d i a 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 i ng C ., L d.). F ele an i n f m a i n, lea e e f e he ann ncemen da ed 6 J l , 4 A g and 16 A g 2017 d i c l e d in China Sec i e J al, Shanghai Sec i e Ne , Sec i e Time , Cn i n f e b i e (.cn i n f .c m .cn), he C m an ' e b i e (.cimc.c m) (N i c e N .: [CIMC]2017-036, [CIMC]2017-047 and [CIMC]2017-054) and he e b i e f he H ng K ng S ck E change (.hke ne .hk).
- On 17 J l 2017, CIMC Sk ace Real E a e and CGRE en e e d in a ca i al i n c e a e ageemen , an h i c h CGRE i n j e c e d an am n f RMB926,322,300 in the ca i al f CIMC Sk ace Real E a e and held a 25% f i e i i a f e he c m l e i n h i l e he C m an held 61.5% e i i in e e in CIMC Sk ace Real E a e h gh CIMC Shenfa. F ele an i n f m a i n, lea e e f e he ann ncemen da ed 17 J l 2017 d i c l e d in China Sec i e J al, Shanghai Sec i e Ne , Sec i e Time , Cn i n f e b i e (.cn i n f .c m .cn), he C m an ' e b i e (.cimc.c m) (N i c e N .: [CIMC] 2017-040) and he e b i e 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 a i n e 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 l l - ned b i d i a f he C m an , and China Me chan Shek I n d i a l Z ne H l d i ng C ., L d. (招商局蛇口工業區控股股份有限公司) (China Me chan Shek) en e e d in a el ca i n c m en a i n ageemen f he land in P i n c e Ba , Shek , an h i c h S he n CIMC agee d el ca e and e n he lea eh l d land in P i n c e Ba , Shek China Me chan Shek and China Me chan Shek agee d a c m en a i n ba e d n he a i e d al e f RMB494,894,588. S ch ma e ha been b m i e d he f i e a d i n a gene al mee i ng in 2017 f he C m an be c n e n e d n 26 Se e m b e 2017 f c n i d e a i n and a al. F ele an i n f m a i n, lea e e f e he ann ncemen da ed 3 A g and 11 A g 2017 and he n i c e f gene al mee i ng d i c l e d in China Sec i e J al, Shanghai Sec i e Ne , Sec i e Time , Cn i n f e b i e (.cn i n f .c m .cn), he C m an ' e b i e (.cimc.c m) (N i c e N .: [CIMC] 2017-045 and [CIMC] 2017-052) and he e b i e 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 .

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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 category	699,526	0.02%	0	0	0	28,500	28,500	728,026	0.02%
1. Shareholder	0	0.00%	0	0	0	0	0	0	0.00%
2. Shareholder by category	0	0.00%	0	0	0	0	0	0	0.00%
3. Shareholder by category	699,526	0.02%	0	0	0	28,500	28,500	728,026	0.02%
Shareholder by category	0	0.00%	0	0	0	0	0	0	0.00%
Shareholder by category	699,526	0.02%	0	0	0	28,500	28,500	728,026	0.02%
4. Shareholder by category	0	0.00%	0	0	0	0	0	0	0.00%
Shareholder by category	0	0.00%	0	0	0	0	0	0	0.00%
Shareholder by category	0	0.00%	0	0	0	0	0	0	0.00%
II. Shareholding by category	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	1,261,300,851	42.35%	1,775,800	0	0	(28,500)	1,747,300	1,263,048,151	42.38%
2. Shareholder in n-RMB	0	0.00%	0	0	0	0	0	0	0.00%
3. Shareholder in n-RMB	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 general management Mr. Jin Jianling held 210,000 A shares (including 52,500 circulating shares) holding by him were all being sold since his long holiday fell on the day.
- On 3 January 2017, the Company's general management Mr. Li Xubin sold 24,000 shares held by him.
- During the Reporting Period, 1,730,800 shares were sold during the period of the First Tranche of Share Offer, and 45,000 shares were sold during the period of the Second Tranche of Share Offer, totaling 1,775,800 shares sold.

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2. Changes in Shares with Selling Restrictions

, A licable N A licable

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 i in f ck e change and clearing 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 i in f ck e change and clearing 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 ci d 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 Finance Limited (Note 1)	Foreign legal person	57.59%	1,716,412,609	65,099,538	-	1,716,412,609	-	0
COSCO Finance Limited (Note 2)	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 issued by the Company	Unknown							

Chapter VII Changes in Share Capital and Information on Substantial Shareholders

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 Type of shares	Number
HKSCC Limited (Note 1)	1,716,412,609	Ordinary shares	1,716,412,609
COSCO Container Shipping 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 Ltd.	37,993,800	Ordinary shares	37,993,800
ICBC Credit Suisse Financial Products, ICBC Credit Suisse China Securities and Financial Assets Management Program	9,566,600	RMB-denominated shares	9,566,600
Zhongguo Financial Products, Agricultural Bank of China Securities and Financial Assets Management Program	9,566,600	RMB-denominated shares	9,566,600
Bear Financial Products, Agricultural Bank of China Securities and Financial Assets Management Program	9,566,600	RMB-denominated shares	9,566,600
Dacheng Financial Products, Agricultural Bank of China Securities and Financial Assets Management Program	9,566,600	RMB-denominated shares	9,566,600
Huawei Financial Products, Agricultural Bank of China Securities and Financial Assets Management Program	9,566,600	RMB-denominated shares	9,566,600
Yinhua Financial Products, Agricultural Bank of China Securities and Financial Assets Management Program	9,566,600	RMB-denominated shares	9,566,600
The shareholding disclosed can be seen from the Shareholding Information, the Shareholding Information and the Shareholding Information	Unknown		
Earnings in the denominated Shares held as collateral in financing activities (if any)	Nil		

N e 1: A a 30 J ne 2017, HKSCC N minee Limi ed a he egi eed h lde f 1,716,412,609 H ha e , incl ding (b n limi ed) he 730,557,217 H ha e f he C m an held b China Me chan G h gh i ce ain b idia je and he 245,842,181 H ha e f he C m an held b China COSCO Shi ing h gh i b idia je (incl ding 220,520,075 H ha e held b COSCO C naine Jnd je Limi ed).

N e 2: A a 30 J ne 2017, COSCO C n aine Ind ie Limi ed held 220,520,075 H ha e f he C m an hich e e egi e ed nde HKSCC N minee Limi ed (ee ab e-men i ned N e 1) and 432,171,843 A ha e f he C m an .

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Chapter VII Changes in Share Capital and Information on Substantial Shareholders

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 ee in ha e B ad Ride Limi ed a h ll - ned B H n Ca ial F ned V,LP, hich a in d h ll - ned B H n Ca ial F ned V GP,LP, hich a h ll - ned B H n Ca ial 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 ee in he 358,251,896 H ha e f he C m an

[illegible]

Substantial Shareholders of the Company

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

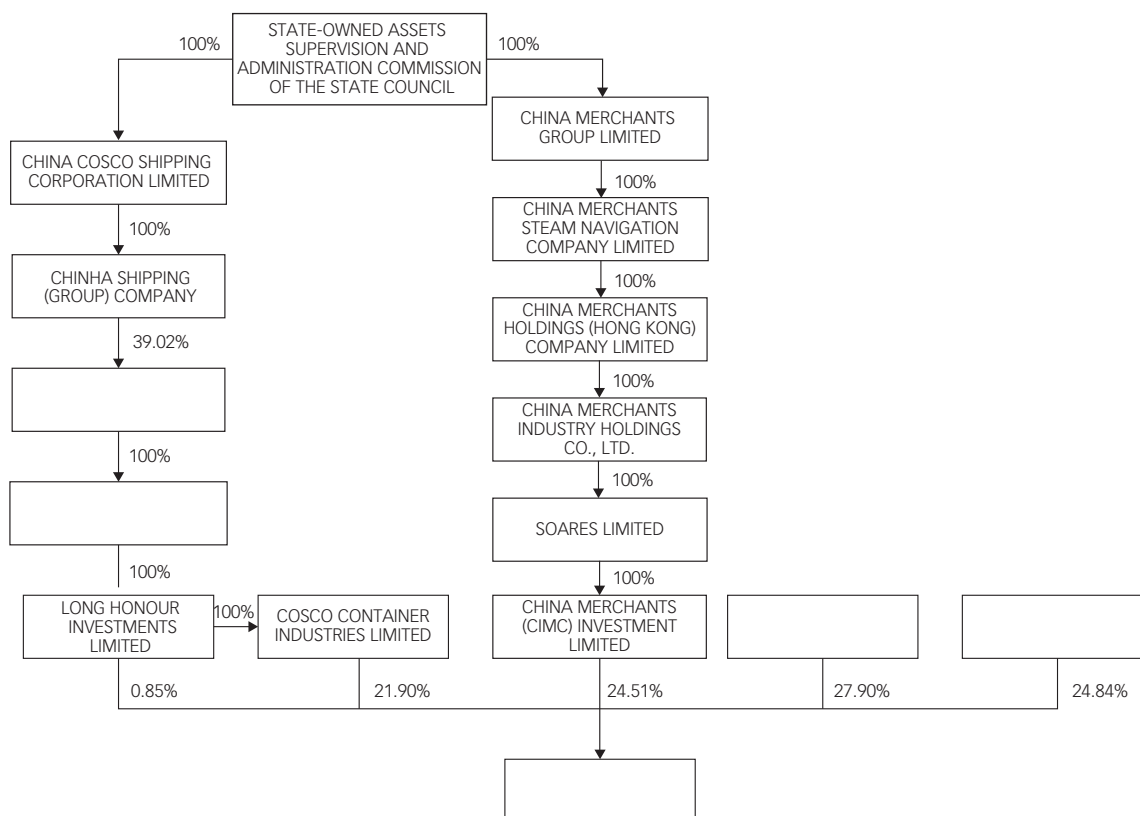
China Mechan G... a Inc... ed n 14 Oc be... 1986 in he PRC. I... egi... eed ca i al i RMB10,050 milli n and i... chairman f he b... d f di ec... i Li Jianh ng. China Mechan G... ' b... ine f c... e n h... e c... e ind... ie, namel... affic (hab... ,high a... , hi... ing and an... ai n, l gi ic... , cean engineering and... ade), finance (bank, ec... ie, f nd and in... ance) and... eale a... e (ind... ial ne de el men and... eale a... e de el men). On 9 J ne 2017, China Mechan P... H Iding C m an Limi ed, a... b idia... f China Mechan G... , c m leed he an ac i n f an fe... ing all h... e f S a... e Limi ed... China Mechan Ind... H Iding C... , L d., an he... b idia... f China Mechan G... . A... f he end f he Re... ing Pe... d, China Mechan G... h... gh i... b idia... ie (incl ding China Mechan S... eam Na... ga i n C m an Limi ed, China Mechan H Iding (H ng K ng) C m an Limi ed, China Mechan Ind... H Iding C... , L d., S a... e

Chapter VII Changes in Share Capital and Information on Substantial Shareholders

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COSCO SHIPPING HONG KONG (CO., LIMITED)Tj-0328-95391 TdOther NHAhareholdersED

Shareholding Relationships between the Company and the Substantial Shareholders as of
the end of the Reporting PeriodEDQİENSY(O)j1(PUBLIC FLOA)5 75(T)UJ 1 -2-2-.8 kq0.8394262 0.0.520 -0.



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 e c i e D i e c f he C m an and all he i i n in he Ri k Management C mmi ee and he Rem ne a i n and A i al C mmi ee f he B a d d e he change in j b a i g n m e n . The e i g n a i n f M Wang Zhi ian ha aken effec f m he da e f he B a d ' e c e i f h i i e n e i g n a i n . On 11 A g 2017, he B a d e d n m i n a e M H Xianf a a n n e e c i e D i e c f he e i g h h e i n f he B a d . A c c d i n g he A i c l e f A i a i n , he e d a i n m e n ha b e e n b m i e d he f i e a d i n a g e n e a l m e e i n g i n 2017 f he C m an b e c n e n e d n 26 S e m b e 2017 f c n i d e a i n and a l .

On 7 A g 2017, M L Sheng h e d e i g n f m he i i n f he S e i e e e n i n g ha e h l d e f he C m an d e he change in k a a n g e m e n . M L Sheng h ' e i g n a i n i l l e l i n he a l n m b e f e i f he C m an f a l l i n g b e l he m i n i m m ; h e e f e , a c c d i n g he A i c l e f A i a i n , M L Sheng h ' e i g n a i n i l l n c m e i n e f f e c n i l a n e e i i e l e c e d a he C m an ' g e n e a l m e e i n g f i l l he a c a n c . M L Sheng h h a l l c n i n e f l f i l l he d i e f e i b e f e h i e i g n a i n a k e e f f e c . On 11 A g 2017, he S e i C m m i e e e d n m i n a e M Wang H n g a n a a S e i e e e n i n g ha e h l d e f he e i g h h e i n f he S e i C m m i e e . A c c d i n g he A i c l e f A i a i n , he e d a i n m e n ha b e e n b m i e d he f i e e a d i n a g e n e a l m e e i n g i n 2017 f he C m an b e c n e n e d n 26 S e m b e 2017 f c n i d e a i n and a l .

F l e a n i n f m a i n , l e a e e f e he a n n n c e m e n d a e d 7 A g and 11 A g 2017 d i c l e d i n C h i n a S e c i e J u a l , S h a n g h a i S e c i e N e , S e c i e T i m e , C n i n f e b i e (. c n i n f . c m . c n) , he C m an ' e b i e (. c i m c . c m) (N i c e N . : [C I M C] 2017-048 and [C I M C] 2017-051) and he e b i e f he H n g K n g S c k E c h a n g e (. h k e n e . h k) .

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

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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, are set out in Part XII. Implementation of the Company's Incentive Scheme, Employee Stock Ownership Scheme and the Employee Incentive Measure under the Significant Event in the 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% (Net)
	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, further details of the CRTO CIMC Vehicle (Group) Employee Plan, are set out in Part (3) Implementation of the Company's Incentive Scheme, Employee Stock Ownership Scheme and the Employee Incentive Measure under the Significant Event in the 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, are set out in 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 not been audited.

2. FINANCIAL REPORT

China Inland Oil & Gas (Group) Company Limited (G.O.) Co., Ltd.

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

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

82 Chapter IX 2017 Interim Financial Report (Unaudited)

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
Available-for-sale financial assets	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
Intangible assets	IV.14	1,722,065	1,752,608
Fixed assets	IV.15	10,800,000	10,800,000

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Chapter IX 2017 Interim Financial Report (Unaudited)

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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
Advanced 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

Chapter IX 2017 Interim Financial Report (Unaudited)

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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:			
Share capital	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 income	IV.52	1,256,253	1,036,129
General and administrative income	IV.53	2,368,039	1,982,301
Financial income	IV.54	594,251	304,944
Asset impairment loss	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/(Loss) 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 available-for-sale financial assets		(241)	949
Gain/(Loss) on cash flow hedge		6,072	(490)
Currency translation 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)

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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
Less: Income tax expense/(income)	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 is in 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 taxes and charges		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 service		29,731,503	21,688,702
Cash paid on behalf of employees		3,003,021	2,703,551
Payment of taxes and charges		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 investments		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 subsidiaries		-	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 payment for borrowing		3,720,000	4,061,000
Cash payment for distribution of dividends and interest on debt		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

The head of the accident
deafmen: Zeng Han

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

Item	From 1 January to 30 June 2017					2016				
	Share capital	Other equity instruments	Capital surplus	Surplus reserve	Other comprehensive income	Undistributed profits	Total shareholders' equity	Share capital	Other equity instruments	Surplus reserve
I. Balance at 31 December 2016	2,978,577	2,049,035	3,287,149	3,275,379	43,754	2,380,348				

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

I. GENERAL INFORMATION

China International Marine Company (Group) Co., Ltd. (hereinafter referred to as "China International Marine Company" or "C.I.M.C."), a Sino-foreign joint venture established in China, is a wholly owned subsidiary of the General Office of the People's Government of Shanghai and Shanghai Renmin Yinhang (1992) 1736 issued by the General Office of the People's Government of Shanghai and Shanghai Renmin Yinhang (1992) 261 issued by Shanghai 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 (RMB) (A Shares) and foreign shares issued denominated in US Dollars (B Shares), and commenced trading on Shanghai Stock Exchange. Pursuant to Shanghai Renmin Yinhang (1993) 925 issued by the General Office of the People's Government of Shanghai and Shanghai Zheng Ban (1994) 22 issued by Shanghai 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) Co., Ltd.". The Registered Address and Address of Head Office of the Company is 8th Floor, CIMC R&D Center, 2 Gangnan Avenue, Shekou, Nanshan District, Shanghai, P.R.C.

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).

The principal activities of the Company and its subsidiaries (collectively, the "Group") are the manufacturing of mechanical facilities, facilities for energy, food, chemical and engineering materials. Detailed activities are the manufacturing and trading of machinery and heavy equipment; trading of engineering, mining, building, engineering services (including and/or including, welding and assembly) and the engineering services; dealing, manufacturing and selling of high-tech and high performance special vehicle, heavy truck, agricultural machinery, fire-engine and semi-trailer; dealing of machinery; dealing, trading and sale of high-end electrical machinery, household electrical appliances and machinery; trading in general services for agricultural machinery; trading of electrical machinery and trading EP+CS (engineering services and construction services) technical services for the design and engineering of LNG, LPG and heavy chemical gases. As a firm, the Group is also engaged in financial services, manufacturing of logistics and related services, marine services, heavy truck and construction and heavy equipment, etc.

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

4. Recording currency

Financial c ĩenc ĩ de emined b he C m an and ĩ b ĩdia ĩe n he ba ĩ f he c ĩenc ĩn ĩ ĩh maj ĩnc me and c a ĩden m ĩna ed and e led.

The f n c ĩal c ĩenc f he C m an and ĩ b ĩdia ĩe d ĩc ĩled ĩn PRC a ĩ Renm ĩn b ĩ. H ng K ng and he ĩe ĩea b ĩdia ĩe e l cal c ĩencie a he ĩ f n c ĩal c ĩencie . F ĩe ĩn c ĩencie a ĩ de ĩf ĩn a c ĩenc he ĩ h an f n c ĩal c ĩenc .

Financial a emen f he C m an a ĩ e en ed ĩn Renm ĩn b ĩ. F ĩ b ĩdia ĩe ĩng c ĩencie he ĩ h an Renm ĩn b ĩ a he ĩ f n c ĩal c ĩencie , he C m an a n la e he financial a emen f he e b ĩdia ĩe ĩn Renm ĩn b ĩ (e e N e ĩ ĩ.8).

5. Business combinations

(1) Business combinations involving enterprises under common control

A b ĩne c mb ĩa ĩ ĩn ĩn ĩ ĩng en e ĩe ĩde c mm n c n ĩ ĩ a b ĩne c mb ĩa ĩ ĩn ĩn ĩ ĩh all f he c mb ĩn ĩng en e ĩe a ĩ ĩma el c n ĩlled b he a me a ĩ a ĩe b h bef e and af e he b ĩne c mb ĩa ĩ ĩn , and ĩa c n ĩ ĩn a n ĩ ĩ. The a e and ĩab ĩ ĩe b ĩa ĩn ed a ĩ mea ed a he ca ĩng am n a ĩ c d ed b he en e ĩe b e ĩng c mb ĩn ed a he c mb ĩa ĩ ĩn da e. The d ĩff e ĩce b e e n he ca ĩng am n f he ne a e b ĩa ĩn ed and he ca ĩng am n f c n ĩde a ĩn ĩd f he c mb ĩa ĩ ĩn (ĩ he a l fa e a l e f ĩa e ĩ ed) ĩ ad ĩ ĩed c a ĩal e m ĩ ĩn he c a ĩal e e e. ĩf he ba ĩce f he c a ĩal e m ĩ ĩ ĩn ĩff ĩc ĩen , a n e c e ĩ ad ĩ ĩed e a ĩn ed e a ĩng . A n c d ĩe c l a ĩ b a ĩle he c mb ĩa ĩ ĩn ĩ ĩll b e e c ĩn ĩ ed ĩn ĩf ĩ ĩ f he c ĩen e ĩd ĩen c c ed. The c mb ĩa ĩ ĩn da e ĩ he da e n ĩ ĩh he c mb ĩn ĩng en e ĩe e ff e c ĩ e l b a 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 ĩa ĩ ĩn ĩn ĩ ĩng en e ĩe ĩn ĩde c mm n c n ĩ ĩ a b ĩne c mb ĩa ĩ ĩn ĩn ĩ ĩh all f he c mb ĩn ĩng en e ĩe a e n ĩ ĩma el c n ĩlled b he a me a ĩ a ĩe b h bef e and af e he b ĩne c mb ĩa ĩ ĩn . W ĩe 1) he a g g e g a e f he fa ĩ a l e a he a c ĩ ĩ ĩ ĩn da e fa e a n f e e d (ĩn c l d ĩng he a c ĩ ĩe ĩe ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩn e e ĩn he a c ĩ ĩe e), ĩab ĩ ĩe ĩn c d a ĩ m e d , and e ĩ ĩe c ĩe ĩe ĩ ed b he a c ĩ ĩe ĩn e c ĩa n g e f c n ĩ f he a c ĩ ĩe e, e c e e d 2) he a c ĩ ĩe ĩn e e ĩn he fa ĩ a l e a he a c ĩ ĩ ĩ ĩn da e f he a c ĩ ĩe e ĩd e ĩf ĩa ĩle ne a e , he d ĩff e ĩce ĩe c ĩn ĩ ed a g d ĩ ĩ (e e N e ĩ ĩ.18). W ĩen 1) ĩ ĩe ĩ h an 2), he d ĩff e ĩce ĩe c ĩn ĩ ed ĩn ĩf ĩ ĩ f he c ĩen e ĩd . The c ĩ ĩ f he ĩ ĩa n c e f e ĩ ĩ ĩ ĩe a a a f he c n ĩde a ĩn ĩd f he a c ĩ ĩ ĩn a e ĩn c l e d a a a f ĩn ĩ ĩa l e c ĩn ĩ ĩn a m n f he e ĩ ĩ ĩe ĩe . O ĩe d ĩe c a c ĩ ĩ ĩn e l a e d c a ĩng f m he b ĩne c mb ĩa ĩ ĩn a e e c ĩn ĩ ed a e e n e ĩn he e ĩd ĩn ĩ ĩh he c a e ĩn c d . The d ĩff e ĩce b e e n he fa ĩ a l e and he ca ĩng am n f he a e a n f e e d ĩe c ĩn ĩ ed ĩn ĩf ĩ ĩ . The a c ĩ ĩe e ĩe ĩf ĩa ĩle a e , ĩab ĩ ĩe and c n ĩ ĩn ĩ ĩab ĩ ĩe , ĩf a ĩ f ĩng he e c ĩn ĩ ĩn c ĩe ĩa , a e e c ĩn ĩ ed b he G ĩ a he ĩ fa ĩ a l e a he a c ĩ ĩ ĩ ĩn da e . The a c ĩ ĩ ĩn da e ĩ he da e n ĩ ĩh he a c ĩ ĩe e e ff e c ĩ e l b a ĩn c n ĩ f he a c ĩ ĩe e .

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

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

6. Preparation of consolidated financial statements (Continued)

When the am n fl f the ĩen e ĩ d a ĩ b able the min ĩ ha ĩh lde f a b ĩ d ĩe ĩeed the min ĩ ha ĩh lde' ĩ ĩ n f the ĩen ĩng balance f ha ĩh lde' e ĩ ĩ f the b ĩ d ĩe, he e ĩe ĩ all ĩaed again the min ĩ ĩn e e .

When the acc ĩ ĩng e ĩ d acc ĩ ĩng ĩ ĩe f a b ĩ d ĩe a e d ĩ f f e ĩ m h e f the C m an, he C m an make ne e a ĩ adj ĩen the financial a ĩemen f the b ĩ d ĩe ba ed ĩn the C m an ' ĩn acc ĩ ĩng e ĩ d acc ĩ ĩng ĩ ĩe .

All ĩgnifican ĩn e ĩ ĩ balance, an ac ĩ ĩn and n e al ĩed ĩ ĩ a e ĩ ĩ ĩ ĩn e ĩ ĩn ĩ d a ed financial a ĩemen . The ĩ ĩ n f a b ĩ d ĩe' e ĩ ĩ and he ĩ ĩ n f a b ĩ d ĩe' n e ĩ ĩ and l f the e ĩ d a e ĩ ĩ a ĩ c m ĩ ĩen ĩ e ĩ ĩc m e n a ĩ b able C m an a e e ĩ ĩ ĩ ĩ e d a ĩ ĩ ĩ ĩn e e, n e ĩ ĩ and l a ĩ b able ĩ ĩ ĩ ĩn e e a e ĩ ĩ a and c m ĩ ĩen ĩ e ĩ ĩc m e a ĩ b able ĩ ĩ ĩ ĩn e e e ĩ ĩ e d e a a e ĩ ĩn the c ĩ n ĩ d a ed financial a ĩemen ĩ ĩ ĩn e ĩ ĩ and n e ĩ ĩ a e ĩ ĩ a e ĩ ĩ a ĩ c m ĩ ĩen ĩ e ĩ ĩc m e e e ĩ ĩ e ĩ . The n e al ĩed ĩ ĩ and l a ĩ ĩ ĩ ĩ ĩ m a e f a e b ĩ d ĩe b he C m an a e f ĩ ĩ ĩ ĩ ĩ ĩ ĩn e d again n e ĩ ĩ a ĩ b able n e f the C m an . The n e al ĩed ĩ ĩ and l a ĩ ĩ ĩ ĩ ĩ m a e f a e the C m an b b ĩ d ĩe a e ĩ ĩ ĩn e d again n e ĩ ĩ a ĩ b able n e f the C m an a e ĩ ĩ a n e ĩ ĩ a ĩ b able ĩ ĩ ĩ ĩn e e e e ĩ ĩ e ĩ acc d ĩ ĩg the C m an and ĩ ĩ ĩ ĩn e e ' ha ĩh l d ĩ ĩg ĩn the b ĩ d ĩe . The n e al ĩed ĩ ĩ and l a ĩ ĩ ĩ ĩ ĩ m a e f b e e n b ĩ d ĩe a e ĩ ĩ ĩn e d again n e ĩ ĩ a ĩ b able n e f the C m an a e ĩ ĩ a n e ĩ ĩ a ĩ b able ĩ ĩ ĩ ĩn e e e e ĩ ĩ e ĩ acc d ĩ ĩg the C m an and ĩ ĩ ĩ ĩn e e ' ha e h l d ĩ ĩg ĩn the b ĩ d ĩe h ĩ d .

The d ĩ f f e ĩ ĩe ĩ n e ĩ ĩ ĩ ĩ ĩ ĩ ĩ ĩ a ĩ ĩ ĩ ĩn e e n ĩn the acc ĩ ĩng b ĩ ĩe f the G ĩ and f the C m an ĩ ĩ b ĩ d ĩe ĩ d be adj ĩed ĩn the acc ĩ ĩng b ĩ ĩe f the G ĩ .

7. Cash and cash equivalents

Cash and cash e ĩ ĩ ĩ ĩ ĩ ĩ c m ĩ e cash ĩn hand, d e ĩ ĩ ĩ ĩ ĩ ĩ can be e ad ĩ ĩ d a ĩ ĩn demand, and h ĩ e ĩ ĩ and h ĩ ĩ ĩ ĩ ĩ d ĩn e ĩ ĩen ha a e e ad ĩ ĩ c n e ĩ ĩ ĩ ĩe ĩ ĩn am n f cash and h ĩ ĩ a e b ĩ ĩe an ĩ ĩ ĩgnifican ĩ ĩ k f change ĩn al e .

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 prevail in Reference Only)

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 balance sheet date. The exchange difference arising from the fair value determination; 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 flow of foreign exchange is 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.

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

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 lng- 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 minimis are not held in an active market.

c. Available-for-sale financial assets

A available-for-sale financial asset is non-derivative has been designated in this category on classification in an of the category. The asset included in non-current assets while the income may be management in end of the financial year 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 the financial assets, an accounting loss arises if the financial asset is declassified in the financial assets and included in the initial recognition amount.

Financial a e a fai al e h gh fi al 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 eliabl mea ed. Recei able a e mea ed a am i ed c ing he effec i e in e e me h d.

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)

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(a) Available-for-sale financial assets

Gain or loss arising from change in the fair value of financial assets at fair value through profit or loss is recognised 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 is recognised in profit or loss for the period.

Accumulated fair value adjustments of available-for-sale financial assets are recognised in equity in the income statement 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 recognised in equity and included in the income statement. In the case of available-for-sale equity securities, the effective interest method and cash dividends on available-for-sale equity investments when the group's right to receive a dividend is established are recognised in the income statement as part of the income.

(b) Held-to-maturity investments

The group assesses the carrying amount of financial assets held at fair value through profit or loss at each balance sheet date. If the objective evidence has 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-to-maturity investments in impairment is a significant and prolonged decline in the fair value of the 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 recognised if the fair value of an equity investment has fallen 50% (50% inclusive) of its initial investment cost within the carrying amount of the fair value has been less than the initial investment cost of the investment (excluding the cost). The group will consider the relevant factors, such as the price volatility, to determine the impairment loss should be recognised for the equity investment if the decline in the fair value of an equity investment is more than 20% (20% inclusive) below 50% of its initial investment cost. The initial investment cost of held-to-maturity investments is calculated using the weighted average method.

When an impairment loss on a financial asset is carried as an impairment loss, 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 permanent, the impairment loss is recognized in the profit or loss. If, after an impairment loss has been recognized, an available-for-sale debt instrument's fair value increases in subsequent periods, the increase in fair value shall be recognized in other comprehensive income.

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(English Text has the final reference only)

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 contingencies (see Note 21).

Other financial liabilities with a maturity more than one year are classified as long-term liabilities. Other financial liabilities with a maturity less than one year are classified as short-term liabilities (including the balance sheet date are classified as the 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 consistent 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 fair value of the liability is the imputed cash flow is determined and the fair value is determined by the present value. Unobservable inputs should not be used when it is impossible to measure the fair value of the asset and the fair value is determined.

10. Receivables

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(English Text has Prevailing Reference Only)

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:

Certain individually significant receivables have individually significant 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 for individually significant receivables have individually significant impairment provided on an individual basis.

An impairment loss is calculated as the excess of carrying amount over the present value of the estimated future cash flows (exclusive of expected credit losses) that have not been incurred) discounted at the original effective interest rate.

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

Certain individually insignificant receivables have individually insignificant impairment provided on an individual basis.

Within the receivables whose amount are individually insignificant, impairment is assessed on an individual basis for the related receivables on a case-by-case basis with the following characteristics.

Method for individually insignificant receivables have individually insignificant impairment provided on an individual basis.

An impairment loss is calculated as the excess of carrying amount over the present value of the estimated future cash flows (exclusive of expected credit losses) that 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:

F₁ heei a₁ble ha ha e n been indi id all a e ed a im ai ed in (1) and (2), f₂ hee a e men i made c llec i el n a g ba i i h heei a₁ble ha ha e imila c edi i k cha ac e i ic .

De emina i n me h d f he g
ba ed n cedi i k cha ac e i ic

Acc n ecei able a e di ided in e en g f c naine, ehicle, ene g, chemi and li id f d e i men, ff h e engineer ing, ai facili e, he b ine and am n d e f m elaed a ie, land lea e e a men and e a ing de i acc ding he ind e and b ine na e f c me and he chaace i c f he ecei able. A f Off h e engineer ing g, he ele an ecei able i hin cedi eid ha e l e cedi ik afe he g ing ba ed n cedi ik chaace i c acc ding indi id al cedi ik a e men and hi ical da a. A he g like d e f m elaed a ie, land lea e e a men e a ing de i, and e c, if he cedi ik i a e ed l afe g ing ba ed n he a e men n cedi ik and hei hi ical e eience, n im ai men l i ec gni ed f h e g.

G	1	C naine
G	2	R ad an a i n ehicle
G	3	Ene g , chemical and li id f d e i men
G	4	Al a facili ie
G	5	L gi ic e ice
G	6	O he b ine
G	7	Financial lea ing

Meh d f i i n f ecei able a e ed n a c lleci e g ba i (ba ed n an ageing anal i, a e cen age f he al balance and he).

C naine	P i i n i de emined ba ed n an aging anal i (O ed e aging)
R ad an a i n ehicle	P i i n i de emined ba ed n an aging anal i (O ed e aging)
Ene g , chemical and li id f d e i men	P i i n i de emined ba ed n an aging anal i (O ed e aging)
Ai _ _ facili ie	P i i n i de emined ba ed n an aging anal i (O ed e aging)
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For the period ended from 1 January and ended 30 June 2017

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(English Text has legal reference only)

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 obsolete materials. Obsolete materials include obsolete inventory, packaging materials and other materials, which can be used or sold but do not meet the definition of finished goods.

(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 cost of completion and the estimated selling expenses and related taxes and duties to make the sale. The net realisable value of materials held for sale in the ordinary course of business 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 finished goods are specified in the contract, the net realisable value is based on the contract price. If the finished goods are 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 for Business Enterprises.

(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 sales.

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 their financial and operating policies.

Investments in subsidiaries are accounted for in the Company's financial statements using the cost method, and are adjusted for the share of 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 other securities, the initial investment cost shall be the aggregate of the fair value of the securities 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 other securities, the initial investment cost shall be the aggregate of the fair value of the securities 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 other securities, the initial investment cost shall be the aggregate of the fair value of the securities 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 other securities, the initial investment cost shall be the aggregate of the fair value of the securities 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 other securities, the initial investment cost shall be the aggregate of the fair value of the securities 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 holding function and arrangement according to the agreement, and finally the decision making the action of the arrangement. The unanimity of the agreement holding on.

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 a 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 ef - 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 he i 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 - hich 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 i de₁ ecia i n₁ am₁ i ai n₁. The ca₁ i ng am₁ n₁ f in e men₁ e₁ ie i₁ ad j₁ ed ba ed n₁ hei₁ fai₁ al e a₁ he balance₁ hee da e, and₁ he diffe₁ ence be₁ een₁ he fai₁ al e and₁ he i ginal ca₁ i ng am₁ n₁ i₁ ec gni ed in₁ i fi₁ i₁ f₁ he c₁ en₁ e i d₁.

When an in.e men ~~u~~e i^e an fe^ed ne^ecc i^ed ~~u~~e, i i^e ecⁱafied fi^ed a ~~u~~e in angible a^e i h he caⁱng am n de^emiⁿed a he fai^al e f he in.e men ~~u~~e i^e a he da^e f he an fe^e and he diff^ence be^en he fai^al e and he i^ginal caⁱng am n f he in.e men ~~u~~e i^e i^e cⁱgnied in ~~u~~fi l f ~~u~~he c^en eⁱd. When an ne^ecc i^ed ~~u~~e i^e an fe^ed f ~~u~~eaⁱng enal f ~~u~~caⁱl a ~~u~~ecⁱ iⁿ, he fi^ed a ~~u~~e in angible a^e i^e an fe^ed in.e men ~~u~~e i^e i h he caⁱng am n de^emiⁿed a he fai^al e a he da^e f he an fe^e. If he fai^al e a he da^e f he an fe^e i^e le^e han he i^ginal caⁱng am n f he fi^ed a ~~u~~e ~~u~~he in angible a^e, he diff^ence i^e cⁱgnied in ~~u~~fi l f ~~u~~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 f i ɹ f h e c e n e i d .

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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 cost incurred in accordance with the relevant standards.

When a group of items of fixed assets have different identifiable and measurable benefits, the Group in different areas may need to allocate the different depreciable amounts to each asset according to the nature of the fixed assets.

The book value includes the cost of replacing a group of items of fixed assets as recognized in the carrying amount of the item if the recognized fixed asset is replaced, and the carrying amount of the replaced asset is derecognized. The cost of the replacement of fixed assets is recognized in profit or loss.

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 Note II.28). For the fixed assets that have 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, barge	50	10%	1.8%
Offshore engineering equipment	15-30	10%	3-6%

Unless otherwise specified, the 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 other directly attributable costs (see Note II.16), and an attributable borrowing cost (see Note II.20).

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 premium) is capitalized in each accounting period determined as follows:

- When funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of interest capitalized is determined by the actual interest incurred on the borrowed funds less the interest income on the temporary investment of the borrowed funds.
- When funds are borrowed generally and used for the acquisition, construction or production of a qualifying asset, the amount of interest capitalized is determined by the weighted average of the actual interest incurred on the borrowed funds less the interest income on the temporary investment of the borrowed funds.

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

17.

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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 12.20). 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 within the beneficial period.

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 at the end of each financial year. If there is an indication that the carrying amount of the asset may be impaired, the carrying amount of the asset is compared with its recoverable amount. The recoverable amount is the maximum of the asset's fair value less costs of disposal and its value in use. If the carrying amount of the asset exceeds its recoverable amount, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised in the profit or loss account. If the impairment loss is reversed, the carrying amount of the asset is increased to its recoverable amount. The reversal of the impairment loss is recognised in the profit or loss account. The impairment loss is reversed only if the asset's fair value less costs of disposal has increased since the last impairment loss was recognised. The reversal of the impairment loss is limited to the amount of the impairment loss that was previously recognised.

Goodwill is tested for impairment at the end of each financial year and at the end of each financial year. The carrying amount of goodwill is compared with its recoverable amount. The recoverable amount is the maximum of the goodwill's fair value less costs of disposal and its value in use. If the carrying amount of goodwill exceeds its recoverable amount, the carrying amount of goodwill is reduced to its recoverable amount. The impairment loss is recognised in the profit or loss account. If the impairment loss is reversed, the carrying amount of goodwill is increased to its recoverable amount. The reversal of the impairment loss is recognised in the profit or loss account. The impairment loss is reversed only if the goodwill's fair value less costs of disposal has increased since the last impairment loss was recognised. The reversal of the impairment loss is limited to the amount of the impairment loss that was previously recognised.

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 recognized when the Group has a present obligation, is a probable future economic benefit will be realized, 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. When 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 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 next 12 months from the balance sheet date is classified as a current liability.

In determining the liability obligation arising from a transaction, the evidence will not be confirmed by the occurrence of an event or the occurrence of a future event. A liability obligation arising from a transaction, the obligation has the elements of the liability obligation will cause an economic benefit, the amount of the liability cannot be estimated reliably, the liability is not classified as a contingent liability.

22. Share-based payments

(1) Classification

Share-based payment transaction in the Group is 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 amount of the stock is initially available for him del. 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) exercise price of the stock; (2) exercise date; (3) cash flow of the stock; (4) expected future cash flow 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 resigned 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 resigned.

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

22. Share-based payments (Continued)

(4) Accounting treatment for share-based payment

(1) Share-based payment with cash settled

When the Group has granted share-based payment to employees, the Group shall determine the fair value of the share-based payment at the grant date. If the share-based payment is granted to employees immediately, the fair value of the share-based payment is the grant date, recognized as an expense in the period in which the share-based payment is granted. If the share-based payment is granted to employees in the form of cash-settled share-based payment, the Group shall determine the fair value of the share-based payment at the grant date, and the fair value of the share-based payment shall be determined by the Group at each balance sheet date during the vesting period, make the best estimate according to the latest information of the market price of the shares and the number of shares in the future. Based on the best estimate, the Group shall recognize the expense received from the cash-settled share-based payment in the period in which the cash-settled share-based payment is granted, and an amount of the fair value of the share-based payment at the grant date.

(2) Share-based payment with equity settled

When the Group receives services from employees by increasing a liability, the Group shall determine the fair value of the share-based payment at the grant date. If the share-based payment is granted to employees immediately, the fair value of the share-based payment is the grant date, recognized as an expense in the period in which the share-based payment is granted. If the share-based payment is granted to employees in the form of equity-settled share-based payment, the Group shall determine the fair value of the share-based payment at the grant date, and the fair value of the share-based payment shall be determined by the Group at each balance sheet date during the vesting period, recognize the expense received from the equity-settled share-based payment in the period in which the equity-settled share-based payment is granted, and an amount of the fair value of the liability based on the best estimate of the cost of the share-based payment.

23. Revenue recognition

Revenue is the gross inflow of economic benefits in the period arising in the course of the Group's ordinary activities when the inflow results in an increase in the company's assets, the company has increased its economic benefits. Revenue is recognized in the period when it is probable that the economic benefits will flow to the Group, the revenue and cost can be measured reliably and the following conditions are met:

(1) Sale of goods

Revenue from sale of goods is recognized when all of the general conditions are satisfied and the following conditions are satisfied:

- The significant risks and rewards of ownership of goods have been transferred to the buyer;
- The Group has obtained the control in the management in the degree of all associated with the goods in the effective control of the goods.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable under the sale contract agreement.

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

23. Revenue recognition (Continued)

(1) Sale of goods (Continued)

The Group recognizes revenue after receipt of acceptance certificate from customer.

Sale of land and main vehicle are divided into sale of domestic and sale of overseas. As for sale of domestic, the Group recognizes revenue after customer's receipt and acceptance of the vehicle. As for sale of overseas, the Group recognizes revenue after vehicle is loaded and specified in specific signed bill of lading and consignment.

The Group recognizes revenue when the exchange and sell agreement is confirmed. When the seller is identified in advance before completion, the seller recognizes revenue when the construction is completed and delivered to the buyer. The delivery and installation received before the revenue recognition are regarded as advance from customer.

(2) Revenue from construction contracts

When the contract is a contract can be estimated reliably, contract revenue and contract expense are ascertained in the contract and are recognized at the balance sheet date using the percentage of completion method.

The percentage of completion is determined based on the completion of the contract work.

When the contract is a contract cannot be estimated reliably:

- If the contract cost can be estimated, the seller recognizes the contract cost incurred has can be estimated, and the contract cost are recognized at the contract expense when incurred;
- If the contract cost cannot be estimated, the contract cost are recognized at the contract expense immediately when incurred, and no contract revenue is recognized.

Contract revenue includes initial revenue, interest and income generated by contract alienation.

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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)

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 is the hire of a vessel (e.g.) the actual date (implied). A land freight agency, then the amount recognized is the agreed hire of a vessel specified in the contract. Freight agency: then the amount recognized is the date of the hire of a vessel.

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25. Government grants

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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 tax in subsidiary, associate and joint venture, 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 tax in subsidiary, associate and joint venture will be reversed in the foreseeable future and has 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 entity which either in end result the corresponding liability and a net balance, or realize the asset and the liability in the same period, 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 substantially all the risks and rewards incidental to ownership of a leased asset are transferred to the lessee, irrespective of the legal title of the asset is transferred. An operating lease is a lease other than a finance lease.

(1) Assets acquired under operating leases

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

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)

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). Improvements are provided for in accordance with the accounting policies described in Note II.20. Operating leased assets under operating leases are amortized using the straight-line method. Income derived from operating leases is recognized in the income statement using the straight-line method over the lease term. If initial direct costs incurred in respect of the assets leased 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 liabilities. The difference between the value of the leased asset and the minimum lease payments is recognized as unrecognized finance charge. Initial direct costs are added to the value of the leased asset. Depreciation and improvements 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 data, long-term liabilities arising from finance lease, net of the unrecognized finance charge, are presented as long-term liabilities on non-current liabilities due within one year, 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 netted 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 netted 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. A 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; (b) The component of the business is a financially distinguishable and identifiable major line of business or major geographical area; (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 evaluated 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 accounting period. The effective change is initially adjusted to the cash flow of the hedging instrument in the accounting 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 offsetting 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 financial statements.

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 from the cash flow of the hedge and recognized in the financial statements in the same period during which the financial asset or financial liability affects the financial statements. However, if the Group's cash flow is then included in the recognition of a cash flow of the hedge, it will not be recognized in the cash flow of the accounting period, it is classified in the financial statements as the amount that is not expected to be recognized.

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- (b) he C m an ' b idia ie ;
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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) not identified) 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 jointly controlled companies and their close family members;
- (o) the enterprise has a relationship with the affiliated companies in (a), (c) and (m) during the past 12 months or will have a relationship within the next 12 months or an association agreement;
- (p) individual who has a relationship with the affiliated companies 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
- (q) the enterprise, the Company and subsidiary controlled by the Company, which are controlled directly or indirectly by an individual defined in (i), (j), (n) or (p), in which each individual is a member of the board of directors or senior executive.

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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 ĩ ĩance 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 l c a ed he egmen and a e ĩ e f ĩ ĩance;
- 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 ĩ ĩance and ca h fl , e c.

T ĩ m e e a ing egmen ma be ag ĩ ĩe ĩa ed ĩn a ĩ ĩgle e a ing egmen ĩf he egmen ĩa e a me ĩ ĩ ĩ ĩa e c n ĩ ĩc ĩa a c e ĩ ĩc , and a e ĩ ĩ ĩa ĩ n 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 ĩ ĩd c ĩ ĩ ĩce e ;
- 3. he e ĩ ĩa ĩ f c ĩ ĩe f ĩ ĩe ĩ ĩd c and e ĩ ĩce ;
- 4. he me h d e d ĩ ĩ ĩb e he ĩ 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 ĩ 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 ĩe f ĩ ĩ ĩa n a c ĩ ĩ f ĩ ĩ egmen e ĩ ĩng, and egmen a c ĩ ĩ ĩ ĩ ĩe a e c n ĩ ĩen ĩ ĩ ĩ ĩe f ĩ ĩe c n ĩ ĩa ed financial a e ĩ ĩen .

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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, "Guo'e Assets" (Cai Kuai [2017] No. 15) and the Accounting Standards for Business Enterprises No. 16, "Guo'e Assets", which came into effect on 12 June 2017. For the period from 1 January to 30 June 2017, the company adopted the after-aid accounting standard for the International Financial Accounting Standards. The impact of the change in accounting policy 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 "Guo'e Assets" relating to the "dina" activities of the "dina" shall be included in the income based on the nature of the business; the "Guo'e Assets" relating to the "dina" activities of the "dina" shall be included in the non-recurring income and expense. For "Guo'e Assets" related to 1 January 2017, the "Guo'e Assets" shall be applied, and the "Guo'e Assets" income 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 are not affected.	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 Kuai [2017] No. 13), which came into effect on 12 June 2017. For the period from 1 January to 30 June 2017, The company adopted the after-aid accounting standard for the International Financial Accounting Standards. The impact of the change in accounting policy 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 ~~e~~ main financial ~~a~~emen ~~e~~ the management make ~~e~~ image and a ~~m~~ in ha affect the ~~a~~ licain ~~f~~ acc ~~n~~ing ~~l~~icie and the ~~e~~ ~~d~~ed am ~~n~~ ~~f~~ a ~~e~~, ~~l~~iabillie, inc ~~m~~e and ~~e~~ ~~e~~ ~~n~~e. Ac ~~a~~l ~~e~~ ~~l~~ ~~m~~a ~~d~~iffe~~f~~ ~~m~~ the ~~e~~ ~~e~~ ~~i~~mae. E ~~i~~mae and ~~n~~de~~d~~ing a ~~m~~ in ~~a~~e ~~e~~ie ~~d~~ ~~n~~an ~~g~~ing ~~b~~a ~~i~~. Re ~~i~~in ~~a~~cc ~~n~~ing ~~e~~ ~~i~~mae ~~a~~e ~~e~~c ~~g~~ni ~~e~~d in the ~~e~~id in ~~h~~ich the ~~e~~ ~~i~~mae ~~i~~ ~~e~~ied and in an ~~f~~ ~~e~~

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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 have been 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 generating unit, selling price, related cash flows and discounting rate to calculate the value in use. All relevant material which can be obtained are used for the impairment test of the asset, including the estimate of the cash flows and related cash flows to be based on reasonable and sustainable assumptions.

If the management decided the gross profit margin used in the cash flow calculation of 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 before the cash flow discount 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 before the cash flow discount 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 after taking into account residual value. The useful life of the asset is determined based on the estimate of the depreciation and amortization charged in each reporting period. The useful life of the asset is determined based on historical experience of similar assets and the estimated technical change. If there has been a significant change in the factors used to determine the depreciation and amortization, the asset's depreciation and amortization is revised accordingly.

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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

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	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 ĩ ĩ ĩ CIMC Bamb ĩ ĩ 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 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
7	Shen ĩ ĩ ĩ 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 ĩ ĩ ĩ ĩ CIMC 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 ĩ CIMC R 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 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 CIMC 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 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 Equipment Co., Ltd.	25%	15%	Company is recognized as a high-tech enterprise in 2014 and led 15% preferential rate
15	Enric (Langfang) Energy Equipment Integration 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	Nanjing CIMC Tank Equipment 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	Nanjing CIMC Energy Equipment 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	Shenzhen 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 Equipment Co., Ltd.	25%	15%	Recognized as a high-tech enterprise, in 2015 and led 15% preferential rate
23	Shenzhen CIMC Tianda Logistics System Engineering Co., Ltd.	25%	15%	Recognized as a high-tech enterprise, in 2016 and led 15% preferential rate
24	Shenzhen 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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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

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 abroad	2,516,745	1,938,284

As at 30 June 2017, the pledged 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 pledged 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.

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)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Financial assets at fair value through profit or loss

(1) Classification

	Note	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.

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)

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

A 30 June 2017, the Group had certain net led financial assets, mainly denominated in US dollar, Japanese Yen, Great Britain Pound and Euro. The nominal value of the financial assets 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 financial assets, the Group agreed to be fully repaid in foreign currencies, that is, USD, Japanese Yen, Great Britain Pound, Euro and Renminbi Yuan, in exchange for RMB as the financial assets were denominated. The financial assets will be settled in accordance with the agreed exchange rate of the denominated assets and the agreed rate. The exchange rate of the financial assets ranged from 10 July 2017 and 16 April 2018.

(5) Currency swap contracts

As at 30 June 2017, the Group had 5 net leased aircraft denominated in US dollars and Yuan (RMB). The initial nominal value of the aircraft amounted to USD15,000,000 and RMB52,847,000. The aircraft 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 aircraft amounted to RMB333,000, which is regarded as de minimis and recognised as a financial asset at fair value through profit or loss and financial liabilities at fair value through profit or loss. Transactions realised in have not been considered when calculating the fair value.

(6) Interest swap contracts

A total of 30 June 2017, the Group had 19 net led in the area of the denominated in US dollars, in a nominal value of USD1,453,802,000, and a fair value of RMB247,296,000. The elements of the fair value aid in the area of the change from 1 January 2019 to 28 June 2021.

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)

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

Notes to the Financial Statements

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For the period ended from 1 Jan. a. 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)

4. Accounts receivable

(1) Accounts receivable analysed by customer categories is as follows:

	30 June 2017	31 December 2016
Construction	6,265,003	2,540,433
Transportation vehicle	3,278,726	2,396,644
Energy, chemical and liquid fuel derivatives	3,304,160	3,220,025
Offshore engineering	587,228	244,655
Airport facilities	966,932	1,255,195
Logistics service	1,160,930	1,159,172
Healthcare	802,413	769,250
Others	652,359	569,937
Subtotal	17,017,751	12,155,311
Less: provision for doubtful debts	(646,733)	(629,236)
Total	16,371,018	11,526,075

(2) The aging analysis of account receivables is as follows:

	30 June 2017	31 December 2016
Within 1 year (inclusive)	15,142,027	10,329,997
1-2 years (inclusive)	1,029,918	989,469
2-3 years (inclusive)	532,145	548,922
Over 3 years	313,661	286,923
Subtotal	17,017,751	12,155,311
Less: provision for doubtful debts	(646,733)	(629,236)
Total	16,371,018	11,526,075

As at 30 June 2017 and 31 December 2016, the Group has no material aged receivable with impairment.

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

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)

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.

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)

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
Cruise	1,386,730	51,251	3.70%	
Taxi	737,225	51,706	7.01%	
Energy and chemical & Food	385,942	22,020	5.71%	Provision is made based on the estimated recoverable
Health	432,394	18,017	4.17%	amounts for credit risk and
Offshore engineering	569,783	125	0.02%	historical data
Air facilities	282,847	4,661	1.65%	
Logistics	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
Cruise	68,505	5,294	7.73%	
Taxi	285,271	49,105	17.21%	Provision is made based on the estimated recoverable
Offshore engineering	17,445	2,250	12.90%	amounts for credit risk and
Logistics	28,999	1,087	3.75%	historical data
Air facilities	6,928	590	8.52%	
Others	80,423	4,912	6.11%	
Total	487,571	63,238	12.97%	

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)

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

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

The accounts receivable amounted RMB9,312,000 has been written off in the current period. (For the period from 1 January 2016: 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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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)

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.	Minority shareholder of subsidiary	60,476	0.36%	-	27,987	0.23%	-
Fluor Ma'anshan 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)	Minority shareholder of subsidiary	8,142	0.05%	-	8,183	0.07%	-
SUMITOMO CORPORATION	Minority 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	Minority 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%	-

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)

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
Advance payments 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

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

- (1) An indi.c h ll - ned b idia f Enic and an b idia f he G , CIMC Enic In e men H lding (Shen hen) L.d. (EIHL), en eed in an ag eemen (Ag eemen) n 27 A g 2015 ih SOEG PTE LTD (SOEG), Jiang Pacific Shi b lding G , L.d. (Jiang Pacific) and E eegen G , L.d (E eegen) (c llec ite, he Vend), an hich he Vend ag eed ell and EIHL ag eed cha e 100% e f i n e e in Sin Pacific Off h e e Engineering C , L.d (SOE). Af e ad , he C m an, SOE and E eegen e eed in a financial a i nce f ame k ag eemen (Financial a i nce Ag eemen) hich g e eed he financial a i nce ided b he G SOE in he f m fl an and g a an e . A a 1 j ne 2016, Enic ann ced ha he B ad c n ide ad ce a i n c eceden in he Ag eemen C l d n be f lled and he Vend had beached ce a i n ma e i al e m f he Ag eemen. EIHL deli e d e m i n a i n n i c e he Vend f e m i n a i n f he Ag eemen and e e e d f he e a f he e a i d c n ide a i n f 178,634,000. On he ame da e, he C m an deli e d e m i n a i n n i c e SOE and E eegen f e m i n a i n f he Financial a i nce Ag eemen and e e e d SOE e a he l an f 482,052,000 and e lea e he g a an ee f bank l an f 1,000,000,000 ided b a b idia f Enic in fa f SOE.

During the second half of 2016, he deposited 1,000,000,000 of SOE bank loan has been held in the bank as SOE failed to pay bank loan in time. As at 31 December 2017, he also received from SOE and net 1,480,351,000. Based on the information available, Enric has made a financial forecast of 178,634,000 and 1,184,281,000 received from aid from the Vendor and he also received from SOE in the amount of 1,362,915,000 during the ended 31 December 2016.

SOE a nde Recei e hi b he SOE In l enc and Li idai n Team (he Recei e) hich a a in ed b he PRC C On 5 J l 2017, EIH, SOE and he Recei e en ed in e c ing in e men ageem an hich EIH a he e c ing in e ffe d cha e he maj a e f SOE h gh ac i ing SOE i ed ha e e en ing he en i e i in e SOE f a c n ide a i n f RMB799,800,000. S b en l, he e c ing lan a a ed b SOE c adi a he c adi mee ing a ella b he PRC C n 4 g 2017.

F urther ended 30 June 2017, based on the information available and the date of the financial statements, Enrich has made an interim financial estimate of RMB105,549,000 in the receivable from SOE. As at 30 June 2017, Enrich has made an interim financial estimate of 178,634,000 and 1,289,830,000 in the receivable from the Vendor and the receivable from SOE in the financial statements.

- (ii) The borrowing mainly maintained in the bank borrowing of the Finance Company in an amount of 135,488,000, which ended from July 3 to July 5, 2017; and the amount of cash and deposits held by the company.
- (iii) After the end of the period, the company's main bank balance is maintained in the Finance Company, and the balance of the company's bank balance is maintained in the Finance Company.

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

	30 June 2017	31 December 2016
Wihin 1 ea (Incl i e)	9,174,370	9,667,565
1 2 ea (Incl i e)	558,934	999,143
2 3 ea (Incl i e)	31,344	95,819
O e 3 ea	189,953	165,799

S b- al	9,954,601	10,928,326
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Le : $\frac{1}{\rho} \inf_{d \in B_f(\text{cn}/T_0)} d$ b f cn/T₀ 0deb c 1 cn/T₀ 1 Tf 0.03 Tc -0.03 T 37.714 0 Td [9,954,69,667] 55a ei able ai a f l

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 legal 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 which the ageing is 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 which the ageing is not significant		1,720,417	17.28%	106,073	6.17%	1,548,337	14.17%	77,296	4.99%

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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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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 finished goods	3,575,000	Within 1 year	35.91%	-
Shanghai (Tianjin Lan h i)		Advance payment for purchase of goods	1,658,985	Within 1 year	16.67%	1,468,464
Sin acific Off ha e & Enginee ing C ., L d		Advance payment for purchase of goods	503,568	1-2 years	5.06%	-
(SOE)	(ii)	Receivable from Associate	299,950	3 years	3.01%	-
Zhenjiang CIMC Embellish Y Real Estate Co., Ltd (Embellish Y Real Estate)		Balance due for purchase of land	152,100	Within 1 year	1.53%	-
Changjiang Securities Company Limited		Balance due for purchase of land				
Ji h Securities Company Limited						
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 BiWang signed a joint venture agreement and industrial and commercial registration was changed on 28 December 2016. As at 30 June 2017, the shareholding structure was as follows: Qianhai Leasing 35.75%, Tianjin YngWang 35.75%, and Tianjin BiWang 28.50%. According to the joint venture agreement, Tianjin BiWang shall be an annual equity repurchase plan for 4.9853% from 2017 to 2019 which shall be paid from the year 2018. After the end of the year, the difference of the joint venture liability shall be paid by the joint venture.

(ii) As at 14 October 2016, 80% share of Embellish Y Real Estate, the wholly-owned subsidiary of the Group, was transferred to Nanjing Gaichen Construction Real Estate Development Co., Ltd (referred to as "Nanjing Gaichen") by the Group and the industrial and commercial registration was changed to Nanjing Gaichen. The interest-bearing loan from the Group to Embellish Y Real Estate was repaid in full from the Group to Nanjing Gaichen. According to the joint venture agreement, in the next 9 months after the industrial and commercial registration was changed, Nanjing Gaichen shall provide Embellish Y Real Estate with a loan of RMB503,568,000.

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 Translation for Reference Only)

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 equipment for the engineering project of the Group. Since the end of the engineering project, all materials have been used.

(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 in progress	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	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 materials	113,302	1,299,933	(1,201,232)	212,003
Stores	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
Prepaid expenses	1,400,761	240,987	(216,151)	1,425,597
Offshore engineering equipment	4,658,377	86,687	(26,097)	4,718,967
Amortification of 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
Raw material	163,944	40,938	(39,065)	(993)	168,780
Work in progress	27,978	431	(1,575)	(435)	27,821
Finished goods	125,107	38,387	(41,076)	(10,509)	112,544
Construction materials	242	-	-	-	242
Stores	1,538	-	(1,565)	(4,458)	4,655
Leased container	72	4	-	-	76
Offshore engineering equipment	123	-	-	(2)	121
Amortification of intangible assets	-	-	-	-	-
Total	319,004	79,760	(83,281)	(16,395)	314,239

	30 June 2017	31 December 2016
Aggregated and confirmed debt (Lease receivable)	4,138,034	6,293,908
Lease billing receivable	(3,349,614)	(5,131,718)
	788,420	1,162,190
Including:		
Contract-in-advance billing	853,605	1,241,321
Billing in advance contract-in-advance	(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 cable assets and agreements with the Qinhangda Economic and Technological Development Zone Land Acquisition and Release Center, which is fixed assets of the carrying amount of 36,377,000 and intangible assets of the carrying amount of 74,954,000. The signed and acquisition is 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 cable assets and agreements with the Xinjiang Xinjiang Vehicle Carrying amount of 26,401,000, fixed assets of the carrying amount of 55,892,000 and intangible assets of 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 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 inventory	19,769	33,378
Others	4,401	518
Subtotal	4,522,618	4,248,883
Leasehold financing income	(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 is 36,658,000 (31 December 2016: 108,990,000).

Company Name	Relationship with the Group	30 June 2017	31 December 2016
LiH a ga age and an a in C., L d. (LiH a Ene g)	Associate	26,619	90,752
Y&C Engine C., L d (Y&C Engine)	Joint Venture	10,039	18,238
Total		36,658	108,990

Current portion of 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 portion of non-current assets which are individually significant and independent of the consolidated balance sheet	310,099	6.86%	77,175	24.89%	143,170	3.37%	49,775	34.77%
Current portion of non-current assets which are included in the consolidated balance sheet *	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 after the financial statement date.

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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.

	30 June 2017	31 December 2016
A. 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 recognised in the income when it is incurred	(2,821)	(2,141)
Financial soundness		
Fair value	20,000	
Historical cost	20,000	
Accumulated net change in fair value of available-for-sale financial assets recognised in the income when it is incurred	-	
B. 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 recognised in the income when it is incurred	(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 are measured at fair value:

	31 December 2016	Increased in the period	Decreased in the period	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 are measured at fair value mainly for equity investments in non-listed companies, which do not have quoted prices in active markets. The available-for-sale equity investments are measured at fair value, and the availability of the investments can not be reasonably confirmed. Thus, the fair value can not be reasonably determined. 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 receivable defined from household appliances had more than 5% (including) of the carrying amount of the receivable. (31 December 2016: Nil)

The total of the minimum lease receivable under finance lease after the balance sheet date, which are based on the contractual undiscounted cash flows (including interest) are estimated using the contractual rate. If failing, based on the carrying amount of the balance sheet date, the receivable 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

As at 30 June 2017, the impairment receivable decreased due to the falling of financial assets in the period ended (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 due from related parties amounted to 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)	(2)
Total		2,249,428	2,162,217

The joint venture is a subsidiary of the Group.

No joint venture is held by the Group 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./decrease/ in investments	Net financial assets disposed	Adjustment for share premium	Other movements	Capital dividend declared			
Guangdong CIMC Logistic Equipment Manufacturing Co., Ltd.	36,294	-	3,345	-	-	-	-	39,639	-
Shanghai (Shanghai) Refrig. & Air Equipment 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 Baijiao Container Mainenance Co., Ltd.	14,531	-	1,476	-	-	-	(433)	15,574	-
Dalian Jilong & Baijiao Logistic Co., Ltd.	5,678	-	397	-	-	(1,000)	(169)	4,906	-
Shanghai Baijiao De'ei Container Mainenance Co., Ltd.	23,888	-	2,045	-	-	-	(711)	25,222	-
Tianjin Jinshi Baijiao Container Mainenance Co., Ltd.	7,933	-	1,087	-	-	-	(236)	8,784	-
Y&C Engine Co., Ltd.	195,777	-	6,149	-	-	-	-	201,926	-
Shanghai CIMC Mobile International Service Co., Ltd.	1,630	-	(1,015)	-	-	-	-	615	-
Ningbo Meihuan Bonded Area Changhui Liancheng Investment Management Partnership (Limited Partnership)	50,100	3,000	-	-	-	-	-	53,100	-
Hangzhou Yinghe Investment Management Partnership	20,100	1,200	-	-	-	-	-	21,300	-
Nei Hui Shipping UG	33,287	-	-	-	-	-	-	33,287	-
Hangzhou Xinde Investment Management 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:

	31 December 2016	Movements					Change in foreign exchange rate	Recognised in other comprehensive income	Other	30 June 2017	Profit or loss
		Initial investment	Net share of subsidiaries in the period	Adjustment in the period	Other movements	Cash dividend declared					
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 (Fujian) 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 Saba & Chemicals Limited	2	-	-	-	-	-	-	-	-	2	(2)
Tianhua (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 Enkang Machinery Co., Ltd.	2,608	-	(1,225)	-	-	-	-	-	-	1,383	-
Oon Inc (Shanghai)	16,589	-	(81)	-	-	-	-	-	-	16,508	-
Xinhai CIMC Wudongkang Co., Ltd.	27,519	-	302	-	-	-	-	-	-	27,821	-
Tianjin Sinyang 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 Shengli & 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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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

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

	31 December 2016	Movements in consolidated						30 June 2017	Profit attributable to minority interest
		Inc./Dec. in income	Net adjustment to beginning balance	Adj. men for the period	Other movements	Change in foreign exchange	Recognized income		
Chifeng Lian'an Farm C., Ltd.	6,296	-	-	-	-	-	-	6,296	-
CIMC Arabia Facility Company Limited	5,227	-	-	-	-	-	-	5,227	-
Shanghai Xiang'an Asset Management Co., Ltd.	679	(603)	(76)	-	-	-	-	-	-
Ningbo Haigai Ltd.	14,633	-	-	-	-	-	-	14,633	-
Ningbo Changming Naval Gas Development Co., Ltd.	18,331	-	-	-	-	-	-	18,331	-
Chengdu Tianmu Nicairen Environmental Co., Ltd.	2,637	-	(240)	-	-	-	-	2,397	-
Shenzhen Radnet Technology Co., Ltd.	7,407	2,000	-	-	-	-	-	9,407	-
Beijing Bolehibi Inc., Ltd.	12,423	-	-	-	-	-	-	12,423	-
Guangzhou China Technology Co., Ltd.	23,829	-	321	-	-	-	-	24,150	-
China F&S Safe Energy Co., Ltd. (China F&S 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 Product Co., Ltd. (Ningbo 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 Asset Management Co., Ltd.	23,755	-	111	-	-	(422)	-	23,444	-
Shenzhen Caduceus Environmental Co., Ltd. (Caduceus Environmental)	17,858	-	-	-	-	-	-	17,858	-
Zhongxin Inc.	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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(English Translation of Reference Only)

13. Long-term equity investments (Continued)

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	31 December 2016	Income Decrease in income	Net Adjusted Benefit from Income Tax	Adjusted Income	Other Income	Capital Income	Change in Income	Recognized Income	Other	30 June 2017	Profit Income
Shanghai Management Co., Ltd.	117,775	-	(2,633)	-	-	-	-	-	-	115,142	-
CIMC Shanghai (Changhui) Logistics Co., Ltd.	3,000	(3,000)	-	-	-	-	-	-	-	-	-
Midi (Shanghai) International Trade Co., Ltd. (Midi Shanghai)	851	-	(68)	-	-	-	-	-	-	783	-
Shanghai Xin Bai Qin Vehicle Co., Ltd.	-	16,000	428	-	-	-	-	-	-	16,428	-
Shanghai Shen Shen Skai Co., Ltd. (SESKYC)	-	2,750	-	-	-	-	-	-	-	2,750	-
Readman International Investment Co., Ltd.	-	30,539	-	-	-	-	-	-	-	30,539	-
Xinghe Chelian Technology Co., Ltd.	-	1,750	-	-	-	-	-	-	-	1,750	-
CELAS	-	18,605	-	-	-	-	-	-	-	18,605	-
Total	1,661,718	68,121	(12,891)	-	-	-	19,992	-	-	1,736,940	(2)

Referenze: N. e VI.2 f. 10r. in a. cia e.

The G₁' in e men al in TSC, LiH a Ene g, Jiang R ichen, O n Inc (Shanghai), ZPMC, Cad H d a lic, Zh ng i Xin ei, Henan Yida and Shen hen R ad Ne k Techn l g C ., L d a e all bel 20%. B ince he G₁ ha a ined d ec he ab e men i ned a cia e, he G₁ had igned infl ence e hem. Th e i in e men n he e a cia e e e e a a e d b e i n l b e i m e h d.

A la 30 June 2017, e ce f MSC, he ei n need f he G ec gnie i i n f l ng-e me i i n e men i n j i n e e and a cie ba ed n he i i n e i n g e l ha c m a e d he e i m a e d ec e a b l e a m n and b k a l e f l ng-e me i i n e men i n j i n e e and a cie (31 Decembe 2016: Nil).

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)

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 asset	131,859	-	131,859
Transfer from intangible asset	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 asset	-	-	-
Transfer from intangible asset	-	-	-
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 asset and intangible asset 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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(All amounts in RMB'000 unless otherwise stated)
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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
Depreciation recognized during the period	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
Write-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

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)

15. Fixed assets (Continued)

(1) Fixed assets (Continued)

As at 30 June 2017, the machine in the book value is 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
Machine 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

The period from 1 January and ended 30 June 2017
(All amount in RMB'000 unless otherwise stated)
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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 Caneen	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	

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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)

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 production 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 Initiative 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 crane for 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 for construction in progress at the end of the period included accumulated depreciation of 1,750,963,000 (31 December 2016: 1,532,714,000). The increase added from the depreciation calculated at the end of the period was 3.18% (For the period ended 30 June 2016: 3.08%).

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

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

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 primary 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 translation of 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 translation of 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
Provision for impairment								
31 December 2016	-	4,564	110,288	1,817	59,003	-	-	175,672
Exchange difference arising from translation of 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
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(English text is in Chinese 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 angible a e	30 June 2017
Project n ehicle echn l g	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 d , the G ' de el men e endi e am n ed 309,498,000 (For the e d ended 30 June 2016:
248,570,000): 288,459,000 f hich (For the e d ended 30 June 2016: 230,097,000) a i ncl ded in the c en
f i and l e , d l e am n ed 309,498,7,117.9 (d e i))Tj e d e n ca i

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)

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 percentage of goodwill	30,242	27,989
Total	2,140,393	2,127,893

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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)

20. Long-term prepaid expenses

	31 December 2016	Addition during the period	Change during the period	Change during the period	Change during the period	30 June 2017
Yard facilities	9,691	-	223	(1,424)	29	8,519
Project insurance and commission	133,924	-	31,369	(30,658)	(2,513)	132,122
Long-term prepaid expenses	9,439	-	5,372	(2,204)	-	12,607
Other long-term prepaid expenses	-	-	-	-	-	-
Long-term prepaid expenses	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: Long-term prepaid 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)

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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
Measurement of financial assets at fair value through profit or loss/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 deductible in the future (including)		227,983		552,415
Amounts estimated to be deductible in the future		1,048,933		705,255
		1,276,916		1,257,670
Deferred tax liabilities:				
Measurement of financial assets at fair value through profit or loss	(2,385)	(448)	(26,076)	(6,483)
Measurement of financial instruments at fair value	-	-	(700,853)	(170,909)
Measurement of financial assets at fair value through profit or loss/hedging instruments	(7,998)	(1,200)		
Realized gain through combination	(1,000,899)	(208,194)	(933,696)	(231,947)
Goodwill impairment (allowance)	(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 deductible in the future (including)		(431,300)		(140,809)
Amounts estimated to be deductible in the future		(256,584)		(516,605)
		(687,884)		(657,414)

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For the period ended from 1 Jan a and ended 30 June 2017
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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 gene a ed 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 h f ĩ e ĩ ĩf ĩ indefĩnĩ el; ded c ible a ĩ e gene a ed f ĩm he Ne he ĩand can be ff e ĩn he b e ĩ en ĩne ea.

A a 30 June 2017, he G ĩ ĩ b ĩec an ĩc me a n he d ĩff e ĩce f a a e ĩf ĩ b ĩdia ĩe ĩn H ng K ng and e ea decide d ĩ ĩb e d ĩ ĩend he ha eh ĩde ĩn ĩn ĩnland China. The em a d d ĩff e ĩce a ĩng f ĩm he nd ĩ ĩb ed ĩf ĩ f ch b ĩdia ĩe ĩ a ĩ ĩma el 3,630,258,000 (31 Decembe 2016: 3,303,113,000). Since he G ĩ can c n ĩl he d ĩ ĩend d ĩ ĩb ĩn ĩ ĩc f ĩ b ĩdia ĩe and ha decided n d ĩ ĩb e d ĩ ĩend ĩn he f e e eable f e, he defe ĩed ĩc me a ĩ ĩab ĩ ĩe n ch nd ĩ ĩb ed ĩf ĩ e ĩn ĩc gni ed.

The G ĩ had n n ĩc gni ed defe ĩed a ĩ ĩab ĩ ĩe he ĩhan he ĩen ĩ ĩed ab e.

Notes to the Financial Statements

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)

22. Other non-current assets

	30 June 2017	31 December 2016
Endorsed loan	13,721	35,547
Prepayment of land lease	6,956	32,235
Prepayment of electricity	-	8,695
Prepayment of 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 had a carrying amount less than 5% (including) of the carrying amount. (31 December 2016: Nil).

23. PROVISION FOR ASSET IMPAIRMENT

	31 December 2016	Change added	Change deducted	Exchange difference arising from translation of foreign currency	30 June 2017
Provision for doubtful debts					
Including: provision for doubtful debts					
accrual	629,236	79,347	(53,359)	(9,312)	646,733
Provision for doubtful debts of the accrual	1,580,439	142,700	(777)	(6,579)	1,710,625
Provision for doubtful debts of advance					
lease	226,967	6,675	-	-	233,632
Provision for doubtful debts of construction					
for non-current assets	307,194	97,471	(70)	-	404,590
Provision for doubtful debts of long-term					
accrual	485,052	4,641	(40,204)	2,997	452,449
Provision for decline in value of financial assets	319,004	79,760	(83,281)	(16,395)	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)	364,879
Provision for impairment of construction					
cost	2,421	-	-	(776)	1,645
Provision for impairment of financial assets	175,672	-	-	-	173,407
Provision for impairment of goodwill	136,308	-	-	-	135,833
Total	4,234,619	412,128	(177,691)	(41,904)	4,441,099

Please refer to the accounting policy for 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 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 m 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 o f C h i n a b _ F i n a n c e C _ m a n .

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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 b idia Zhenh a L gi ic G C ., L d. (Zhenh a G) am n ing USD324,000 (E i alen RMB2,195,000); l an f CIMC Raffle ff h e enginee ing (Singa e) C ., L d am n ing 1,400,138,000, USD33,962,000 (E i alen RMB230,096,000) and E 2,158,000 (E i alen RMB16,723,000), g a an eed b he G and China In e a i nal Ma ine C n aine (H ng K ng) Limi ed (CIMC H ng K ng); l an f b idia C&C T ck am n ing 450,000,000, hich i g a an eed b he G ; l an f Xiamen H ng in Be g Lea ing C ., L d. Am n ing 112,000,000, g a an eed b he CIMC Financing and Lea ing C ., L d. (CIMCVL); CIMC Financing and Lea ing C ., L d. (CIMCVL) am n ing USD23,500,000 (E i alen RMB159,214,000), g a an eed b he G and CIMC H ng K ng.
- (b) As at 30 June 2017, he ledged l an f he G a l an f m he Pe le' Bank f China ledged i h n e eei able hich a a l ied b he Finance C m an , am n ing 32,821,000.
- (c) As at 30 June 2017, he e a n h e m b ing ed ha eh lde h lding m e han 5% (incl ding 5%) f he ing igh f he G e la ed a ie .
- (d) As at 30 June 2017, he in e e a e f h e m b ing a ged f m 1.30% 6.09% (31 Decembe 2016: 0.65% 16.41%).

26. Financial liabilities at fair value through profit or loss

	N e	30 June 2017	31 Decembe 2016
Current			

Notes to the Financial Statements

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

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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 ended from 1 January and ended 30 June 2017
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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 the available information, the company has a carrying amount of 634,903,000 (31 December 2016: 625,601,000) attributable mainly to the related off-hire engineering business. Since the introduction of the off-hire engineering project, all major management have been able to handle the business better.

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 Prevailing 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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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

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For the period ended from 1 Jan. and ended 30 June 2017
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Interest payable

		30 June 2017	31 December 2016
Interest on bank borrowings	IV.43	203,985	135,990
Interest on short-term borrowings		79,273	76,730
Interest on long-term borrowings		218,242	70,249
Interest on other borrowings		31,928	20,406
Total		533,428	303,375

33. Dividends payable

		30 June 2017	31 December 2016
Dividends payable to shareholders		75,080	16,746
Dividends payable to other parties		178,332	-
Total		253,412	16,746

34. Other payables

(1) The analysis of the Group's other payables is as follows:

		30 June 2017	31 December 2016
Advance received		2,595,693	1,892,437
Accounts payable		1,555,619	1,490,340
Quality assurance		543,228	593,210
Transportation		500,826	315,605
Employee compensation		136,633	185,777
Employee benefits		82,243	73,619
Construction of subsidiaries' minority interest	(3)	72,786	111,054
Interest		27,483	12,732
Rental		4,452	601
Professional and training fee		1,712	17,897
Handling maintenance fee		773	5,456
Employee's share in Yangshan service		-	23,200
Others		605,931	432,145
Total		6,127,379	5,154,073

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

34. Other payables (Continued)

- | Company name | Relationship | 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 Real Estate Investment Co., Ltd. (Shanghai Real Estate) | Minority shareholder | 27,215 | 0.44% | 56,794 | 1.10% |
| Shanghai Fengang | Associate | 26,390 | 0.43% | 26,390 | 0.51% |
| Xiamen CIMC Haiyang Container Service Co., Ltd. (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% |

		31 December 2016	Change added in	Change added in	Change added in	Exchange difference arising from translation of foreign currency	30 June 2017
Provision for impairment	(1)	690,574	182,393	(34,036)	(183,149)	1,867	657,649
Gain on disposal of subsidiary		79,104	-	(79,104)	-	-	-
Loss on disposal of subsidiary		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

(2) HI, ne f he b idia je, f ide he g a an ee f he banking l an b hich he c me b ehicle d c f m HI. HI ld acc e a
f i i n f he ending balance f he l ang a an ee, c n ide jing he c edi l all .

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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: negotiated 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 payable to the Group	(1)	2,583,959	1,666,966
Other		28,321	20,796
		2,612,280	1,687,762

- (1) The Commercial payable is related to CIMC Finance Holding Limited (Finance) and CIMC HK, the subsidiary of the Group. As at 20 March 2016, Finance signed a short-term commercial agreement with Bank of New York Mellon, Goldman Sachs and Bank of China (London Branch) in relation to commercial payable amount of USD450 million which is expected to be repaid by the end of the year; As at the end of the year, the repaid amount of the outstanding commercial payable is USD318,000,000 (equivalent to RMB2,154,471,000); As at 21 December 2015, CIMC HK entered into a deal to refinance the agreement with Bank of China and Bank of China (London Branch) in relation to commercial payable in the United States in USD600 million. As at 30 June 2017, the repaid amount of outstanding 3-year commercial payable under the same agreement is USD63,400,000 (equivalent to RMB429,488,000).

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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
Margined	(i)	5,772,819	6,260,830
Guaranteed	(ii)	12,507,099	12,791,165
		28,556,503	30,548,932
Lease financing borrowing			
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 contract of the subsidiary of CIMC Financing and Leasing Co., Ltd. are margined and collateralised by the Group's margined loan.

(ii) As at 30 June 2017, the Group's long-term guaranteed borrowings were comprised of the following: bank borrowing of RMB10,088,075,000 (equivalent to USD1,489,000,000) which were guaranteed by the Company, among which the Company is named USD2,000,000 (equivalent to RMB13,550,000); bank loan of CIMCVL amount of USD352,157,000 (equivalent to RMB2,385,719,000), guaranteed by the Company and CIMC Hong Kong, among which the Company is named USD248,114,000 (equivalent to RMB1,680,822,000); bank borrowing of Xiamen Hongbin Beig Leasing Co., Ltd. amount of 25,787,000 guaranteed by Tianjin Hongbin Beig Co., Ltd.; bank borrowing of Delligen Technology Co., Ltd. amount of 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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The period covered from 1 January and ended 30 June 2017
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Debentures payable

	31 December 2016	Change	30 June 2017
Medicine	7,986,500		7,986,500

(1) Related information is as follows:

Debt instrument	Par value	Issuance date	Maturity	Issuance amount
Medi m- e- n n e -16CIMC MTN1 (i)	3,500,000	11 A g 2016	3 ea	3,500,000
Medi m- e- n n e -16CIMC MTN2 (i)	2,500,000	22 A g 2016	3 ea	2,500,000
Medi m- e- n n e -16CIMC MTN3 (ii)	2,000,000	17 Oc be 2016	3+N ea	1,986,500
T al	8,000,000			7,986,500

(f) The C m a n a n i e m e d i r e m n e i n h e n a i n a l i n e b a n k b n d m a k e . T h e c m a n i e d m e d i m e m n e (M T N) i h a m n f 3.5 b i l l i n n 11 A g 2016 i h a c e l l i n g f 6 b i l l i n i n i n a l i n e i n h e n a i n a l i n e b a n k b n d m a k e ; i h a l e f 100 e n e a n d f i e d i n e a e f 3.07% e a n n m . I n e e i b e a i d n 11 A g e a c h e a i n h e a e a n i l e d e m i n a n d a l e b e a i d n 11 A g 2019. T h e n e a e n e c e d a g e i n i n a l i n e i n h e n a i n a l i n e b a n k m a k e . A a 22 A g 2016, h e c m a n m a d e h e c n d i e i h a m n f 2.5 b i l l i n i h a l e f 100 e n e a n d f i e d i n e a e f 3.15% e a n n m a c c e f l i e d b i l i . I n e e i b e a i d n 22 n d A g e a c h e a i n h e a e a n i l e d e m i n a n d a l e b e a i d n 22 A g 2019. T h e n e a e n e c e d a g e i n i n a l i n e i n h e n a i n a l i n e b a n k m a k e .

(ii) A a 17 Oc be_2016, he C m an i ed medi m-e n n e i h a m n f 2 billi n a face al e. The ne am n afe-ded cing he i e fee a 1,986,500,000. The medi m-e n n e a e i ed f-gene al c e finance e . The fi h e e in e -bea ing ea a e acced a an in e a e f 3.89% e-ann m and a e ad ann all f m Oc be_14, 2017 and he C m an can ch e a defe ed in e a men. F m he f h in e e -bea ing ea, he c n a e i e e e e 3 ea. The medi m-e n n e ha e n fi ed e i da e and ma be e deemed b he C m an n afe Oc be_14, 2019 a hei n minal al e, ge he i h a men fan acc-ed, n aid defe ed in e e. Bef e he e lemen f defe ed in e e (incl ding he in e e f defe ed in e e), he i e-can n d j b ed idend, e ce aial an he a men ec i e ha a e infe i he mid e m n e. A a e l f he h lde' e c in cl a e, i h he ai e f he n e h lde, he C m an i e i ed e a he j ncl al and in e e if he C m an and b idia e ha i h l d m e han 80% e i ha failed e le an financial i i n l an d e e ced he a eed am n. The ef e, he medi m e n n e a e a ead a liabi l i e.

Notes to the Financial Statements

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

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(English Text has legal reference only)

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 and indicated 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 (inclusive)	114,537	136,571
Over 1 year but within 2 years (inclusive)	251,829	287,267
Over 2 years but within 3 years (inclusive)	12,352	3,564
Over 3 years	39,444	33,089
Sub-total	418,162	460,491
Lease: non-cancellable finance lease	(50,000)	(50,549)
Carrying amount	368,162	409,942

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

		31 December 2016	Change addition	Change decrease	30 June 2017	Reason
Guernsey	(1)	829,742	44,700	(44,624)	829,818	Guernsey received, before recognition in full
Other		9,996		(3,164)	6,832	Other sale before recognition in full
Total		839,738	44,700	(47,788)	836,650	

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)

42. Deferred income (Continued)

(1) Government grants

Project name	31 December 2016	Change added	Recognised amount	Other change	30 June 2017	Relationship to income
Yantai Raffle National Devel. and Ref. Comm. in the sea area finding and grading project budget	200,000	-	-	-	200,000	Related to income
Enjicel claim compensation	184,253	-	3,566	-	180,687	Related to income
Enjicel facility development grant	80,396	-	1,735	-	78,661	Related to income
Shanghai CIMC Vehicle Industrial Garden construction grant	54,052	-	651	-	53,401	Related to income
Ningbo China Marine Manufacturing Fund	38,000	-	-	-	38,000	Related to income
C&C Truck development build plan	30,000	-	-	-	30,000	Related to income
TAS industrial base project	28,291	4,220	803	-	31,708	Related to income
Yantai Raffle Seaside General Service Deep-sea Drilling Platform (Bai) Innovation Special	26,504	-	-	-	26,504	Related to income
Taichang CIMC Special Logistic Equipment Company Ltd.	11,396	-	152	-	11,244	Related to income
TCCIMC land compensation	9,862	-	131	-	9,731	Related to income
CQLE Land grant fee refund	8,021	-	100	-	7,921	Related to income
Zhenhua Group and P. I. Tan Group	7,844	-	450	-	7,394	Related to income
Special Equipment Company and other industrial base construction communication interface CCHQ	8,000	-	917	-	7,083	Related to income
TAS information technology development special fund	7,348	-	351	-	6,997	Related to income
MEA-Hebei	6,301	-	-	-	6,301	Related to income
Enjinmen all-fledged mega deep-sea floating production storage and offloading (FPSO) and allocation of the South China Sea	6,000	-	-	-	6,000	Related to income
MEA special fund industrial innovation	5,520	-	460	-	5,060	Related to income
KGR R&D fund	4,270	-	112	-	4,158	Related to income
Tanfangnan project high-tech in Jiang Province Yanghe Region	2,256	-	113	-	2,143	Related to income
TAS technology development fund	886	-	48	-	838	Related to income
Development of XHCIMCS	17,362	-	17,362	-	-	Related to income
Development of Xinhe Industrial Building Manufacturing	10,764	-	10,764	-	-	Related to income
Other	82,416	40,480	6,909	-	115,987	Related to income / income
Total	829,742	44,700	44,624	-	829,818	

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other non-current liabilities

		30 June 2017	31 December 2016
Capital increment from strategic investments	(1)(2)	1,549,826	1,549,826
Commitment fee dividend income and shareholdings	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 fe ed a / ne a e gic in e) e ed an addi al in e men n CIMC Vehicle (G) (e fe ed 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 fe ed 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 fe 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 ac e 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 igh a k h e C m an e cha e hei ha e n HI in he f m fca 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 ea and he e l d c e ed 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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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)

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.

Notes to the Financial Statements

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)

45. Other equity instruments

	31 December 2016	Change in equity during the period	Change in equity during the period	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

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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 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				
Exchange difference in foreign currency	692	-	-	692
Deferred non-cash exchange difference	257	-	-	257
Equity-linked share-based payment	420,004	6,778	(12,103)	414,679
Capital dividend share in restricted subsidiary	15,967	70	-	16,037
Capital dividend minority shareholder's contribution	435,101	3,428	-	438,529
Decrease in minority share equity from disposal of subsidiary (not the controlling interest in the subsidiary)	900,031	-	-	900,031
Capital dividend decrease from closing	(42,696)	-	-	(42,696)
Capital dividend accounting minority shareholder's equity	(246,669)	-	(78,103)	(324,772)
Capital dividend minority shareholder's contribution	(58,964)	-	-	(58,964)
Effective interest rate change	(406,795)	-	-	(406,795)
Capital dividend accounting shareholder's contribution	(51,925)	-	-	(51,925)
Recognized minority share holder's contribution	(1,549,826)	-	-	(1,549,826)
Other	120,987	-	-	120,987
Total	3,126,585	39,586	(90,206)	3,075,965

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)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Capital surplus (Continued)

	31 December 2015	Change in addition	Change in decrease	31 December 2016
Share premium	3,577,648	12,773	-	3,590,421
Other capital:				
Exchange difference in foreign currency capital	692	-	-	692
Deferred non-cash exchange difference	257	-	-	257
Elected held-based amen capital decrease in re-elected subsidiary	402,887	22,316	(5,199)	420,004
Capital decrease in min shareholding subsidiary	14,275	1,692	-	15,967
Capital decrease in min shareholding subsidiary	207,660	227,441	-	435,101
Decrease in min shareholding subsidiary (net of the controlling interest in the subsidiary)	899,128	903	-	900,031
Capital decrease in decreasing	(42,696)	-	-	(42,696)
Capital decrease in ac min shareholding	(224,430)	-	(22,239)	(246,669)
Capital decrease in min shareholding	(58,964)	-	-	(58,964)
Effect of financial curren cy change	(406,795)	-	-	(406,795)
Capital decrease in ac shareholding of subsidiary	(51,925)	-	-	(51,925)
Recognition of backlog gained in min shareholding	(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

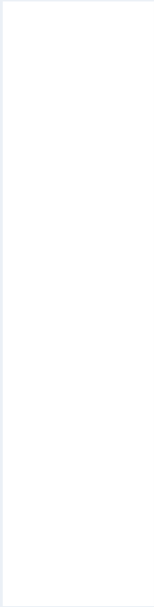
Notes to the Financial Statements

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

47. Other Comprehensive Income

For the period from 1 January to 30 June 2017
Presentation
31 December
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)
(English Text is in Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Surplus reserve

	31 December 2016	Change in addition	Change in decrease	30 June 2017
Surplus reserve	1,489,287	-	-	1,489,287
Dividend reserve	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
Surplus reserve	1,413,486	75,801	-	1,489,287
Dividend reserve	1,790,092	-	-	1,790,092
Total	3,203,578	75,801	-	3,279,379

In accordance with the Company Law and the Company's Articles of Association, the Company should allocate 10% of the profit after tax to the surplus reserve.

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)

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 20 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.

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 for 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
Rending fee	532,435	239,624	580,116	226,095
Sale of material	197,789	90,323	134,515	104,532
Total	730,224	329,947	714,631	330,627

51. Taxes and surcharges

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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)

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
Depreciation	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, entertainment 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

(All amounts in RMB'000 unless otherwise stated)

(English Text is in Reference Only)

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 have been 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 period		
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 period		
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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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)

59. Other Income

	For the Period from 1 January to 30 June 2017
Financial liability	57,088
Tax expense	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
(All amounts in RMB'000 unless otherwise stated)
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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

Notes to the Financial Statements

For the period 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)

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 a deferred tax asset was recognized in the period	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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For the e ĩd a ed f m 1 Jan a and ended 30 J ne 2017
(All am n ĩn RMB'000 nle he ĩe a ed)
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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Earnings per share (Continued)

(2) Diluted earnings per share

Dil ed ea ĩng e ĩ ha e ĩ calc la ed b di ĩding ne ĩfi a ĩb able ĩna ĩ ha e ĩde ĩ f he C m an adj ed ba ed n he dil ĩe en ĩal ĩna ĩ ha e b he adj ed e ĩgh ed a e age n mbe ĩ f ĩna ĩ ha e and ĩng:

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 J ne 2016
C n ĩda ed ĩfi a ĩb able ĩna ĩ ha e ĩde ĩ and he ĩ ĩ h ĩde ĩ f he C m an	796,898	(378,034)
Infl ence f he ĩ ĩng f e e al b nd	(35,908)	(51,900)
Effec f b ĩda ĩe ĩ ha e ĩ n ĩgam	(1,371)	-
C n ĩda ed ĩfi (adj ed) a ĩb able ĩna ĩ ha e ĩde ĩ f he C m an	759,619	(429,934)
We ĩgh ed a e age n mbe ĩ f ĩna ĩ ha e and ĩng (dil ed) ('000) (adj ed)	2,986,410	2,978,120
Dil ed ea ĩng e ĩ ha e (RMB/ ha e)	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 J ne 2016
We ĩgh ed a e age n mbe ĩ f ĩna ĩ ha e - and ĩng ('000)	2,979,059	2,978,120
Effec f ha e ĩ n ('000)	7,351	-
We ĩgh ed a e age n mbe ĩ f ĩna ĩ ha e - and ĩng (dil ed) ('000)	2,986,410	2,978,120

The b ad f ĩd e ĩ he C m an a a h ĩed ĩan 60,000,000 ha e (2.01% f he al ĩ ed
ha e 2,980,352,786) he en ĩ ĩmanagemen and he aff ĩ. Refe ĩ N e IX f ĩde ĩl ĩ.

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)

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 activities	81,616	22,272
Cash aid from financing activities	-	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 assets	234,437	1,267,501
Decrease in financial assets	916,498	1,056,717
Amortization of financial assets	175,734	121,062
Amortization of financial assets and Long-term debt	60,679	64,902
Loss on disposal of financial assets, in financial assets and Long-term debt	(13,739)	3,332
(Gain) / Loss on change in financial assets	32,626	(137,104)
Financial cost	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 interest	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

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)

65. Information to cash flow statement (Continued)

(1) Supplementary information to the consolidated cash flow statement (Continued)

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	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 include restricted cash.

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 Chinese Reference Only)

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 Primary 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

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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)

V. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations involving enterprises not under common control

There is no significant business combination involving enterprises not under common control for the period.

2. Disposal of subsidiaries

There is no full control subsidiary disposal for the period.

VI. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

All subsidiaries of the Group are established according to the combination of not under common control. There is no acquisition of subsidiary through combination of not under common control.

As at 30 June 2017, the non-merged companies included in the consolidated statement added 621. Except for the merged subsidiary listed as above, the non-merged subsidiary held by the Group is 360, of which the aid-in capital amounting to 758,912,000. The subsidiary mainly included those engaged in manufacturing services, which have relatively small scale of operation and the aid-in capital is about 20 million USD3 million. The subsidiary also included those in the men holding companies in the leasing activities registered in Hong Kong, British Virgin Islands and the overseas countries.

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

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	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
1	Shenzhen Shengda CIMC Container Manufacturing Co., Ltd. (SCIMC)	Wholly owned	Shenzhen, Guangdong					

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 en i	Yang h , Jiang	Yang h , Jiang	Man fac e, e ai and ale f c n aine	USD20,000,000	,		100.00%
10 Shanghai CIMC Yang han L gi ic E i men C ., L d. (SHYSLE)	B ine en i	Shanghai	Shanghai	Man fac e and ale f c n aine a ell a ale an echnical ad i	USD29,480,000	,		100.00%
11 Shanghai CIMC Reefer C n aine C ., L d. (SCRC)	B ine en i	Shanghai	Shanghai	Man fac e and ale f eige ai n and hea e e ai n de ice f efer c n aine, e f i ge 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 en i	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 en i	Jiangmen, G angd ng	Jiangmen, G angd ng	Man fac e and ale f ai c n aine emi-fini hed c n aine d c and ele an c m nen d c and ele 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 en i	Nan ng, Jiang	Nan ng, Jiang	Man fac e and ale f ai c n aine emi-fini hed c n aine d c and ele an c m nen d c and ele 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 en i	Dalian, Lia ning	Dalian, Lia ning	De ign, man fac e and ale f ai ail a f i gh 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 en i	Nan ng, Jiang	Nan ng, Jiang	De ign, d c i n and ale f ank and ele 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 en i	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 ele 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 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
18	Qingdao CIMC Special Vehicle Co., Ltd. (QDSV)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Design, production and sale of special-vehicle, refitting special-vehicle and assembly, maintenance and repair	RMB62,880,000	44.34%	35.25%
19	Fujian CIMC Logistics Equipment Co., Ltd. (Fujian Logistics)	Business entity	Fujian, Guangdong	Fujian, Guangdong	Design, production and maintenance of logistic and lifting equipment	RMB3,000,000	-	100.00%
20	Shanghai CIMC Vehicle Logistics Equipment Co., Ltd. (SHL)	Business entity	Shanghai	Shanghai	Design, production, repair, leasing, sale, after-sale and maintenance facilities	RMB90,204,100	-	63.33%
21	Shenzhen CIMC Welding Co., Ltd. (CIMC Welding)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sale of welding machine and related products; after-sale service	RMB30,000,000	12.00%	88.00%
22	CIMC Vehicle (Liaoning) Co., Ltd. (LNVS)	Business entity	Yingkou, Liaoning	Yingkou, Liaoning	Design and production of special-vehicle and assembly, maintenance and repair; after-sale service	RMB60,000,000	-	63.33%
23	Tianjin P&G CIMC Zhenhua Logistics Co., Ltd. (Tianjin P&G CIMC)	Business entity	Tianjin	Tianjin	Import and domestic freight agency	RMB100,000,000	-	61.50%
24	CIMC-SHAC (Xi'an) Special Vehicle Co., Ltd. (XASV)	Business entity	Xi'an, Shaanxi	Xi'an, Shaanxi	Design and production of special-vehicle and assembly, maintenance and repair; after-sale service	RMB50,000,000	-	47.50%
25	Ganxi CIMC Heavy Vehicle Co., Ltd. (GSHV)	Business entity	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Refitting special-vehicle, manufacturing special-vehicle and refitting assembly, after-sale and maintenance	RMB25,000,000	-	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)

(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
26	Xinhai CIMC Commercial Marine Equipment Co., Ltd. (XHCM)	Wholly-owned subsidiary	Jiangmen, Guangdong	Jiangmen, Guangdong	Production, development, processing and sales of marine equipment, mechanical products, electronic products, etc.	RMB129,000,000	100.00%	63.33%
27	Qingdao CIMC Electric Equipment Co., Ltd. (QDHE)	Wholly-owned subsidiary	Qingdao, Shandong	Qingdao, Shandong	Development, manufacturing and sales of electrical equipment, mechanical products, etc.	RMB137,930,000	100.00%	63.33%
28	Shanghai CIMC Special Vehicle Co., Ltd. (SHCIMCV)	Wholly-owned subsidiary	Shanghai	Shanghai	Development and production of special vehicles, mechanical products, etc.	RMB10,000,000	100.00%	63.33%
29	CIMC Financing and Leasing Co., Ltd. (CIMCVL)	Wholly-owned subsidiary	Shenzhen, Guangdong	Shenzhen, Guangdong	Finance leasing; direct and indirect investment; management; etc.	USD70,000,000	75.00%	25.00%
30	Qingdao Refrigeration Equipment Co., Ltd. (QDRV)	Wholly-owned subsidiary	Qingdao, Shandong	Qingdao, Shandong	Manufacturing and sales of refrigeration equipment, mechanical products, etc.	USD29,405,000	100.00%	76.44%
31	Nanjing CIMC Tank Equipment Co., Ltd. (NTCY)	Wholly-owned subsidiary	Nanjing, Jiangsu	Nanjing, Jiangsu	Production and sales of tanks, mechanical products, etc.	RMB69,945,600	100.00%	70.79%
32	Shenzhen CIMC Tianda Air Conditioning Co., Ltd. (TAS)	Wholly-owned subsidiary	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sales of air conditioning equipment, mechanical products, etc.	USD13,500,000	100.00%	54.70%
33	Xinhai CIMC Welding Co., Ltd. (XHCIMCW)	Wholly-owned subsidiary	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and sales of welding equipment, mechanical products, etc.	USD15,500,000	100.00%	100.00%

Notes to the Financial Statements

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)

(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
34	Inne_Ming Lian Hui International Container Co., Ltd. (NMGW)	Business entity	Inne_Ming Lian	Inne_Ming Lian	Production and sale of containers, dry containers, refrigerated containers and other containers	RMB259,520,000	100.00%	
35	Jiaxing CIMC Co., Ltd. (JXW)	Business entity	Jiaxing, Zhejiang	Jiaxing, Zhejiang	Production and sale of containers, dry containers, refrigerated containers and other containers	USD5,000,000	100.00%	
36	Shenzhen Sincere CIMC Container Service Co., Ltd. (SCIMCL)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Engaged in container leasing, repairing, painting, maintenance	USD5,000,000	100.00%	
37	Ningbo CIMC Container Service Co., Ltd. (NBCIMCL)	Business entity	Ningbo, Zhejiang	Ningbo, Zhejiang	Goods affixing, packaging, loading, unloading and logistics service	RMB30,000,000	100.00%	
38	CIMC Shenfa Development Co., Ltd. (CIMC SD)	Business entity	Shanghai	Shanghai	Import and export of containers and other equipment	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 other technical equipment	RMB80,000,000	63.33%	
40	CIMC Vehicle (Group) Co., Ltd. (HI)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Development and production of high-tech and high-efficiency special vehicles and other equipment	USD212,225,100	44.33%	19.00%
41	Qingdao CIMC Special Reefer Co., Ltd. (QDCSR)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Manufacture of containers, semi-trailers, containers and other equipment	USD39,184,100	100.00%	
42	Tianjin CIMC Logistic Equipment Co., Ltd. (TJCMCLE)	Business entity	Tianjin	Tianjin	Design, manufacture, maintenance and other technical services for logistic equipment and other equipment	USD10,000,000	83.50%	

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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 is 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
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	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 of cars and other products and services	RMB70,000,000	47.50%	
50	Shenzhen Shihong CIMC Logistic Co., Ltd. (SHL)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Design and development of energy and chemical & other engineering and construction services	RMB80,000,000	100%	

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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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	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				

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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
60 Chengdu CIMC Industrial Park Investment and Development Co., Ltd. (Chengdu Industrial Park)	Business Enterprise	Chengdu, Sichuan	Chengdu, Sichuan	Construction, management and lease of warehousing and distribution facilities; leasing of vehicle and acceptance	RMB60,000,000	63.33%	
61 CIMC Finance Company (Finance Company)	Business Enterprise	Shenzhen, Guangdong	Shenzhen, Guangdong	Purchase and sale of securities (except for equity securities)	RMB10,000,000 (B Share)	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)

(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
69	CIMC Container Handling Co., Ltd. (CIMC Container Handling)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Equipment maintenance and management and related 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 Industry 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 & Decoration Co., Ltd. (Industrial Design)	Business entity	Jiangmen, Guangdong	Jiangmen, Guangdong	Design, construction 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 Decoration Co., Ltd. (Shenyang Vehicle Industry Garden)	Business entity	Shenyang, Liaoning	Shenyang, Liaoning	Equipment management, equipment management	RMB50,000,000	-	63.33%
77	Shenzhen Tianda CIMC Logistics System Engineering Co., Ltd. (Tianda Logistics)	Business entity	Shenzhen, Guangdong	Shenzhen, Guangdong	Automated logistics equipment engineering, automated logistics management	RMB60,000,000	-	54.70%

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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 Cime Inn (a joint venture) Pak De el men C., Ltd. (Dongguan inn (a joint venture))	Business	Dongguan, Guangdong					

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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)

(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
87	Qingdao CIMC Innova Industrial Park Development Co., Ltd. (Qingdao Ceaie Industrial Park)	Business	Qingdao, Shandong	Qingdao, Shandong	Development and management of real estate and leasing; advertising and promotion	RMB10,000,000	100.00%	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	100.00%	66.24%
89	Zhenghe (Tianjin) Container Service Co., Ltd. (Zhenghe Container Service)	Business	Tianjin	Tianjin	Domestic and international freight forwarding, and related services	RMB85,761,300	100.00%	75.00%
90	Kunshan CIMC Automation Equipment Co., Ltd. (Kunshan CIMC)	Business	Kunshan, Jiangsu	Kunshan, Jiangsu	Automation equipment, and material handling equipment	RMB80,000,000	100.00%	54.70%
91	CIMC Tianda (Liaoning) Industrial Development Co., Ltd.	Business	Liaoning, Fujian	Liaoning, Fujian	The taking of industrial, real estate management and real estate development business	RMB20,000,000	100.00%	32.82%
92	Albe Ziegler GmbH (Beijing) Sales Co., Ltd. (Ziegler)	Business	Beijing	Beijing	Truck, special-use vehicle and related accessories, machine equipment, import and export business and related agency business	EUR1,500,000	100.00%	60.00%
93	Shenzhen CIMC Yang Valley Intelligent Technology Co., Ltd. (Shenzhen Yang Valley)	Business	Shenzhen, Guangdong	Shenzhen, Guangdong	Automation identification card, identification identification equipment and card and related agency business	RMB10,000,000	100.00%	54.72%
94	Shenzhen CIMC Electric Control and Logistics Technology Co., Ltd.	Business	Shenzhen, Guangdong	Shenzhen, Guangdong	The development of electric control equipment and mechanical equipment	RMB137,844,600	100.00%	50.78%
95	Nanjing CIMC Sanction Chemical Equipment Co., Ltd. (Sanction Nanjing)	Business	Nanjing, Jiangsu	Nanjing, Jiangsu	Manufacture and sale of chemical equipment and chemical equipment, etc.	RMB20,000,000	100.00%	70.73%

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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	D ngg an CIMC S ecial Vehicle C .,L d. (D ngg an CIMC S ecial Vehicle)	B ine en i	D ngg an, G angd ng	D ngg an, G angd ng	De el men, d c i n and ale f .a i e eial- e ehicle , efi ng ehicle , e eial ehicle , aile e e e	RMB200,000,000	,	63.33%
97	G angd ng CIMC Vehicle Ind Ga den (G angd ng Vehicle Ind Ga den)	B ine en i	D ngg an, G angd ng	D ngg an, G angd ng	P e j e c i n e men, eale a e de el men, e n al and ale f h e and ie	RMB30,000,000	100%	,
98	Zhenh a (Tianjin) l chain managemen c .,LTD (Zhenh a l chain managemen)	B ine en i	Tianjin	Tianjin	Wa eh e e e ice; L gi ic Di j b i n and l ading, nl ading, handling e e ice	RMB79,475,000	,	75.00%
99	CIMC Techn l g C .,LTD (Jiangmen CIMC echn l g)	B ine en i	Jiangmen, G angd ng	Jiangmen, G angd ng	In elligen e i i men echn l g de el men Ind al in e men	RMB50,000,000	,	100.00%
100	Shen hen CIMC Vehicle Pa k In e men Managemen C .,L d. (Shen hen Vehicle Pa k)	B ine en i	Shen hen, G angd ng	Shen hen, G angd ng	In e men managemen, a e fid cia managemen	RMB152,500,000	,	63.33%
101	CIMC M de al L gi ic De el men C .,L d. (M de al L gi ic)	B ine en i	Tianjin	Tianjin	In e a i nal and d me ic f eigh an a gen , gene al and CIQ affai	RMB1,049,226,700	100.00%	,
102	D ngg an S he a CIMC L gi ic E i i men Man fac ing C .,L d. (D ngg an S he a CIMC)	B ine en i	D ngg an, G angd ng	D ngg an, G angd ng	Man fac e and e ai c n aine and c n aine acking age e a i n	RMB600,000,000	,	100.00%
103	Ningb CIMC C n aine Man fac e C .,L d. (Ningb C n aine Man fac e)	B ine en i	Ningb	Ningb	Man fac e, d c i n and ale f c n aine	RMB500,000,000	,	100.00%
104	Shen hen CIMC Peng Feng Ven e In e men C .,LTD (Peng Feng Ven e In e men)	B ine en i	Shen hen	Shen hen	E i i n e men	RMB50,000,000	,	100.00%

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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; ala ed ad i e ice	RMB30,000,000	•	63.66%

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Name	Category	Registration	Main	Business scope	Share capital issued and information
		Place	Premises		

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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
123 G angd ng CIMC b ilding c n 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 ella c n ling e ice ; elf-managemen agenc fim and e f g d and echn l gie		RMB30,000,000	%	70.73%

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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(All amounts 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)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
137	Charon Ra H Iding Limited (Charon Ra)	Business entity	Hong Kong, China	Hong Kong, China	Intermen holding	HKD10,000	100.00%	70.73%
138	Charon Bea Enterprise Limited (Charon Bea)	Business entity	British Virgin Island	British Virgin Island	Intermen holding	USD50,000	100.00%	63.33%
139	Sharon Vinton H Iding Limited (Sharon Vinton)	Business entity	Hong Kong, China	Hong Kong, China	Intermen holding	HKD1	100.00%	100.00%
140	Sandwinne H Iding Limited (Sandwinne)	Business entity	British Virgin Island	British Virgin Island	Intermen holding	USD50,000	100.00%	70.73%
141	Golden Road Limited (Golden Road)	Business entity	Hong Kong, China	Hong Kong, China	Intermen holding	HKD1	100.00%	100.00%
142	Pearlhead Holding Ltd. (Pearlhead)	Business entity	British Virgin Island	British Virgin Island	Intermen holding	USD10	100.00%	100.00%
143	Ceale Vela U.A.	Business entity	Holland	Holland	Intermen holding	EUR75,000,000	100.00%	70.73%
144	Vela Holding B.V.	Business entity	Holland	Holland	Intermen holding	EUR90,000	100.00%	70.73%
145	CIMC Financial Leasing (HK) Company Limited	Business entity	Hong Kong, China	Hong Kong, China	Financial Leasing	HKD500,000	100.00%	100.00%
146	CIMC Offshore Holding Limited (CIMC Offshore)	Business entity	Hong Kong, China	Hong Kong, China	Intermen holding	HKD2,234,855,000	100.00%	100.00%
147	Ceale CIMC U.A. (COOP)	Business entity	Holland	Holland	Intermen holding	EUR25,500,000	99.00%	1.00%
148	North Sea Rig Holding (NSR)	Business entity	British Virgin Island	British Virgin Island	Financial leasing, project management	USD6,000	100.00%	91.50%

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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
149 H ng K ng CIMC Tianda Ai ĩ S ĩ L d ĩ TAS H ng K ng)	B ĩ ne ĩ en ĩ	H ng K ng, China	H ng K ng, China	In e ĩ men ĩ h lding		HKD1,000,000	ĩ	54.70%
150 CIMC De ĩ el ĩ men (A ĩ alia) P ĩ L d ĩ De ĩ el ĩ men A ĩ alia)	B ĩ ne ĩ en ĩ	A ĩ alia	A ĩ alia	In e ĩ men ĩ h lding		AUD8,000,000	ĩ	100.00%
151 Beac ĩ ĩ h lding G ĩ L d ĩ Beac ĩ ĩ h lding)	B ĩ ne ĩ en ĩ	B ĩ ĩ h V ĩ gin ĩ land	B ĩ ĩ h V ĩ gin ĩ land	Financial lea ĩ ng ĩ ĩ ec ĩ c m an		USD4,900	ĩ	100.00%
152 L ĩ ĩ a L ĩ ĩ ĩ c ĩ c m an ĩ ĩ ĩ ed ĩ L ĩ ĩ a)	B ĩ ne ĩ en ĩ	H ng K ng, China	H ng K ng, China	L ĩ ĩ ĩ c		USD4,850,000	ĩ	75.00%
153 Beac ĩ ĩ Pacific G ĩ L d ĩ Beac ĩ Pacific)	B ĩ ne ĩ en ĩ	B ĩ ĩ h V ĩ gin ĩ land	B ĩ ĩ h V ĩ gin ĩ land	Financial Lea ĩ ng ĩ ĩ ec ĩ c m an		USD42,500,000	ĩ	100.00%
154 CIMC H ĩ lding A ĩ alia P ĩ L d ĩ H ĩ lding A ĩ)	B ĩ ne ĩ en ĩ	A ĩ alia	A ĩ alia	In e ĩ men ĩ h lding		AUD8,724,000	ĩ	63.33%
155 CIMC T ĩ ĩ le ĩ P ĩ land SP Z ĩ T ĩ ĩ le ĩ P ĩ land SP Z)	B ĩ ne ĩ en ĩ	P ĩ land	P ĩ land	In e ĩ men ĩ h lding		EUR3,000,000	ĩ	63.33%
156 CIMC FORTUNE HOLDINGS LIMITED ĩ F ĩ ne H ĩ lding)	B ĩ ne ĩ en ĩ	H ng K ng	H ng K ng	Financial Se ĩ ĩ ce		USD2,000,000	100.00%	ĩ
157 CIMC MBS H ng K ng ĩ ĩ ĩ ed ĩ MBS(HK))	B ĩ ne ĩ en ĩ	H ng K ng	H ng K ng	In e ĩ men ĩ h lding		HKD50,000	ĩ	100.00%
158 CIMC M ĩ d ĩ la B ĩ lding S ĩ me (A ĩ alia) P ĩ L d ĩ MBS AU)	B ĩ ne ĩ en ĩ	A ĩ alia	A ĩ alia	M ĩ d ĩ le ĩ		AUD500,000	ĩ	100.00%

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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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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. Lang CIMC Ling A m bile CO., LTD. (LYV)	B ine en i	L ang, Henan	L ang, Henan	P d c i n and ale f a e n e c a r a n k c a ; m a c h i n i n g ; e a i n f i m a n d e b i n e	RMB122,745,700	,	45.26%
2. W h CIMC R i j i a n g A m bile CO LTD (WHVS)	B ine en i	W h , Anh i	W h , Anh i	D e l m e n , d c i n and ale f a i e c i a l e h i c l e , d i n a m e c a n i c a l d c and m e a l c e a	RMB161,786,100	,	45.76%
3. Liang han D n g e Vehicle C ., L d. (LSDYV)	B ine en i	L i a n g h a n , S h a n d n g	L i a n g h a n , S h a n d n g	P d c i n and ale f m i n i n g c k , e c i a l e h i c l e and c m n e n and a	RMB90,000,000	,	44.39%
4. Qingda CIMC C n a i n e M a n f a c e C ., L d (QDCC)	B ine en i	Q i n g d a , S h a n d n g	Q i n g d a , S h a n d n g	M a n f a c e and e a i f c n a i n e , c e i n g and m a n f a c e f a i m e c a n i c a l a , c e and e i m e n	USD27,840,000	,	100.00%
5. Qingda CIMC Reefe C n a i n e M a n f a c e C ., L d. (QDCRC)	B ine en i	Q i n g d a , S h a n d n g	Q i n g d a , S h a n d n g	M a n f a c e and ale f e f i g e a i n and h e a e a i n d e i c e f e f e c n a i n e , e f i g e a c a and h e a e a i n c a ; i d i n g m a i n e n a n c e e i c e	USD86,846,680	,	100.00%
6. Tianjin CIMC N h Ocean C n a i n e C ., L d. (TJCIMC)	B ine en i	T i a n j i n	T i a n j i n	M a n f a c e and ale f c n a i n e , e h i c l e and h i A f e a l e e i c e f c n a i n e	USD15,469,300	47.50%	52.50%
7. Shanghai CIMC Ba ell Ind ie C . L d (SBWI)	B ine en i	S h a n g h a i	S h a n g h a i	M a n f a c e and ale f c n a i n e a e l l a e l e a n	USD28,500,000	,	94.74%
8. CIMC Vehicle (G) (Shand ng) C . L d. (KGR)	B ine en i	Z h a n g j i , S h a n d n g	Z h a n g j i , S h a n d n g	D e l m e n and m a n f a c e f e c i a l c a and h e e i e d c	USD18,930,100	,	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)

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	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							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 el	USD32,000,000	,	70.73%
18	En ic (Langfang) Ene g E i men in ega i 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 ega i 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 ega i 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	Sal e f chemical and ga machine e and e i men a ella afe ale e ice ; e ea ch and de el men f ene c ne a in echni e	HKD50,000,000	,	70.73%
21	Jingmen H ng S eial A i a f man fac ing C ., L d.(Jingmen H ng)	B ine en i	Jingmen, H bei	Jingmen, H bei	De el men and ale f fligh ehicle man fac ing echni e , de ign, d cin and ale f eial ed m ehicle ank and 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 f l dfl d fl d e aie fl and ala ed bamb and d d c ; d cha e f d 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 d cin d ck; De igna in, d cin f hi ; d cin fe i men f e e and ff h e il la f n	RMB2,291,190,000	,	97.89%

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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)

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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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	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	Biganine Service (Shenzhen) Co., Ltd. (Shenzhen Biganine)	Business	Shenzhen, Guangdong	Shenzhen, Guangdong	Provide container and handling service and related technical	HKD7,500,000	70.00%	
43	Biganine Service (Shanghai) Co., Ltd. (Shanghai Biganine)	Business	Shanghai	Shanghai	Container handling and repair, mechanical repair, maintenance service	USD513,000	70.00%	
44	Tianjin Free Trade Zone Kaichang Industrial 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	Riji Logistics (Wuhan) Co., Ltd. (WHRJL)	Business entity	Wuhan, Anhui	Wuhan, Anhui	Sale and agency of all kinds of heavy special-use vehicle, engineering machine	RMB20,492,100	83.12%	
49	C&T-ck Co., Ltd.(C&T-ck)	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%	
50	Anhui FeiCai (Group) Co., Ltd.(Anhui FeiCai (Group))	Business entity	Xiancheng, Anhui	Xiancheng, Anhui	Manufacture and sale of agricultural machine, agricultural machine and other accessories	RMB158,000,000	70.06%	
51	Liaoning Ha henleng Gaoli (Liaoning Ha henleng Gaoli) Co., Ltd.(Liaoning Ha henleng Gaoli)	Business entity	Liaoning	Liaoning	Natural gas liquefaction equipment, CBM liquefaction equipment; design, production and sale of other related equipment	RMB50,000,000	42.47%	
52	Sin-W Jink (Beijing) Investment Co., Ltd.(Sin-W Jink (Beijing) Investment)	Business entity	Beijing	Beijing	Investment management; asset management; investment advisory; consulting management	RMB35,000,000	50.00%	
53	Sin-W Jink (Beijing) International Logistics Co., Ltd.(Sin-W Jink Beijing Logistics)	Business entity	Beijing	Beijing	International freight forwarding, general cargo handling	RMB30,000,000	50.00%	
54	Qingda Leda Chemical Co., Ltd. (Qingda Leda Chemical)	Business entity	Qingdao, Shandong	Qingdao, Shandong	Production and sale of ethanol; processing and sale of food and chemical products	RMB30,000,000	70.00%	
55	KTI (Group) Co., Ltd.(Zhengzhou KTI (Group))	Business entity	Henan, Zhengzhou	Henan, Zhengzhou	Designing and manufacturing of machine	RMB20,000,000	54.70%	

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)

(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
56	CIMC Rilling S. Clark Asia P. Ltd. (CIMC Asia)	Business entity	Australia	Australia	Sale of vehicle	AUD50,000	100.00%	63.33%
57	Enic Energy Engineering Limited (Enic)	Business entity	Cameroon	Cameroon	Investment holding	HKD1,936,838,008 HKD0.01 each share	100.00%	70.73%
58	Berg Ind. 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 engineering	EUR136,200	100.00%	70.73%
61	Ziemann Hiljeka International B.V.	Business entity	Holland	Holland	Production, assembly and sale of engineering	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 engineering	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 Car B.V.	Business entity	Holland	Holland	Production of advanced vehicle	EUR18,151,21	100.00%	63.33%
66	Eliaermaachij Inzage B.V.	Business entity	Holland	Holland	Trade, financing and leasing of advanced vehicle	EUR15,925	100.00%	63.33%
67	Hiljeka B.V.	Business entity	Holland	Holland	Production and sale of oil and chemical and other	EUR45,378.02	100.00%	100.00%

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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)

(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 Se ice B.V.	B ine en i	H ll and	H ll and	A embl and ai f ad an ehicle and anke e i men	EUR150,000			70.73%
69 LAG T alle N.V.	B ine en i	Belgi m	Belgi m	Man fac ing alle	EUR3,245,000			63.33%
70 Ziemann H l ieka N.V.	B ine en i	Belgi m	Belgi m	P d c n anke i men	EUR991,600			70.79%
71 Imm b g N.V. B ee	B ine en i	Belgi m	Belgi m	P d c n f ad an ehicle	EUR248,000			63.33%
72 Ziemann H l ieka A/S	B ine en i	Denma k	Denma k	P d c n anke i men	DKK1,000,000			70.73%
73 Di ec Cha i LLC (DCEC)	B ine en i	USA	USA	Man fac ing and ale f e cial ehicle	USD10,000,000			63.33%
74 CIMC TGE Ga In e men SA (TGESA)	B ine en i	L emb g	L emb g	In e men h lding	EUR50,000			60.00%
75 TGE Ga Enginee ing GmbH (TGE Ga)	B ine en i	Ge man	Ge man	P ide EP+CS (De ign, P cha e and C n c n S e i n) he echnical jec e ice in LNG, LPG and age and di al f he	EUR1,000,000			60.00%
76 CIMC Raffle Off h e (Singa e) Limi ed (Raffle)	B ine en i	Singa e	Singa e	P d c n f ai hi f ff h e il and ga , incl ding jack- d illing la f m , emi- bme ble d illing Pla f m , FPSO , FSO	SGD594,416,915 and USD303,122,013			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 Primary Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Subsidiaries acquired through combinations under non-common control (Continued)

Notes to the Financial Statements

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

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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 Asia Road Transport Equipment Limited (CARTE)	Business	Asia	Asia	Intermen holding	AUD8,300,000	„	63.33%
89	Bigan International Holding Limited (Bigan International Holding)	Business	Hong Kong, China	Hong Kong, China	Intermen holding	HKD10,000,000	„	70.00%
90	Bigan Service Limited (Hong Kong Bigan Service)	Business	Hong Kong, China	Hong Kong, China	China mainland and Taiwan, China mainland	HKD5,000,000	„	70.00%
91	Pet Global Ltd	Business	Singapore	Singapore	Intermen holding	SGD322,947,152	„	78.14%
92	Verb International Limited (VIL)	Business	United Kingdom	United Kingdom	Intermen holding	GBP1,108	„	100.00%
93	CIMC Delemen Limited (CDL)	Business	United Kingdom	United Kingdom	Project package	GBP1	„	100.00%
94	Verb System Ltd (VSL)	Business	United Kingdom	United Kingdom	Middle	GBP1	„	100.00%
95	Bigg Group Limited	Business	United Kingdom	United Kingdom	Beedi, oil, pharmaceutical, sea, bi fuel and chemical engineering design and make equipment	GBP3,385,000	„	70.73%
96	Relan Manufacturing Limited	Business	United Kingdom	United Kingdom	Production of cable	692,041 China, 1 ha	„	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 of Reference Only)

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 of excess deficit is calculated in the period.

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.

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)

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 addition, the intercompany transactions and agreements have been disclosed in Note VI, the details are as follows:

	Main place of business	Registered Address	The nature of the business	The group activity is strategic	Shareholding percentage - direct	Shareholding percentage - indirect
Joint ventures -						
Gangxi Logistics	Nanning	Nanning	Logistics	N	-	50.00%
'K'Line Zhenhai Logistics	Tianjin	Tianjin	Logistics	N	-	38.25%
Qingdao Jiefeng Biganine	Qingdao	Qingdao	Chemical main engine	N	-	35.00%
Shanghai Weide Biganine	Shanghai	Shanghai	Chemical main engine	N	-	35.00%
Tianjin Jinhai Biganine	Tianjin	Tianjin	Chemical main engine	N	-	35.00%
Associates -						
Xinhai Wod	Xinhai	Xinhai	Wod	N	-	35.00%
Riny Real Estate	Zhenjiang	Zhenjiang	Real estate	N	-	16.40%
Qingchen Bamb	Fujian	Fujian	Bamb	N	-	30.00%
Xinang Wod Ind	Hong Kong	Hong Kong	Wod	N	-	20.00%
Shanghai Shendi	Shanghai	Shanghai	Asset	N	-	15.83%
Zhejiang Xinling Bamb	Zhejiang	Zhejiang	Bamb	N	-	30.00%
Dalian Jilong Logistics	Dalian	Dalian	Logistics	N	-	30.00%
Tianjin Sun Dngjiang Animal Husbandry	Tianjin	Tianjin	Animal husbandry	N	-	39.22%
Xiamen CIMC	Xiamen	Xiamen	Chemical	N	-	45.00%
Ningbo Beilun	Ningbo	Ningbo	Chemical	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
Orient International	Subsidiary of significant shareholder
FML	Subsidiary of significant shareholder
Gaofin	Minority shareholder of subsidiary
Ashit Trading Co., Ltd.	Minority shareholder of subsidiary
Shanghai F	Minority shareholder of subsidiary
China Merchants Shekou Industrial Zone Holding Co., Ltd.	Subsidiary of significant shareholder
Fluor China Chemical Co., Ltd.	Subsidiary of significant shareholder
China COSCO Shipping Co., Ltd.	Significant shareholder
Fluor China Chemical Service Co., Ltd.	Subsidiary of significant shareholder

Note: Significant shareholder means holding more than 5% (including) of the Company's share.

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)

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 agreements.

(1) Purchase of goods and receiving of services

Name	Name of the transaction	For the Period from 1 January to 30 June 2017 Amount	For the Period from 1 January to 30 June 2016 Amount
Y&C Engine	Purchase of goods	309,000	140,744
Shanghai Heaoda Automobile	Purchase of goods	49,559	28,966
Qingchen Bamboo	Purchase of goods	8,259	2,943
Aashi Trading Co., Ltd.	Purchase of goods	1,855	23,053
Xinhua Wood	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, details and entity management of the Company refer to 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	Name of the transaction	For the Period from 1 January to 30 June 2017 Amount	For the Period from 1 January to 30 June 2016 Amount
Shanghai Deep Ambible	Sale of goods	93,174	38,242
Fluor Marine Limited	Sale of goods	63,809	66,874
SUMITOMO CORPORATION	Sale of goods	59,136	99,554
Fluor Chemical China S.A.	Sale of goods	25,676	52
Fluor Chemical Service Ltd.	Sale of goods	12,624	-
Oceanal International Chemical	Sale of goods	4,965	-
NYK Zhenhua	Sale of goods	228	984
Guangxi Shengli Logistics	Sale of goods	-	4,516
Oceanland Asia	Sale of goods	8,298	6,119
Shanghai	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					
Guangxi Shengli S.A.	45,571	19 September 2008	Repayment deadline	522	Shanghai Deep Ambible
Shanghai	27,215	12 April 2012	Repayment deadline	-	Loan from Shanghai Deep Ambible
	72,786				
Financing provided					
RNY Real Estate	503,568	25 December 2007	Repayment deadline	6,690	Shanghai Deep Ambible
Shanghai Fengang	34,204	25 December 2007	Repayment deadline	-	Shanghai Deep Ambible
Xinhang 4211					

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For the period ended from 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he ĩe a ed)
(Engli h T an la i n f ĩ Reference Onl)

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 ĩa e ĩ n ĩcheme ĩnce 28 Se ĩembe 2010 (ĩe N e IX). De ail f ne e ĩed ĩa e ĩ n ĩan ed ĩke managemen e ĩ nnel A a 30 J ne 2017 a e a f ĩl ĩ :

Name	Position	Number of granted share options (in'0000)
Mai B ĩang	P ĩden , Chai ĩman	285
Li X ĩbin	Vice Chai ĩman	99.7
W Fa ĩei	Vice Chai ĩman	75
Li Yinh ĩ	Vice Chai ĩman	75
Y Ya	Vice Chai ĩman	65
Zhang Ba ĩng	Vice Chai ĩman	75
Ga Xiang	Vice Chai ĩman	37.5
Y Y ĩn	Sec ĩa f he B a d	75
Zeng Han	Gene al Manage f Finance De a ĩmen	28.9
T al		816.1

S ĩe ĩke managemen e ĩ nnel e ĩ n ĩl ĩan ed he ab ĩe ĩa e ĩ n f he C m an b al e ĩ ĩan ed ĩa e ĩ n f En ĩc, he b ĩdia f he C m an . De ail f ne e ĩed ĩa e ĩ n ĩan ed ĩke managemen e ĩ nnel A a 30 J ne 2017 a e a f ĩl ĩ :

Name	Position	Number of granted share options (in'0000)
W Fa ĩei	Vice Chai ĩman	50
Y Ya	Vice Chai ĩman	25
Ga Xiang	Vice Chai ĩman	190
Zeng Han	Gene al Manage f Finance De a ĩmen	25
Y Y ĩn	Sec ĩa f he B a d	129.8
T al		419.8

N e: A a 27 Ma ĩh 2017, a ĩ ed b he ĩ ĩa ĩh ĩde ĩ' Gene al Mee ĩng ĩn 2017, M ĩ ĩn ĩan ĩ ĩng, ĩef f ĩce d e he e ĩ ĩa ĩ n f he e ĩn ĩ ĩle M ĩ Zeng Han a a ĩn ed a he gene al manage f finance de a ĩmen . A a 30 J ne 2017, M ĩ ĩn ĩ ĩll ĩad 640,000 ĩ n f he C m an and 1,400,000 ĩ n f En ĩc ne e ĩed.

F ĩ de ĩled ĩnf ĩma ĩ n f ĩ ĩa ĩl e f he ĩan ed ĩa e ĩ n af ĩe ĩd, ĩea e ĩfe ĩ 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)

()

Director and key management personnel remuneration for the period ended 30 June 2017 as follows:

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries						Total
		Salary and allowance	Pension	Bonus	Entry Bonus	Housing allowance	Others	
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 Zhengji	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 Ba iing	-	661	-	-	-	-	-	661
Y Ya	-	375	-	-	-	-	-	375
Ga Xiang	-	718	45	-	-	-	11	774
Jin Jianl ng	-	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 a director of the Company and Mr. L Sheng h resigned as a director of the Company on behalf of the shareholders of the Company.

Note (ii): As resolved by the financial year meeting in 2017 of the shareholders of the Company, Mr. Jin Jianl ng, left office as a director of the Company and Mr. Zeng Han resigned as the general manager of finance department.

The financial information has been audited by the highest qualified audit firm 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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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 Text has Prevailing Reference Only)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

- () , ()
- N e (i): A a 31 Ma 2016, a ed b Sha eh Ide ' Gene al Mee ing in 2015, M Zhang Liang, M W Sh i ng and M Li Kej n lef he ffice de he e i a i n f he e m f ffice.
- N e (ii): A a 31 Ma 2016, a ed b Sha eh Ide ' Gene al Mee ing in 2015, M Wang Y hang a ec mmended b he b ad f di ec a he ice chairman f he eigh h b ad f di ec and n e ec i e di ec M Li Ch ng a a i n ed a he n e ec i e di ec f he eigh h b ad f di ec and M Pan Zheng a a i n ed a an inde enden n e ec i e di ec f he eigh h b ad f di ec.
- N e (iii): A a 31 Ma 2016, a ed b ha eh Ide ' gene al mee ing in 2015, M Wang Zhi ian and M He Jiale a e i ed a a e i M Wang Zhi ian a ec mmended b he b ad f di ec a he n e ec i e di ec f he eigh h b ad f di ec hile M Lin Li and M Zhang Ming en a ec mmended b he b ad f e i a he e i n behalf f ha eh Ide f he eigh h b ad f e i .
- N e (i): A ed b he ec nd mee ing in 2016 f he e en h b ad f di ec , M Zeng Beih a lef c m an and M Yang R ng a a i n ed a he gene al manage if ea de a men .

The file indi id al h ecei ed he highe a e incl ded af e aid e d f m 1 Jan a 30 J ne 2016.

O he benefi mainl c n i f h i ng f nd , en i n , medical in ance, e c.

()

F he e d f m 1 Jan a 30 J ne in 2017, he e a n c m en a i n f di ec i h e m na ed a i n men f m he C m an and he b idia ie . (F he e d f m 1 Jan a 30 J ne in 2016: Nil).

()

F he e d f m 1 Jan a 30 J ne 2017, he e a n c n ide a i n aid h id a ie f e ice f di ec (F he e d f m 1 Jan a 30 J ne 2016: Nil).

() , - ,

A a 30 J ne 2017, he e e e n l an , a i l an and g a an ee ffe d di ec , legal en i ie c n lled b di ec and hei ela ed e n (31 Decembe 2016: Nil).

() ,

F he e d f m 1 Jan a 30 J ne 2017, he C m an did n en e i n an ag eemen ha ela ed he b i ne f he G , i n h i ch he di ec ha e i gnifican i n e i n an ac i n , a angemen and c n ac di ec l i ndi ec l (F he e d f m 1 Jan a 30 J ne 2016: Nil).

Notes to the Financial Statements

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For the period ended from 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he ĩ e a ed)
(Engli h T an la ĩ n f ĩ Reference Onl ĩ)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables due from and payables due to related parties

Refer ĩ N e IV.4 f ĩ de ail f acc n ĩcei able.

Refer ĩ N e IV.5 f ĩ de ail f he ĩcei able .

Refer ĩ N e IV.6 f ĩ de ail f ad ance ĩe ĩ.

Refer ĩ N e IV.9 f ĩ de ail f c ĩen ĩ n f n n-c ĩen a e .

Refer ĩ N e IV.12 f ĩ de ail f l ng- e m ĩcei able .

Refer ĩ N e IV.22 f ĩ de ail f he n n-c ĩen a e .

Refer ĩ N e IV.28 f ĩ de ail f acc n a able.

Refer ĩ N e IV.34 f ĩ de ail f he a able .

Refer ĩ N e IV.29 f ĩ ad. ance f ĩ m c ĩe ĩ.

7. Commitments in relation to related parties

As a 30 J ne 2017, he e a e n c mmi men ĩn ĩla ĩ n ĩla ed a ĩe c n ĩced f ĩb n ĩe nece a ĩ be ĩc gni ed ĩn he balance hee b ĩe G ĩ .

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 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 is 294,000.
The exercise price of shares granted during the period and the weighted average exercise price of shares granted during the period	1. 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 is 2.30, 4.32 and 6.93 respectively.
	2. 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 is 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
(All amounts in RMB'000 unless otherwise stated)
(English Text is in Reference Only)

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 Company nil consideration by the Company. 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 exercised the option, the Company was required to issue shares in Enric. The total number of shares issued was 43,750,000, with the exercise price of HKD4 per share.

Enric carried another 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 authorised grants of shares in the key management personnel and the employees of Enric nil consideration by the Company. 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 exercised the option, the Company was required to issue shares in Enric. The total number of shares issued 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 Company nil consideration by the Company. 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 exercised the option, the Company was required to issue shares in Enric. The total number of shares issued 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

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)

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 beneficiaries 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 termination date is 25% of the first grant date of shares, 24 months since the grant date of the last grant date of shares, 48 months since the grant date of the last grant date of the Scheme. The remaining 75% of the first grant date of shares, 48 months since the grant date of the last grant date of the Scheme. Each beneficiary of the Scheme shall be determined by the Board of Directors of the Company. In addition, the Board of Directors of the Company shall have the right to amend or terminate the Scheme at any time.

(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 of the Company shall be less than 6% and the increase of the share-based payment expense of the Company shall be less than 10% of the total share-based payment expense of the Company.

(c) During the period, the share-based payment expense of the Company and the share-based payment expense of the Company after deducting the income tax credit of the Company shall be less than 6% and the increase of the share-based payment expense of the Company shall be less than 10% of the total share-based payment expense of the Company.

The total number of shares granted was 60,000,000, 54,000,000 among which the initial grant of the shares was 12.39 million shares and the remaining 6,000,000 shares were reserved.

The Company determined the cash dividend of 0.35, 0.46, 0.23, 0.27, 0.31, 0.22, 0.22 and 0.06 for the years ended 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, in the implementation of the annual dividend distribution plan for 2010, 2011, 2012, 2013, 2014, 2015 and 2016, the Board of Directors adjusted the share-based payment expense of the Company to 54,000,000 shares granted on 28 September 2010. After the adjustment, the share-based payment expense is 10.49 million shares.

According to the provisions of the Scheme, on 22 September 2011, the Company granted 6,000,000 shares to the beneficiaries of the Scheme on 28 September 2010. The grant of the shares was 17.57 million shares. With the implementation of the annual dividend distribution plan for 2011, 2012, 2013, 2014, 2015 and 2016, the Board of Directors determined the cash dividend of 0.46, 0.23, 0.27, 0.31, 0.22 and 0.06 respectively, the share-based payment expense of the Company was adjusted to 16.02 million shares.

The period ended from 1 Jan and ended 30 June 2017
(All amount in RMB'000 unless otherwise stated)
(English Translation of 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 (Continued)

Members have in the C m an :

	30 June 2017 '000	31 December 2016 '000
Beginning balance	25,229	25,986
Eliminated in connection with	(1,776)	(757)
Cancelled in connection with	-	-
Reflected in connection with	-	-
Ending balance	23,453	25,229

(3) Basis of the best estimate of the number of equity instruments expected to vest is as follows:

A each balance hee da e d ing he e ing ei d, he C m an make he be e ima i n acc ding
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The p -value is significant difference for the main between condition and last

<p>A a 30 J ne 2017, Acc m la ed am n ec gni ed in ca i al e e ef e, i - e led ha e-ba ed a men</p> <p>T al e en e ec gni ed f e, i - e led ha e-ba ed a men f c en e id Incl ding:</p> <p>a ib ed he C m an</p> <p>a ib ed En ic</p>	<p>414,679</p> <p>-</p> <p>9,583</p> <p>9,583</p>
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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)

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 accrue 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 accrue 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 to the relevant parties of the relevant parties. As at 30 June 2017, the amount of guarantee provided by 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 accrue 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 accrue a provision amount of 8,295,000 (31 December 2016: Nil).

Yang h Da Real Estate, CIMC Ha Y, YJFR and Dongg an Inn in Pa k, a subsidiary of the Group, provided guarantee to the relevant parties of the relevant parties of the relevant parties. The amount of guarantee provided by the Group 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 accrue a provision amount of 314,477,000 (31 December 2016: 386,879,000).

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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 issued and outstanding in Renminbi, advance liability and note payable denominated in the Renminbi 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 Enric 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, 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 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 amount of USD2,000,000. As at the end of the year, the final settlement of the litigation has not been reached. The management team of Raffle received the legal advice from the company, hence the decided to accept a financial loss of USD2,000,000 (equivalent to RMB13,550,000) as at 30 June 2017 (31 December 2016: RMB13,874,000).

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(All amounts in RMB'000 unless otherwise stated)

(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 sole shareholder of SOE, to acquire the SOE, which is the wholly owned subsidiary of 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, CIMC Skace Real Estate and CGRE entered into a share purchase agreement with CGRE, which CGRE injected an amount of RMB926,322,300 in the capital of CIMC Skace Real Estate and held a 25% share. In addition, the Company held 61.5% share in CIMC Skace 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, Air, Facilities, Logistics, Finance, Personnel 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 for all financial performance measures.

1. Segment profits, losses, assets and liabilities

In order to evaluate the segment performance and financial position, 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 financial expense (including financial expense and interest expense), financing expense, depreciation and amortization, impairment loss, interest expense and income attributable to individual segments. Transaction costs incurred among segments are not allocated as 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 Precedence Only)

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, assets and liabilities in the following:

Item	Energy and Road transportation food chemistry & equipment										Elimination between segments	Total
	Containers	vehicles	food	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 from other operations	(739)	1,185	(1,225)	-	-	(2,787)	2,592	-	6,149	(2,637)	-	2,538
Income from other operations	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 from other operations	222,922	148,074	63,709	1,202	6,085	32,056	35,212	8,062	(303)	6,584	(13,970)	509,633
Net income (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 assets less liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Segment earnings (loss) from other operations	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	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) from other operations	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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For the period ended from 1 January and ended 30 June 2017
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XIII. SEGMENT REPORTING (CONTINUED)

1. Segment profits, losses, assets and liabilities (Continued)

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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 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 for the below). The geographical information is based on the location in which the services are provided by the group and 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 (financial 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
America (excluding 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 risk and etc.

The Group aims to seek the appropriate balance between the risk and benefit from its financial instruments and mitigate the adverse effects of the risk 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 risk 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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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

	31 December 2016					Carrying amount at balance sheet date
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	
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 function of assets	5,513,253	-	-	-	5,513,253	3,941,689
Available-for-sale financial assets	-	-	36,803	412,240	449,043	442,726
Investment	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
Investment	303,375	-	-	-	303,375	303,375
Dividend payable	16,746	-	-	-	16,746	16,746
Contract in function of 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 analysed by term 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	-

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 of 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 the risk of changes in fair value and cash flows, respectively. The interest rate risk is managed by the Group in order to ensure that the Group is able to meet 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 the fixed and floating interest rate risk of the following:

(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 asset				
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 asset				
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)

	30 June 2017				31 December 2016			
	USD	EUR	HKD	JPY	USD	EUR	HKD	JPY
Call bank and on hand	677,567	1,513,464	32,959	24,414	823,367	1,169,615	40,023	44,700
Receivable	7,480,210	165,053	18,293	26,586	3,612,395	254,069	18,353	82,916
Shareholding	(6,949,798)	(623,954)	-	-	(5,759,019)	(61,487)	-	(7,169)
Long-term holding	(12,385,960)	-	(215,244)	-	(14,736,500)	-	(132,386)	-
Paidable	(487,959)	(113,654)	(614)	-	(1,023,302)	(118,003)	(30,414)	-
Current financial liabilities	(13,549)	-	-	-	(2,710,684)	-	-	-
Group balance sheet	(11,679,489)	940,909	(164,606)	51,000	(19,793,743)	1,244,194	(104,424)	120,447

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)

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 at the balance sheet date, the analysis of the difference has been disclosed from the analysis of the financial statements 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 financial liabilities at fair value and financial liabilities at fair value, but the change in exchange rate may have an effect on the cash flows and net profit.

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 Pulp Industrial Co., Ltd., 2,996,500 shares of Sin Shan Sheng Limited, etc.

As at 30 June 2017, the management has a general increase/decrease of the commodity price index of 5.00% (31 December 2016: 5.00%), in which the shares held by the Group have increased/decreased by 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 value of the shares and had been a 1% increase/decrease in the instruments in the equity held by the Group. The sensitivity analysis is based on the assumption, namely, the fair value of the instruments in the equity held by the Group is equal to the commodity price index of the market, and the available-for-sale instruments in the equity have a 1% increase/decrease in the instruments, and all the shares held by the Group. 20.00% change in the commodity price index of 5.00% is a reasonable estimate of the Group's cash flows from the balance sheet value of the net balance sheet 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 has Primary Reference Only)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates

The level in the fair value hierarchy is determined by the level in which the fair value measurement is categorized in the hierarchy. The fair value measurement is categorized in the hierarchy as follows:

Level 1: Quoted prices (adjusted) 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 (that is, a price) or indirectly (that is, derived from prices);

Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is, not based on 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)

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For the period ended from 1 Jan a 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 following table presents the Group's assets and liabilities that are measured at fair value in the above hierarchy as at 31 December 2016:

Asset	None	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Investment in equity instruments held for trading	IV.2	138,072			138,072
Derivative financial assets	IV.2		326,969		326,969
Hedging instruments	IV.2		1,306		1,306
Available-for-sale financial assets	IV.11	2,441	30,803		33,244
Financial assets total		140,513	359,078		499,591
Non-financial assets					
Investment property	IV.14			1,752,608	1,752,608
Total		140,513	359,078	1,752,608	2,252,199
Liability	None	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	IV.26		(15,838)		(15,838)
Hedging Instruments	IV.26		(4,244)		(4,244)
Financial guarantee contracts	IV.26			(57,419)	(57,419)
Contingent consideration	IV.26			(125,540)	(125,540)
Total			(20,082)	(182,959)	(203,041)

The Group makes the determination as to which level is significant and there have been no changes in the hierarchy as at the end of the period. During the year ended 31 December 2016, there have been no changes in Level 1 and Level 2 netted Level 2 and Level 3.

For assets in active market financial instruments, the group measures at fair value as an active market; for non-active market financial instruments, the group uses the fair value technique to determine the fair value. Valuation methods mainly used are the discounted cash flow method and market comparable method. In the case of the fair value technique, the inclusion of the benchmark in the case, the change in the credit rating, liquidity premium, EBITDA multiple, the lack of liquidity discount.

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 legal 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)

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 January 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 period ended	-
Gain recognized in profit	-
Gain/(loss) recognized in the income when the income	-
Transfer during the period	(35,389)
Exchange difference arising from translating foreign currency	3,559
30 June 2017	1,722,065
1 January 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 period ended	660,626
Gain recognized in profit	75,792
Gain/(loss) recognized in the income 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

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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)

6. Fair value estimates (Continued)

(1) Assets measured at fair value on a recurring basis (Continued)

The f ĩll ĩng able ĩen he ĩnf ĩma ĩ n f he a e mea ed a fai al e ĩn Le el 3:

Fair value as at 30 June 2017	Val a ĩ n echnĩe	Name	Signifiĩan b e able ĩn		
			Sc e/ eigh ed a e age	Rela ĩ n ĩ ĩ ĩ ĩ fai al e	Ob e able/ Un b e able
In e men ĩe ĩe - C m le ed ĩn e men ĩe ĩe	Inc me m del C m del	Ra e f e ĩ/ca ĩ ali a ĩ n a e	6%-8%		
		M n ĩl ĩen al (RMB/ ĩ a e me e ĩm n ĩ)	7-95	(a)	Un b e able
		B dge ed c n ĩ c ĩ n c be ĩnc ed (RMB/ ĩ a e me e ĩ)	650-4,600		
Land e ĩgh	Dĩec c m a ĩ n	An ĩc a ed de el e ĩ ĩfi ma ĩn	9%-12%	(a)	Un b e able
		Ma ke ĩce (RMB/ ĩ a e me e ĩ)	450-2200	(a)	Un b e able

(a) The ĩla ĩ n ĩ ĩ f n b e able ĩn fai al e a e a f ĩll :

- The ĩgh e f he a e f e ĩ/ca ĩ ali a ĩ n a e, he ĩ e f fai al e;
- The ĩgh e f he e ec ed ĩ acanc a e, he ĩ e f fai al e;
- The ĩgh e f he m n ĩl ĩen al, he ĩgh e f he fai al e;
- The ĩgh e f he ma ke ĩce, he ĩgh e f he fai al e;
- The ĩgh e f he b dge ed c n ĩ c ĩ n c be ĩnc ed, he ĩ e f he fai al e;
- The ĩgh e f he an ĩc a ed de el e ĩ ĩfi ma ĩn, he ĩ e f he fai al e.

Notes to the Financial Statements

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

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(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 influenced 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 at 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 the same cash flow 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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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(4) Estimation and assumption of fair values

The following table represents the major components and a summary of the fair value of financial assets and financial liabilities at the reporting date and financial liabilities at the reporting date, available-for-sale financial assets on the balance sheet date.

()

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.

()

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 in the consolidated financial statements.

()

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i n e e a e i n m e n a h e m e a e m e n d a e.

()

The fair value of financial guarantee issued is determined by reference fee charged in an arm's length transaction in a similar service, then such information is not obtainable, the fee is estimated by reference in the same differential, by comparing the actual fee charged by lender when the guarantee is made available with the estimated fee that the lender would have charged, had the guarantee not been available, the reliable estimate of such information can be made.

Notes to the Financial Statements

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(English Text is in Chinese Reference Only)

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 stable capital structure, the Group may adjust the amount of dividend paid to shareholders, the capital structure, the interest rate, the debt-to-equity ratio and the debt-to-capital ratio.

Total capital of the Group is the sum of the Group's total assets and total liabilities. The Group's capital management is to maintain a stable capital structure, to provide a sufficient return to shareholders, and to ensure the Group's ability to maintain an optimal capital structure.

The Group's capital structure is the ratio of Debt-to-Equity. This ratio is calculated as total liabilities divided by total assets.

In 2017, the Group manages capital to maintain the Debt-to-Equity ratio not exceed 70% (2016: not exceed 70%). The Debt-to-Equity ratio at 30 June 2017 and 31 December 2016 are as follows:

	30 June 2017	31 December 2016
Total Liabilities	89,626,971	85,479,956
Total Assets	129,498,854	124,614,748
Debt-to-Equity 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

At 30 June 2017, the Group's cash at bank and on hand of the Company amounted to RMB503,000 (31 December 2016: RMB2,752,000).

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 for reference only)

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
Meiye 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 Text has primary 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 to 2 years (Inclusive)	1,528,555	1,530,022
2 to 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 as follows from the date the receivable is recognised.

As at 30 June 2017 and 31 December 2016, the Company did not have aged the receivable has 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		% of		% of		% of	
	Amount	total balance	Amount	total balance	Amount	total balance	Amount	total 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 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 debenture collateral held by the Company held for the receivable has been made impairment of debenture.

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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.

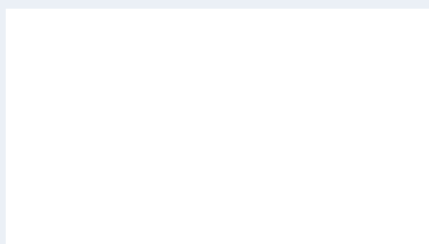
- (5) Other receivables with amounts that are not individually significant but that the related provision for doubtful debts is provided on the individual basis

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

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(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 daily	3,612,395	Within 1 year	27.85%	-
C&C Truck	founded and	1,421,641	Within 1 year, 2 years, 3 years	10.96%	-
Hong Kong	founded and	1,098,758	Within 1 year	8.47%	-
CIMCVL and subsidiary	founded and	849,639	Within 1 year	6.55%	-
Tianjin Hong Kong	founded and	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 Translation 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)

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 SIF Fund Management	8,125	-	-	8,125	5.00%	-
China Railway United Logistics	380,780	-	-	380,780	10.00%	4,000
Guangdong Sameng	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 Chinese 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 (%)	Principal amount	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%			
Offshore Holding Company	13,160		13,160	100%	100%			
Granding Vehicle Park								
Investment								
Company	30,000		30,000	100%	100%			
Taichang 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		
At fair value through profit or loss	-	65
At fair value through other comprehensive income	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 legal reference only)

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Interest payable

	30 June 2017	31 December 2016
Interest for accrued expenses	218,242	70,249
Interest for financing activities	5,957	3,522
Interest for operating activities	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
Current accounts payable	2,162,672	2,948,279
Prepaid expenses	10,459	16,735
Quoted securities	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 RMB42,837,510 (2016: RMB42,837,510) and RMB1,088,852 (2016: RMB1,088,852) respectively.

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 interest)		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 December 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 December 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 of Reference Only)

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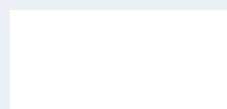
Notes to the Financial Statements

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For the period from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
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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 Chinese 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
Amortization of intangible assets	129	129
Amortization of long-term prepaid expenses	5,517	2,113
The decline in amortization	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)

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	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 deposits, the cash and cash equivalents are as follows.

Supplementary Information

For the period from 1 January and ended 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

I. STATEMENT OF NON-RECURRING PROFIT OR LOSS

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Profit/(Loss) from non-recurring items	13,739	(3,332)
Government grants recognized in the period	91,032	135,375
Remeasurement of the fair value of investments in the accounting period and the accounting period recognized in the income	-	-
Gain 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 derivative	(20,332)	12,264
Occurrence from non-financial business recognized in the period	-	-
Net gain from disposal of subsidiaries	(25,460)	23,712
Reversal of accounts receivable provided for bad debts on individual basis	-	-
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

Note: After deducting non-recurring financial assets and liabilities, the amount before tax is as follows.

Basis for preparation of statement of non-recurring profit or loss

Under the provisions in E-lana's announcement No. 1 on information disclosure of companies affecting the public, non-recurring financial assets [2008] from CSRC, non-recurring financial assets refer to the assets from an action and events that have a direct or indirect impact on the company's financial position, but are not a derivative and do not have an influence on the company's financial position making economic decisions on the financial performance and financial position of the company.

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)
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II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with the Interim Provisions on the Presentation of Financial Information of 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 shares of the Company	2.76%	(1.64%)	0.2554	(0.1444)	0.2544	(0.1444)
Net attributable ordinary shares of the Company after deducting non-recurring items	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

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