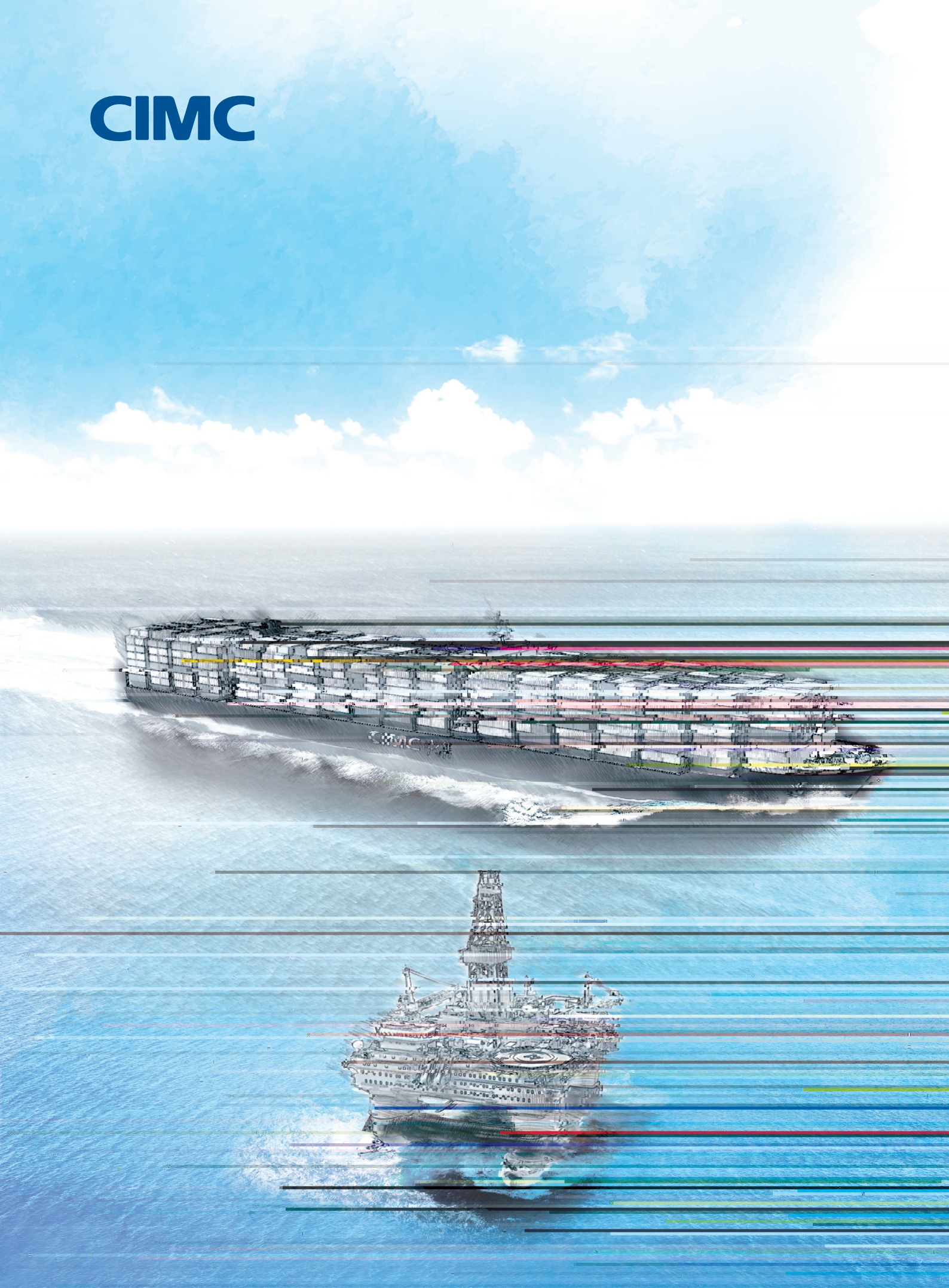
CIMC



IMPORTANT NOTICE

The B , the S C mm n the D , S n n mm ng n , the C m n h the n , the mm ng n l m n the 2017 m mm (h Report), n j n l n ll , lh g n b l , h , , n mm n the n mm h .

The h the n n 11 h ng , the gh h n , the B n 2017 (the Meeting). Mr. W ng Y h ng, Ch rm n, n n the M ng n , n h h Mr. L Ch ng, n D n h h l . All D n the M ng.

The n l n n , the G h the n n h Ch n ng S n , B the E (CASBE). The m n l n n n (the 2017 Interim Financial Report) , the G , the m n h 30 J 2017 n h CASBE n h h n the n .

Mr. W ng H ng, n- h g , the C m n n h m n , the B , Mr. M B l ng, CEO n n , n Mr. Z ng H n, g the l m n g , the n l m n g n n- h g ng , n n the , the ng n (the n n n ll), the b n h , the n mm n the h n the 2017 l m F n l .

At the n n ll ng h h (l ng b) n b n l h h (l ng b) , the C m n h h the n n- ng n the C m n .

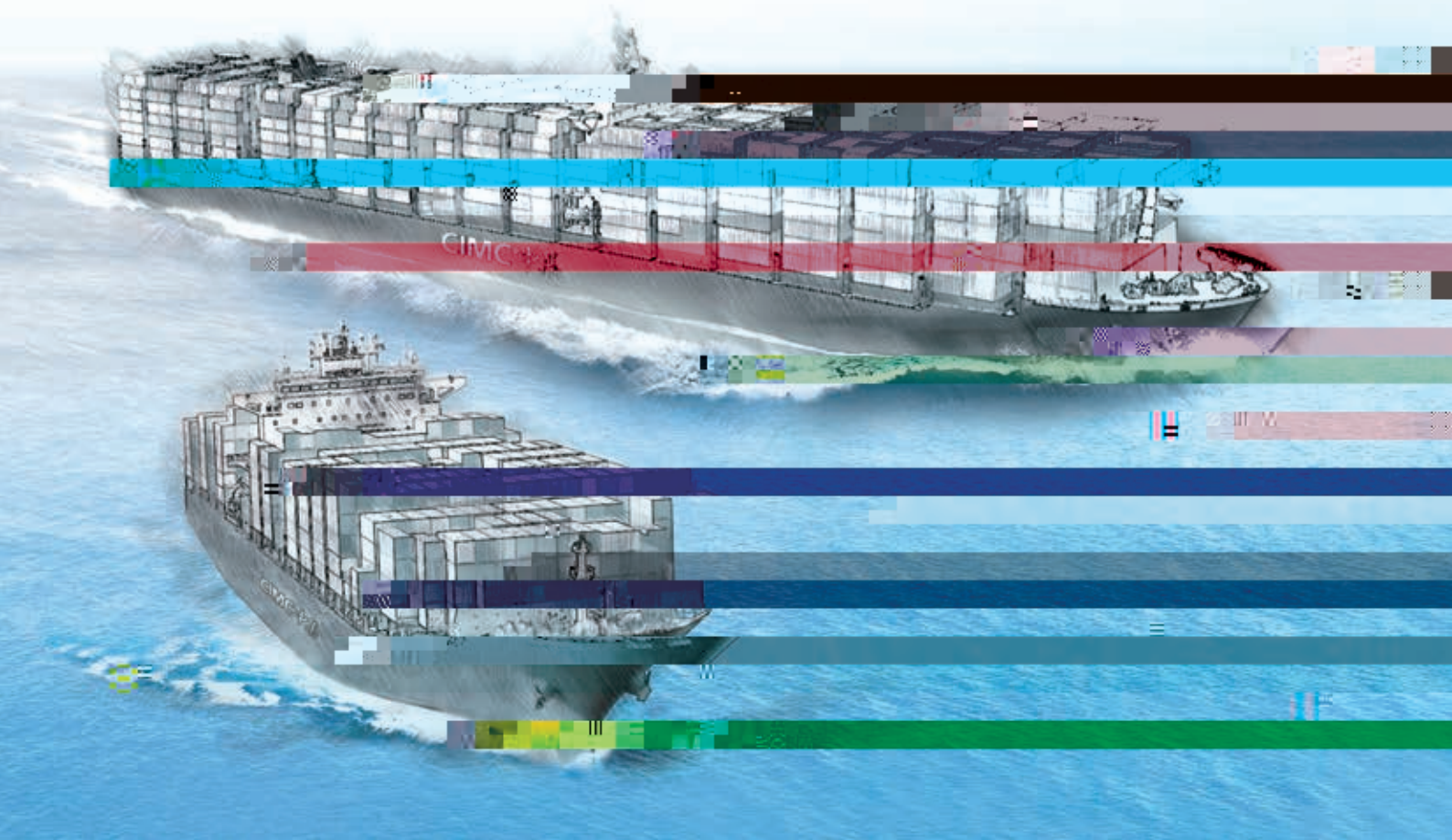
The C m n n n b n h n , b n h h m , n h l , the m n h 30 J 2017 (m n h 30 J 2016: N l).

Th n n n n , -l ng n m n the b , b m n j g n n , n n n l n n l n the n , ng l n b the , the G , h b . , n , n m n the n G n l n h h gh g , n n n . Th , the l m ll , m h , -l ng n n . S h , -l ng n n nl the n the G n , n n g , b the , n n n n n . In h l b h n l n , h n, m n n n n n n n n .

Th h the n n b h Ch n Engl h. In n , n n n b n the n , n Ch n n h ll l.

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02

Defi itio s

F r h r , h h ll ng rm h ll h h nng
bl :

Items	Defi itio s
A Sh ( ) (RMB n rm n Or n Sh ( )	h r n h ( ) b h C m n h n rm nl . , RMB1.00 h, h h l n h Sh n h n S E h ng n r n R nm nb .
A Sh ( ) Sh O n m n S h h	h n n h , Chn Ir rn nl M rh C n hr (Gr) C ., L n n r h r r n g hr l ng h C m n n 17 m b r 2010.
A A , A n	Th A , A n , Chn Ir rn nl M rh C n hr (Gr) C ., L ..
B r	h B r h C m n.
C&C T	C&C T C ., L . (集瑞聯合重工有限公司), m n h r r n h PRC h l l b l n 12 M r h 2009 n n n- h ll - h b r h C m n.
CASBE	n ng S n r B h En r r B S n r n 38 S A n ng S n r b h M n r F n h R h ' R h , Chn n 15 F b r 2006, n h ng h n n r n CASBE n h r l g l n b n l .
CFSE	Chn F S E r r Gr L m , m n l n h m nb r h H ng K ng S E h ng (: 445) n n m n h C m n.
Chn COSCO Sh ng	Chn COSCO Sh ng C r n L m , m n h r r n h PRC h l m l b l n F b r 2016 n h n l ng h h r h C m n h n h R r .
Chn M r h n Gr	Chn M r h n Gr L m , m n h r r n h PRC h l m l b l n 14 O b r 1986 n h n l ng h h r h C m n h n h R r .
CIMC r C m n	Chn Ir rn nl M rh C n hr (Gr) C ., L . (中國國際海運集裝箱(集團)股份有限公司), j n m n h r r n h PRC h l m l b l , h A h h Sh n h n S E h ng n h H Sh h Sh n h H ng K ng S E h ng .
CIMC En	CIMC En H l ng L m (中集安瑞科控股有限公司), m n h r r n h C m n l n h l m l b l n 28 m b r 2004 n l n h m nb r h H ng K ng S E h ng (: 3899) n n n- h ll - h b r h C m n.
CIMC F n C m n	CIMC F n C ., L ., m n h r r n h PRC h l m l b l n 9 F b r 2010 n h ll - h b r h C m n.

"CIMC Enric Holdings Company Limited"	CIMC Enric Holdings Company Limited, 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 Containers (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 Limited Company (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 Company Limited, a company incorporated in the PRC with limited liability on 21 July 2016 and a wholly-owned subsidiary of the Company.
"CIMC Raffles"	CIMC Raffles Offshore (Singapore) Limited, a company incorporated in Singapore with limited liability on 7 March 1994 and a wholly-owned subsidiary of the Company.
"CIMC Sea Rise Energy"	Shenzhen CIMC Sea Rise Energy Development Company Limited, a company incorporated in the PRC with limited liability on 24 November 1998 and a non-wholly-owned subsidiary of the Company.
"CIMC Tank"	Shenzhen CIMC-Tianda Airport Support Company Limited (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 Vehicles (Group)"	CIMC Vehicles (Group) Company Limited (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.
"Code of Corporate Governance"	the Code of Corporate Governance contained in Appendix 14 to the Hong Kong Listing Rules.
"CSRC"	China Securities Regulatory Commission.
"Director(s)"	director(s) of the Company.
"Group"	the Company and its subsidiaries.
"H Share(s)" or "Overseas-listed Foreign Share(s)"	overseas-listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars.
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC.
"Hong Kong Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

04 Definitions

; H ng K ng S E h ng Th S E h ng , H ng K ng L m .

; M l C h M l C , r S r T n n b D r , L l r E n n A n 10 , h H ng K ng L ng R t .

; PRC r; Ch n h P t ' R r , Ch n .

; PR7(223P.824U)7ng S ng R23PR ll r E h ng

Th gl r n n r n n hn h r r n h R r n n h Gr . S r n r n n r n n n r n r n r g.

Items	Definitions
CNG	C r N r l G .
FLNG	Fl ng L N r l G .
FPSO	Fl ng Pr n S r g n O l ng.
FSRU	Fl ng S r g n R g n Un .
HSE	l h, S n En r n n.
GSE	Gr n S r E n r r n n gh . T h r n r r n n l gh , r r h r ng ng n , n l ng b n l n h h , h r n n l g n.
- Dr ll ng Pl r r	A - r ll ng l r r r n. M - r g r n r h r ng ng r r 250 400 . Th l r ll ng n g r ll r n ng r n r , r l n n r r n ng r n l b g n l r r l ng n r n r.
LNG	L N r l G .
LPG	L P r r G .
M l r B l ng	h b l ng r n r n r n. r n n r n r n r r r n h n ll .
ONE M l	O n r En ng, h r n r n g n r r h Gr .
QHSE	A r n g n r r h g n n r l n r g n n n r Q l , l h, S n En r n n l r .
r - b r b Dr ll ng Pl r r	A r - b r b r ll ng l r r r n b l r g; h r r h ll r r h r ng n h l r r r r l r n. Wh n n n h l r h ll r b g n h r. A r - b r b l r r g h r ll r n n r h r r h r ng ng r r 600-3,600 . Th l r r ll r n r n ng r r n ng.
TEU	T n - r r n n, l n n n r n (n r h ng h 20 , h gh 8 n 6 h n h 8 b ng r n r r n r h l r n r.
VOC	V l T 2.824 T r 5 r r n .

Chapter I Corporate Profile

I. COMPANY PROFILE

at g l Chan ar N a :	中國國際海運集裝箱(集團)股份有限公司
Abbr . ar Chan ar N a :	中集集團
Engl h N a :	Chn Iar rn n l M ran C n ar r (Gr) C ., L .
Abbr . ar Engl h N a :	CIMC
at g lar ar n ar :	W ng H ng
A h r ar ar n ar :	M B l ng, Y Y n
ar g ar at A at n A at dd O :	8 h Fl r, CIMC R&D C nt , 2 G ng n A n , Sh , N n h n D ? , Sh n h n, G ng ng, PRC
P l C ar :	518067
C rn n W b ar :	h :// : p : rn
Ern l A at :	h at h ar r@ p : rn
Pr n l P ar , B an n H ng K ng:	3101-2 In n P , 199 D V R C n r l, H ng K ng
Un , rn S l G C ar :	914403006188695O9J

II. CONTACT PERSONS AND MEANS OF COMMUNICATION

ar r ah B r , C rn n ar r :	Y Y n
A n C rn n ar r :	Sh n Y ng
C n A at :	CIMC R&D C nt , 2 G ng n A n , Sh , N n h n D ? , Sh n h n, G ng ng, PRC (P ? ar : 518067)
C n at h an :	(86) 755-2669 1130
P rat :	(86) 755-2682 6579
Ern l A at :	h at h ar r@ p : rn
ar ar n ar ar r A r :	W ng X nj
C n A at :	CIMC R&D C nt , 2 G ng n A n , Sh , N n h n D ? , Sh n h n, G ng ng, PRC (P ? ar : 518067)
C n at h an :	(86) 755-2680 2706
P rat :	(86) 755-2681 3950
Ern l A at :	h at h ar r@ p : rn

III. INFORMATION DISCLOSURE AND LOCATIONS FOR DOCUMENTS FOR INSPECTION

D gn A
In rn nD l :
A h W b n h h
R M A l bl :
C n W b :
P h h R A l bl :

A Sh : Ch n J rn l, T n
Sh ngh A
A Sh : h :// : n n : n
H Sh : h :// .h .h
: P : n
C , 2 G ng n A , Sh , N n h n D , Sh n h n, G ng ng, PRC (P : 518067)

IV. STOCK INFORMATION OF THE COMPANY

S E h ng n h
A Sh L :
Abb S N rn A Sh :
S C :

Sh n h n S E h ng
CIMC
000039

S E h ng n h
H Sh L :
Abb S N rn H Sh :
S C :

H ng K ng S E h ng
CIMC, ZJHD (N)
2039, 299901 (N)

N : B h h bb n n rn n h n nl b h rgn l B Sh h C n n h PRC h C n H Sh C n l n h H ng K ng S E h ng.

Wh h h g , , , b n l C n h ng ng h R ng P ?

☐ A bl N bl

Wh h h n rn n l n n n n h ng ng h R ng P ?

☐ A bl N bl

Wh h h g n h ng ng h R ng P ?

☐ A bl N bl

Wh h h n n rn n h ng ng h R ng P ?

☐ A bl N bl

I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

R j n n n ng

□ N

Un : RMB h n

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 (%)
R n	**33,387,152**	23,542,843	41.81%
O ng	**1,524,203**	(318,988)	577.82%
T l	**1,576,142**	(165,844)	1,050.38%
O ng	**509,633**	375,316	35.79%
N	**1,066,509**	(541,160)	297.08%
N b Sh h n h C n	**796,898**	(378,034)	310.80%
M n /(l)	**269,611**	(163,126)	265.28%
N b Sh h n h C n ng n l	**865,083**	(502,200)	272.26%

Un : RMB h n

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 (%)
T n	**57,457,050**	53,352,031	7.69%
T l n n	**72,041,804**	71,262,717	1.09%
T l	**129,498,854**	124,614,748	3.92%
T n l b l	**53,634,687**	46,249,215	15.97%
T l n n l b l	**35,992,284**	39,230,741	(8.25%)
T l b l	**89,626,971**	85,479,956	4.85%
T l h h	**39,871,883**	39,134,792	1.88%
E b Sh h n h C n	**29,822,813**	29,285,970	1.83%
M n	**10,049,070**	9,848,822	2.03%
Sh l (h)	**2,980,352,786**	2,978,576,986	0.06%

Unit: RMB '000

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	**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 ordinary Shareholders of the Company (RMB/share)	**0.2554**	(0.1444)	276.87%
Diluted earnings per share attributable to ordinary 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 profit or loss (%)	**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 ordinary 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 by dividing total liabilities by total assets.

Cɦapter II Summary of Accouɲtiɲg Data aɲd Fiɲaɲcial Iɲdicators

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

1. Differeɲces iɲ ɲet profits aɲd ɲet assets prepared uɲder Iɲterɲatioɲal Accouɲtiɲg Staɲdards aɲd CASBE

☐ A ﾭ ﾭ , N ﾭ ﾭ

Th ﾭ n ﾭ nﾭ ɾ , n ﾭ ﾭ ﾭ ﾭ n ɾ lﾭ ɾn n l n g S n ɾ n CASBE ɾ ng ﾭ ﾭ ɾ ngﾭ ɾ .

2. Differeɲces iɲ ɲet profits aɲd ɲet assets prepared uɲder foreigɲ accouɲtiɲg staɲdards aɲd CASBE

☐ A ﾭ ﾭ , N ﾭ ﾭ

Th ﾭ n ﾭ nﾭ ɾ , n ﾭ ﾭ ﾭ ﾭ n ɾ ,ﾭ gn n ng n ɾ n CASBE ɾ ng ﾭ ﾭ ɾ ngﾭ ɾ .

3. Reasoɲ for differeɲces iɲ accouɲtiɲg data uɲder domestic aɲd foreigɲ accouɲtiɲg staɲdards

☐ A ﾭ ﾭ , N ﾭ ﾭ

III. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNT

A N

Unit: RMB thousand

	Amount (January – June 2017)

Chapter III Report of the Board

I. BUSINESS SUMMARY

Th Gr r ll ng g n r n r n n r n r g , r l n l , h r ng r ng n n r r l , ll h r n n r , n gn, r n n r

D ng h R ng P , h l
l b , r n r n h ,
Gr h 535,700 TEU (r n 2016:
238,300 TEU), n ng r- n
124.80%; h l l b
n h 35,100 TEU (r n
2016: 22,300 TEU), n ng r- n
57.40%. Th n h b h
Gr n RMB10,049.055
ll n (r n 2016: RMB4,898.618 ll n),
n ng r- n 105.14%;
n h h RMB681.102 ll n (r n 2016: ng l RMB139.632
ll n), g n ng g n ll
r.

In h l, 2017, r n n h n
n h n Gr , n
h n h gh h r .A
h n l r n h ll
r n n n h n ll ng
r n Ch n ll 1 A l 2017, h
n h n l
h r n n n ,
g r -b r n h . Th
Gr h n h r n
l g r -b r n h
n h n ll n . Th Gr
bl h n h r -b r
n h n g r n h . M n h ,
ll h h n ll
ll n l h r . In n, n
h g n n n n ll n
h h n, h Gr g r
n HSE n h n n ll ng
b P ng h R ng P . Th
n n n n l n h h
gh l. Th n n n h
n ngg ng D ngg n C g r n n
l , n r h Ph l
h ll b n r n h
b g nn ng h r .

Road Transportation Vehicle Business

W h l ' l n ng g (全球運營，地方智慧) b h l h ,
CIMC (Gr), b h Gr ,
gl b ll ng n n n
n ng g , ng h gl b l
r n l n , r
l n n r . CIMC
(Gr) h b l h 25 n
n h n l n b n Ch n ,
N h n A , E n n g ng ll n ,
n l n n l l
n ng , 10 n ll h n 1,000
l , n l ng n ll - 2.7( )0.5(r)6El b /

D ng h R ng P , b h b h g h n Ch n E n , h G ' ' n n h b h n 81,468 n (n 2016: 58,231 n), n n ng - n n 39.90%. I n n l ng h h b) RMB9,719.601 ll n (n 2016: RMB7,013.354 ll n), n ng - n n 38.59%, n h n ' l ng h h b) RMB568.016 ll n (n 2016: RMB361.893 ll n), n ng - n n 56.96%.

D ng h R ng P , CIMC h (G n n l ng gl b l n ng n l n h h n n l , n n n l n h n nn n b h n n l g h h l . In h PRC n , CIMC h (G) ll l h n n g h l n h l gh n n n n g n n nl g ng n h n h , h h, h G n h 55% nn l g n n b h . In h n , n l n h , CIMC h (G) l n n g n h N h A n n , n n ng n n .5( )5(n)( ) n.5( )0.5 n g N g A ;549 h b n D n n G T j 0 T J 1 . 0

Chapter III Report of the Board

D ring ... CIMC En ... (1) Th ... n, EPC ... (2) D ring ... CIMC En ... n. S ... LNG ... (3) ... Br gg Gr ... L m ... n Chin ... n Chin ... n A ... H l ... C m ... L m .

A ... 2016 ... 2016 Ann l R ... n 1 J ... 2016, CIMC En ... SOE ... SOE ... SOEG PTE LTD, J ng ... Sh ... Gr ... C ., L ... Gr ... C ., L ., ... SOE ... n. A ...

... CIMC En ... RMB1,214.880 m ll n ... SOE ... 2016, ... 2016, ... RMB1,362.915 m ll n ... CIMC En ... 2016 ... 2016, ... C m ... 2016 ... 2016.

C n ... SOE ... CIMC En ... n 5 J l 2017, CIMC En ... CIMC En ... H l ng (Sh ... n) L ... SOE ... SOE ... 南通太平洋破產清算組) ... SOE ... SOE. On 4 A g 2017, ... SOE ... Pl n ... SOE' ... n Chin ... Chin . SOE ... On 15 A g 2017, SOE ... CIMC En ... n n- h ll - ... Gr . SOE ... 南通中集太平洋海洋工程有限公司 (N n ng CIMC S n P ... O ... & Eng ... ng C ., L .*). F ... C m ... n 6 J l, 4 A g ... n 16 A g 2017. ... SOE , CIMC En ... RMB190.521 m ll n ... 30 J ... 2017. ... CIMC En ... RMB105.549 m ll n ... 2017 ... Gr .

Offshore Engineering Business

CIMC Raffles, being a leading offshore engineering solutions provider in the world, has been dedicated to the research and development, design, manufacturing and sales of various offshore engineering equipment, and has been providing customers with one-stop offshore engineering solutions. Its main products include various types of jack-up drilling platforms, semi-submersible drilling platforms, drillship, FPSO, OSV, and high-end offshore engineering equipment and modules. Its customers are mainly from the world's well-known offshore oil companies.

In the first half of 2017, benefiting from the continuous recovery of the global offshore oil industry, the orders of offshore engineering equipment and solutions increased significantly. In addition, the Company has been actively exploring the market and developing new customers, signing a number of new orders. The new orders mainly included jack-up drilling platforms, semi-submersible drilling platforms, drillships, FPSOs, OSVs and high-end offshore engineering equipment and modules, which will further enhance the Company's market share and competitiveness in the offshore engineering industry.

However, due to the fact that the global offshore oil industry is still in the process of recovery, the Company's offshore engineering business has been affected to a certain extent. During the Reporting Period, the Company's offshore engineering business recorded revenue of RMB1,214.509 million (for the six months ended 30 June 2016: RMB3,703.689 million), representing a decrease of 67.21% as compared to the same period of last year. Gross profit was RMB550.421 million (for the six months ended 30 June 2016: RMB3.988 million).

In addition, CIMC Raffles has also been actively developing the offshore oil and gas production business. During the Reporting Period, CIMC Raffles

In h l, 2017, gl b n m n l. In , b l n , n b l n . In , n n n g n h , h ng l n gn n n , n h n g n n n Ch n l n n g b n n l g gu n.

D ng R ng , G ' l g b n n n n , RMB3,751.202 ll n (n 2016: RMB3,218.617 ll n), ng - n 16.55%, n , RMB57.340 ll n (n 2016: RMB68.434 ll n), ng - n 16.21%. D ng R ng , j n n b n l n M ng l , g n gu n l ng n - n n .

In h l, 2017, l g b n G l h j b l n. (1) Th n b l n g n 13 h F Pl n, n l n/l n , n n , h , l n n , / l n n gl b n n n g n n S A (Th l n n n) n n , l nh n n b ng h n n -h n n n b nng n. (2) Th h ng n l g b l n l n n g n n l g, l g n n l g b . h nh n ng h n n n n gh ng n l g n X n n Sh n n l h ng ng n l ll b n h ng n gh ng. B ng n g h n n b n l n ng Th l n n n n S h A n , n l n n n l n R n M E n n A b ng l n g n l h g n l ng n n n l. (3) Th l- n n b n l n n ng n b n ng n g n n n. CIMC K ng L g

Heavy Truck Business

[illegible]

[illegible]

[illegible]

[illegible]

In the first half of 2017, the global economy continued to recover moderately. China's economy maintained a stable growth momentum, with the GDP growing by 6.9% year-on-year. The State Council and relevant departments continued to implement the supply-side structural reform, and the economic structure was further optimized. Urbanization and consumption upgrade continued to drive the steady growth of the service industry. The overall economic operation was stable with positive trends.

During the Reporting Period, the Group recorded revenue of RMB297.664 million (for the year 2016: RMB315.698 million), representing a decrease of 5.71%, and net profit of RMB65.035 million (for the year 2016: RMB42.775 million), representing an increase of 52.04%, mainly due to the increase in the profit contributed by the investment projects of the Group.

In the first half of 2017, CIMC Safeboat Engineering Co., Ltd. ("CIMC Safeboat") and its subsidiaries, as the Group's platform for the development of the offshore engineering equipment business, continued to expand the market and increase the investment in research and development. In March 2017, CIMC Safeboat and its subsidiary Jiangsu Sheng Rui Wind Power Co., Ltd. ("Sheng Rui Wind Power") entered into a capital increase agreement with Shanghai Zhenhua Heavy Industries Co., Ltd. ("ZPMC"), pursuant to which CIMC Safeboat and Sheng Rui Wind Power agreed to subscribe for the newly issued shares of ZPMC A Shares in the amount of RMB1,000 million and RMB500 million, respectively. Upon the completion of the capital increase, CIMC Safeboat and Sheng Rui Wind Power will hold approximately 2.75% and 1.37% of the total share capital of ZPMC A Shares, respectively.

In th r h l, 2017, th rm r n r n n nt n Ch n th bl n r bl rm n n th nh l r th r. Th r r th n r l Gr gn nl nh . Emb ng th rm r n , CIMC Fn l ng C rm n n n gr n n r n n r rm b n n h, h n h rm , n n n n r n, l g n th r r , r n rm ng r n n rm r th l r b r th lh n n bl gr h. Un r th b th n ng n rm r ng , b ng r n n n rm n ng l gr h, gr ll n th h l, h r h r th r r n n l n n .

In th r h l, 2017, th r n n th n l rm r h ng r n th r. R n n n r l n n l n rm n rm r n n r ng th rm n n r n l n r n gl r n r. Ag n th b r r gh ng n ng r n r ng n gl n, r ng th R r ngP r , b r th r rm n ng n r l rm ng n n r ll ng th n r n r rm n, CIMC Fn C rm n r ng th n r gn n h b th gn n ng l r n n n r l n r. Th l n n n n n l r r r RMB6,200 rm ll n n th r h l, h r r. In r r b l ng n l r r , th Fn C rm n b th th r l n r Shngh C rm P r E h ng rm r r l r. A th n n th , r th r r n r gn n r r r -b r - R nrm nb l l n r r n r b th gn n. B rm ng nn n n th r n n n l r r n l n rm r r b h th l n r n n b th r l n n r l, th CIMC Fn C rm n ll n l th h ng n r r r rm th r r r th Gr , rm rm ng n n n l n r ng th n r ng n n r l n n th b l n n r n n Gr .

Other Businesses

D r ng th R r ng P r , th rm l r b l ng b th r Gr th b l n n r - r rm l r rm n r ng + n + r n gr ng n r n n . A r th n r n l rm , n n n th r r gn n n r n n U.S., h . ng b h gh r n th U.S. rm . W h r th r n n r n n n gn n r th r, b h r r h gh- b l ng n th A r l n rm n th n h l, h r. Th r r n n H rm n b H l n h l ng h n Ab n A r r n B r l A r r n th U.K. rm n ll, n h r th r n l r th rm n th rm l r b l ng r r Gr n th U.K. I h b n th r j r r n th h l rm n th U.K. In th A n rm , th r gn n r rm l h n n . I h b h r ll b n th n h l, h r. A r th n rm , th r l r n gr n rm l r b l ng rm r . M n h t, b h r gh h b n th b l ng r - n ll n r n r n n R&D, n h n rm rm n n r l n n n h gh- b l ng r rm l r b th Gr , n ng th r th r rm n th r r r r rm l r b l ng. Th rm l r b l ng b th h n n th n th rm h rm j r r n n n Sh n h n, J ngh n n th r g n. I r r r n h r n th n h l, h r.

Chapter III Report of the Board

Chapter III Report of the Board

In respect of the road transportation vehicle business, n h l , 2017, l n l Un

In respect of the airport facilities equipment business, n h l, 2017, gl b l gr l n gr h n ll ng n A n . B ng b g b ll n l n A n . F - gh ng n b b l b g b E n n , b ll l l n Ch n . L g n ll gr l l ng h n n l n g g b gr g b h gh ng h . Th l l - n n l b g g b ll b ng l g n b n n .

In respect of the real estate development business, n h l, 2017, h n l n n l n g l n n n Ch n ll g n h ng n Th l n n ll n , n l n n ll n . In l ng n, h ng ll l b b gr n . Th n n l n n ll n n n l n n , h ll n n l n Ch n CIMC S R l E .

In respect of the financial business, n h l, 2017, gl b l n n n n . R h n h n ng b l h b F ll gl b n n n l A b l g l n n l g ng, n n n Ch n ll n n . Th gr h n n n n . Th n ng n Ch n ll n n gr h n n b l n . Th n ng ng n ll n h . Un l g ng, n n b . Th n ng n ng ll .

3. Overall Operation Targets and Initiatives for Main Business Segments

In n h l, 2017, Gr ll n n ng g M n ng + F n n b n n gr ng n n n ng b b n h n , h ng n h n l n h h . Th Gr ll n n gl b l n, n b n , n n l n ng n n h . Inn n ll n n l n n hn l g gr ng b n l n n ng n n h n, h h l ll n l . Th Gr ll l gh b n h ng n n n g ng n n nn n b b n l gr h.

In respect of the container manufacturing business, n h l, 2017, Gr ll nn n n l n ng n n n , n n l . l ll l nh n n b l b l n ng n n h -b n h n ng n n , HSE , ll l n. In n h l, h , D ngg n F ngg ng ll n n n n n n n . F b n n, n n g n n n l b l n l n n l n n n ng n ng n n n l.

In respect of the road transportation vehicle business, [illegible]

In respect of the energy, chemical and liquid food equipment business, [illegible]

In respect of the offshore engineering business, [illegible]

In respect of the logistics services business, [illegible]

In respect of the heavy truck business, [illegible] 2017, C&C T[illegible]

In respect of the airport facilities equipment business, [illegible] 2017, [illegible]

In respect of the real estate development business, [illegible] 2017, [illegible]

In respect of the financial business, [illegible] 2017, CIMC F[illegible] [illegible]

4. Main Risk Factors for Future Development of the Group

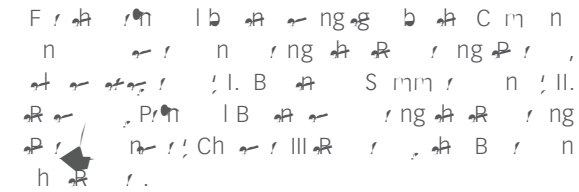
Risk of economic periodic fluctuations and trade protection: [illegible] U.S. [illegible] China [illegible]

Risk of industry policy upgrade: Ch n ' n ı n n h ' n ı l n h g ' n n , Chn n h ' ı , ' n ' ll b ' ı n h n l n ng ' , ' ı h , ' h ' n , ' ı n n g ' n ' . Th n ' l , ' , ' g n ' n l ' n n l n ' . h h h g

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

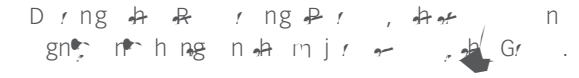
I. BUSINESS OVERVIEW

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



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

1. Significant Changes in the Major Assets

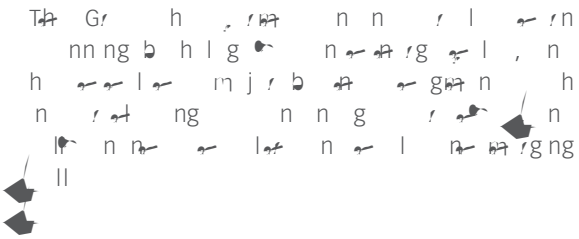


2. Main Overseas Assets

□ A ■ ■ , N ■ ■

(III) Analysis of Core Competitive Advantages

Strategic Positioning of "Manufacture + Service + Finance"





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

II. OPERATION DISCUSSION AND ANALYSIS

(I) Overview

For the Group's overview, please refer to "II. Overview" in "Part III Chairman's Statement" of this Interim Report.

(II) Analysis of Principal Businesses

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

Unit: RMB thousand

	As at the end of the Reporting Period (30 June 2017) (unaudited)	As at the end of the previous year (31 December 2016) (audited)	Change (%)	Reason for change
Derivative financial liabilities	**253,412**	16,746	1,413.27%	Mainly due to the increase in the fair value of the interest rate swap contracts entered into by the Group
Other payables	**2,612,280**	1,687,762	54.78%	Mainly due to the increase in the amount payable to the joint venture partner

	The Reporting Period (January to June 2017) (unaudited)	Same period in 2016 (January to June 2016) (unaudited)	Change (%)	Reason for change
Finance income	**594,251**	304,944	94.87%	Mainly due to the increase in interest income from loans to joint ventures and associates
Share of profits less losses of associates	**234,437**	1,267,501	(81.50%)	Mainly due to the decrease in profits from associates, mainly including the profits from Shenzhen Chiwan Wharf Holdings Limited ("SCWH"), a SOE subsidiary of CIMC Enric, and the decrease in profits from associates
(Loss)/gain on changes in fair value	**(32,626)**	137,104	(123.80%)	Mainly due to the change from gain on changes in fair value of derivative financial instruments in the same period of last year to loss on changes in fair value of derivative financial instruments in the Reporting Period
Income tax expense	**(10,628)**	(87,328)	87.83%	Mainly due to the decrease in taxable income of the Group in the Reporting Period as compared to the same period of last year

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	The Reporting Period (January to June 2017) (unaudited)	S n 2016 (J n J 2016) (n)	Ch ng (%)	R n h ng
C h n f m	**21,903**	241,771	(90.94%)	M nl h n . n n h n l .
C h f m	**142,020**	791,687	(82.06%)	M nl h g n m n h n l .
h f m b	**5,000**	764,577	(99.35%)	M nl h h n R l n M n ng L n B gg G L n h l .
C h n f m	**33,776**	1,542,157	(97.81%)	M nl h n n h n n m n n b h C m n ' b n l ng CIMC (G) n Sh h n CIMC C m n L g hn l g C ., L . n h l .

Th m n h ng n m n n C m n ng h R ng

□ A N

Th n h ng n m n n C m n ng h R ng .

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2. Composition of Principal Businesses during the Reporting Period

Unit: RMB

	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						
[illegible]	10,049,055	8,254,228	17.86%	105.14%	96.75%	3.50%
[illegible]	9,719,601	7,952,957	18.18%	38.59%	39.75%	(0.68%)
[illegible]	5,060,511	4,191,438	17.17%	16.65%	18.76%	(1.47%)
[illegible]	1,214,509	1,347,363	(10.94%)	(67.21%)	(59.41%)	(21.32%)
[illegible]	1,180,919	954,996	19.13%	4.65%	5.78%	(0.86%)
[illegible]	3,751,202	3,371,872	10.11%	16.55%	19.29%	(2.07%)
[illegible]	1,148,040	498,703	56.56%	3.02%	36.13%	(10.57%)
[illegible]	297,664	162,201	45.51%	(5.71%)	3.57%	(4.88%)
[illegible]	1,283,201	1,206,432	5.98%	49.15%	44.01%	3.35%
[illegible]	1,394,177	1,170,585	16.04%	368.91%	429.55%	(9.61%)
[illegible]	(1,711,727)	(1,869,211)		(48.84%)	(35.97%)	
Total	33,387,152	27,241,564	18.41%	41.81%	42.43%	(0.35%)
By region (by receiver)						
China	14,794,349			74.98%		
[illegible]	3,384,378			84.09%		
[illegible]	6,645,230			89.69%		
[illegible]	7,341,001			(11.38%)		
[illegible]	1,222,194			(16.47%)		
Total	33,387,152			41.81%		

CHAPTER IV Operatio∩ Discussio∩ a∩d A∩alysis Prepared i∩ Accorda∩ce wit∩ t∩e Domestic Securities Regulatory Rules

(III) A∩alysis of No∩-Pri∩cipal Busi∩esses

[illegible] A [illegible] [illegible] N [illegible] [illegible]

Un : RMB h n

Item	Amount	Proportion in total profit	Explanation on the formation	Sustainable or not
In- [illegible] n [illegible]	(10,628)	(0.67%)	M nl [illegible] [illegible] n l [illegible] [illegible] l [illegible] ng- [illegible] [illegible] n n [illegible] R [illegible] ng [illegible] .	N
P [illegible] l [illegible] [illegible] [illegible] h ng n [illegible] [illegible]	(32,626)	(2.07%)	M nl [illegible] h ng n [illegible] [illegible] [illegible] [illegible] n [illegible] l n [illegible] n [illegible] R [illegible] ng [illegible] .	N
A- [illegible] [illegible] n l-	234,437	14.87%	M nl [illegible] [illegible] [illegible] [illegible] n [illegible] [illegible] n [illegible] CIMC En [illegible] [illegible] [illegible] [illegible] SOE n [illegible] R [illegible] ng [illegible] .	N
N n- [illegible] ng [illegible]	84,343	5.35%	M nl [illegible] g n [illegible] [illegible] l [illegible] n [illegible] n [illegible] R [illegible] ng [illegible] .	N
N n- [illegible] ng- [illegible]	32,404	2.06%	M nl [illegible] l [illegible] [illegible] l [illegible] n [illegible] n [illegible] R [illegible] ng [illegible] .	N

(IV) Assets a∩d Liabilities

1. Sig∩ifica∩t C∩a∩ges i∩ Assets

Un : RMB h n

Item	As at the end of the Reporting Period Amount	% of total assets	A [illegible] n [illegible] [illegible] [illegible] [illegible]	% [illegible] l [illegible] R [illegible] ng [illegible] (%)	Ch ng [illegible] [illegible] n [illegible] [illegible] [illegible] n [illegible] [illegible] D [illegible] [illegible] n [illegible] [illegible] [illegible] h ng	
C h b n n nh n	5,737,102	4.43%	6,325,998	5.08%	(0.65%)	N [illegible] [illegible] h ng
[illegible] n [illegible] [illegible]	16,371,018	12.64%	11,526,075	9.25%	3.39%	N [illegible] [illegible] h ng
In- n [illegible]	18,336,871	14.16%	17,409,515	13.97%	0.19%	N [illegible] [illegible] h ng
In- [illegible] n [illegible] [illegible]	1,722,065	1.33%	1,752,608	1.41%	(0.08%)	N [illegible] [illegible] h ng
L ng- [illegible] [illegible] n [illegible] n	2,249,428	1.74%	2,162,217	1.74%	0.00%	N [illegible] [illegible] h ng
F [illegible]	21,674,735	16.74%	22,037,261	17.68%	(0.94%)	N [illegible] [illegible] h ng
C n [illegible] n n [illegible] g-	23,804,653	18.38%	22,769,189	18.27%	0.11%	N [illegible] [illegible] h ng
Sh [illegible] [illegible] b [illegible] ng	17,945,748	13.86%	15,729,787	12.62%	1.24%	N [illegible] [illegible] h ng
L ng- [illegible] b [illegible] ng	23,665,089	18.27%	27,023,222	21.69%	(3.42%)	N [illegible] [illegible] h ng

2. Assets and Liabilities Measured at Fair Value

Unit: RMB

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

CHAPTER IV Operatio∩ Discussio∩ a∩d A∩alysis Prepared i∩ Accorda∩ce wit∩ t∩e Domestic Securities Regulatory Rules

(V) A∩alysis of I∩vestme∩ts duri∩g t∩e Reporti∩g Period

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

4. Financial Asset Investments

( )

A N

Unit: RMB h n

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 Sh	6198	Q ng P	128,589	F	133,400	28,637					157,489	Fn n l	
H Sh	368	Sn n Sh H	20,742	F	3,860	1,407					5,123	Fn n l	
O					812	(210)					17,745		

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( ) [illegible]

[illegible] A [illegible] ☐ N [illegible]

Unit: RMB [illegible]

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	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
HSBC, [illegible]	[illegible]	N[illegible]	[illegible]	[illegible]	2015/1/29	2018/4/16	219,820	[illegible]	[illegible]	[illegible]	236,667	0.79%	9,452
[illegible] HSBC [illegible]	[illegible]	N[illegible]	[illegible]	[illegible]	2010/1/20	2021/6/28	10,302,060	[illegible]	[illegible]	[illegible]	9,849,606	33.03%	(74,075)
[illegible]	[illegible]	N[illegible]	[illegible]	[illegible]	2017/6/23	2017/12/20	[illegible]	[illegible]	[illegible]	[illegible]	154,473	0.52%	333
T[illegible]				[illegible]	[illegible]	[illegible]	10,521,880	[illegible]	[illegible]	[illegible]	10,240,746	34.34%	(64,290)

[illegible]	[illegible]
[illegible]	N[illegible]
[illegible]	28 M[illegible] 2017
[illegible]	N[illegible]
[illegible]	A[illegible] 30 J[illegible] 2017, [illegible]
[illegible]	[illegible] 2017, [illegible] RMB(64,290) [illegible]
[illegible]	N[illegible]
[illegible]	[illegible]

CHAPTER IV Operatio∧ Discussio∧ a∧d A∧alysis Prepared i∧ Accorda∧ce wit∧ t∧e Domestic Securities Regulatory Rules

(VI) Disposal of Substa∧tial Assets a∧d Equity I∧terests

1. Disposal of Substa∧tial Assets

□ A ◆ ◆ , N ◆ ◆

2. Disposal of Substa∧tial Equity I∧terests

□ A ◆ ◆ , N ◆ ◆

(VII) A∧alysis of Pri∧cipal Subsidiaries a∧d Associates

, A ◆ ◆ □ N ◆ ◆

Details o∧ acquiri∧g a∧d disposi∧g subsidiaries duri∧g t∧e Reporti∧g Period

□ A ◆ ◆ , N ◆ ◆

D ׳ ng ◆ ◆ ׳ ng ◆ ׳ , ◆ G ׳ n ◆ ׳ ו j ׳ ◆ . F ׳ ◆ l n ◆ ◆ h ◆ g n n ◆ ◆ n l n ◆ ◆ n , ◆ G ׳ ׳ ng ◆ ◆ ׳ ng ◆ ׳ , ◆ ◆ n V ׳ Ch ׳ IX Iא ׳ ו F n ◆ l ◆ ׳ (Un) n h ◆ ׳ .

Details o∧ t∧e pri∧cipal subsidiaries

◆ ◆ ׳ ◆ ◆ n n , ׳ ו ◆ n ◆ n ׳ II. ◆ , P ׳ ◆ l B ◆ ◆ D ׳ ng ◆ ◆ ׳ ng ◆ ׳ n ׳ Ch ׳ III ◆ ׳ , ◆ B ׳ , h ◆ ׳ ׳ ◆ ◆ l , ׳ n , ׳ ◆ l h l ng ◆ , ◆ G ׳ ׳ ng ◆ ◆ ׳ ng ◆ ׳ .

CHAPTER IV Operatio∧ Discussio∧ a∧d A∧alysis Prepared i∧ Accorda∧ce wit∧ t∧e Domestic Securities Regulatory Rules

Subsidiaries or associates co∧tributi∧g to more t∧a∧ 10% of t∧e Compa∧y's ∧et profits

CHAPTER IV Operatiʌn Discussiʌn aʌd Aʌalysis Prepared iʌ Accordaʌce witʌ tʌe Domestic Securities Regulatory Rules

Date of reception	Mode of reception	Type of party received	Brief description on research
24 F br 2017	V l n n Zh ngj g ng	E r	B n n n n l n n r g n l b n
11 A r l 2017	l h	O n D C l	P l b n n, n g n l n n l
28 A r l 2017	h n	CICC n	E h ng n Q l
17 M 2017	l h	E r	P l b n n, n g n l n n l
18 M 2017	V l n n K n h n n Sh ngh	T b n , ICBC S F n , B n Y n C l, TF , Zh ng R h In , Sh ngh n A , E , H nl n In n (瀚倫投資), F , UBS , G J n n, Zh h ng F n , Ch n AMC, T nh ng A M n g n , H ng , H , H Ch ng , BOC In r n n l, W nb r gh C l, CIB F n , CITIC , In l , ABC F n n l S , F ngh A , P ng An , n G F n	B n n n n r l n l g n
23 M 2017	V l n n Sh ngh	M r g n S	B n n n n l n n n b n
7 J n 2017	V l n n K n h n n Sh ngh	HSBC n	B n n n n r l n l g n

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

The following management discussion and analysis is based on the consolidated financial statements prepared in accordance with International Financial Reporting Standards. The following discussion and analysis should be read in conjunction with the financial statements and notes thereto for the year ended 31 December 2017 (the "Financial Statements") and the Group's annual report.

CHANGES IN ACCOUNTING POLICIES FOR THE REPORTING PERIOD

On 28 August 2017, the Company published the 11th meeting of the eighth session of the Board of Directors of the Company on 6 March 2017, the 6th meeting of the eighth session of the Supervisory Committee of the Company on 6 March 2017, the Company's Proposal on Changes in Accounting Policies and Accounting Estimates for the Reporting Period (Announcement No. 16 [2017] No. 15) and the Ministry of Finance of the People's Republic of China ("MOF") issued the Circular on Revising and Issuing the Accounting Standard for Business Enterprises No. 42 — Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations (Cai Kuai [2017] No. 13) and the MOF, pursuant to which, (1) the Company has changed the accounting policies and relevant items in the Accounting Standard for Business Enterprises No. 16 (Cai Kuai [2017] No. 15) and the MOF on 12 July 2017. Government grants related to the Group's daily activities are recorded in other income or offset against relevant costs and expenses according to the substance of economic business. Government grants unrelated to the Group's daily activities are recorded in non-operating income and expenses. The above changes have been applied to government grants newly added or amended from 1 January 2017. As for government grants added from 1 January 2017 to the date of implementation of the Circular, adjustments shall be made in accordance with the Circular. (2) The Company has changed the accounting policies and relevant items in the Accounting Standard for Business Enterprises No. 42 — Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations and the MOF on 28 May 2017. The above changes in accounting policies and relevant items have been approved by the Board of Directors of the Company. For details, please refer to Note II. 33 to Chapter IX 2017 of the Financial Statements (Unaudited) in this report.

CONSOLIDATED OPERATING RESULTS

During the Reporting Period, the Group recorded revenue of RMB33,387.152 million (for the year 2016: RMB23,542.843 million), representing an increase of 41.81%, mainly due to the increase in the Company's revenue from RMB796.898 million (for the year 2016: RMB378.034 million). For details, please refer to Note II. 3 to Chapter IX 2017 of the Financial Statements (Unaudited) in this report.

SEGMENT INFORMATION

For details of the segment information of the Group during the Reporting Period, please refer to Note II. 3 to Chapter IX 2017 of the Financial Statements (Unaudited) in this report.

GROSS PROFIT MARGIN AND PROFITABILITY

During the Reporting Period, the gross profit margin of the Group was 18.41% (for the year 2016: 18.76%), representing a decrease of 0.35%. Among which, the gross profit margin of the Company increased by 2.00%. For details, please refer to Note II. 2 to Chapter IX 2017 of the Financial Statements (Unaudited) in this report. For details of the analysis of the Company's operating income, please refer to Note II. 3 to Chapter IX 2017 of the Financial Statements (Unaudited) in this report. For details of the analysis of the Company's operating costs, please refer to Note IV. 3 to Chapter IX 2017 of the Financial Statements (Unaudited) in this report.

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

NON-OPERATING INCOME

D ring h R ng r , h Gr ' n n- ng h h RMB84.343 ll n (n 2016: RMB167.289 ll n), h h n ng - n 49.58%, h h ll nl b h gn n h g nn n g n l ng n h Gr n h h h n h h n n ng nn n g n n h CASBE ng h R ng r . F l , h h ng (Un) n h R .

TAX EXPENSE

D ring h R ng r , h h n h Gr RMB509.633 ll n (n 2016: RMB375.316 ll n), h h n ng - n h n 35.79%, h h h ll nl h h n n n h g l n l h gn n n h Gr ng h R ng r . F l , h h ng n IV. 62 ' Ch IX 2017 l ll F n l R (Un) n h R .

TECHNOLOGY DEVELOPMENT COSTS

D ring h R ng r , h hn l g l n h Gr RMB288.459 ll n (n 2016: RMB230.097 ll n), h h n ng - n

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

BANK LOANS AND OTHER BORROWINGS

As at 30 June 2017, the Group's bank loans and other borrowings (including current portion of long-term bank loans) amounted to RMB57,072.710 million (31 December 2016: RMB55,932.185 million). Details of the above are set out in Notes IV. 25, IV. 36, IV. 37, IV. 38 and IV. 39 to the Unaudited Financial Statements for the six months ended 30 June 2017.

Unit: RMB'000

	As at 30 June 2017 (unaudited)	As at 31 December 2016 (audited)
Short-term bank loans	**17,945,748**	15,729,787
Notes payable and bonds payable	**4,891,414**	3,525,710
Long-term bank loans	**23,665,089**	27,023,222
Debentures payable	**7,986,500**	7,986,500
Other borrowings (including current portion)	**2,583,959**	1,666,966
Total	**57,072,710**	55,932,185

In the first half of 2017, the Group repaid RMB2,798.256 million (for the year ended 2016: RMB5,324.877 million), representing a decrease of 47.45%. The Group's bank loans and other borrowings mainly consisted of loans denominated in U.S. dollars, Hong Kong dollars and Renminbi. As at 30 June 2017, the Group's bank loans and other borrowings in foreign currencies amounted to RMB11,035.941 million (31 December 2016: RMB8,123.960 million), representing 35.84% of the total amount. The Group's bank loans and other borrowings were mainly used to meet the Group's working capital requirements; long-term bank loans amounted to RMB35,466.310 million (31 December 2016: RMB38,154.759 million), representing 7.05% of the total amount. As at 30 June 2017, the Group's bank loans and other borrowings were mainly denominated in Renminbi. For details, please refer to Notes IV. 38 and XIV. 3 to the Unaudited Financial Statements for the six months ended 30 June 2017.

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

CAPITAL STRUCTURE

Th Gr ' l r n r b bl h h n l bl . A 30 J n 2017, h Gr ' r b bl h h n r RMB39,871.883 n ll n (31 D mb r 2016: RMB39,134.792 n ll n) n gg g , h l l bl n RMB89,626.971 n ll n (31 D mb r 2016: RMB85,479.956 n ll n) n h l n RMB129,498.854 n ll n (31 D mb r 2016: RMB124,614.748 n ll n).Th Gr n nng n r r n b , n r n n r n r l r n r n hn r .

A h n h R ngR r , h Gr ' g r ng r 69.21% (31 D mb r 2016: 68.60%), h h lgh n b 0.61% n h n h n h . (C l n h g ng r : b n h Gr ' l b h n b r l .)

FOREIGN EXCHANGE RISK AND RELEVANT HEDGE

Th j r n h Gr ' b h n U.S. ll r , h n n n RMB. A h h ng r RMB r b n n n l n , n h n n l RMB, h Gr n l gn h ng r r ng r h ng r n n RMB g n h n , h n Gr ' r ngr l n n l n. Th n g n h Gr h l n n r gn h ng r n n r gn h ng r . F r l , h gn h ng h g ng n h l b h Gr r ng h R r ngR r , n r r n IV. 2 n IV. 26 r Ch r IX 2017 l r n F n l R r (Un r) n h R r .

INTEREST RATE RISK

Th Gr r h n r r h ng r r l ng r h r ng b n l n h r b r ng. T n n h n r , h Gr n r n r n n . F r l , n r r n IV. 2 n IV. 26 r Ch r IX 2017 l r n F n l R r (Un r) n h R r .

CREDIT RISK

Th Gr ' r r n l r b bl h b n n n h n , r . bl , r . n l n r n r n r n g ng r r . E h r n b h n n n ng ng b . F r l , n r r n XIV. 1 r Ch r IX 2017 l r n F n l R r (Un r) n h R r .

PLEDGE OF ASSETS

A 30 J n 2017, h r r h Gr ll n RMB8,902.078 n ll n (31 D mb r 2016: RMB9,756.883 n ll n), n ng 8.76% n h n h n h . F r l , n r n IV. 24 r Ch r IX 2017 l r n F n l R r (Un r) n h R r .

CAPITAL COMMITMENTS

A 30 J n 2017, h Gr h n r n RMB494.514 n ll n (31 D mb r 2016: RMB417.786 n ll n), n ng 18.37% n h n h n , h n r nl r n l

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

CONTINGENT LIABILITY

As at 30 June 2017, the Group had contingent liabilities of approximately RMB59.028 million (31 December 2016: RMB83.248 million), mainly arising from 29.09% equity interest in Fujian Futures. For details, please refer to Note X.1 to the Interim Financial Statements for the six months ended 30 June 2017 (Unaudited).

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

During the Reporting Period, the Group did not engage in any significant investments, major acquisitions and disposals relating to subsidiaries and associated companies. For details, please refer to Note VI.1 to the Interim Financial Statements for the six months ended 30 June 2017 (Unaudited).

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND EXPECTED SOURCES OF FUNDING

For the plans for significant investments and capital assets of the Group, please refer to Section III. Management Discussion and Analysis of Business Operations" in Chapter III of this Report. The Company will continuously monitor the Group's investment plans and make adjustments in accordance with changes in the market conditions. The Group will finance its investments mainly by internally generated funds, bank borrowings and proceeds from the Company's initial public offering of H shares.

CAPITAL EXPENDITURE AND FINANCING PLAN

Based on the current development plan of the Company, the Group's capital expenditure for the year 2017 is expected to be approximately RMB7,900 million, mainly for the construction of the Company's new headquarters building, the Guangzhou Branch building, the Shenzhen Branch building and the Group's information technology system. The Company will finance its capital expenditure mainly by internally generated funds, bank borrowings and proceeds from the Company's initial public offering of H shares.

On 31 May 2016, the Company entered into a framework agreement with Changsheng, the Controlling Shareholder, pursuant to which the Company agreed to acquire from Changsheng 100% equity interest in Changsheng Fund for a consideration of RMB6,000 million (the "Non-public Offering A Share"). On 17 January 2017, the Company received a letter from the CSRC approving the Non-public Offering A Share. On 9 January 2017, the Company completed the registration of the Non-public Offering A Share with China Securities Depository and Clearing Corporation Limited Shanghai Branch. On 17 January 2017, the Non-public Offering A Share was listed on the Shanghai Stock Exchange. On 23 January 2017, the Controller completed the registration of the transfer of 100% equity interest in Changsheng Fund with the Beijing Administration for Industry and Commerce. For details, please refer to Chapter VII Changes in Share Capital and Information on Shareholders" of this Report. As at the date of this Report, the Non-public Offering A Share has been completed.

Chapter VI Significant Events

D r ng th R r ng P r , th B r d r ng 8 D r , th l 5 ng , h 1 ng th l n- , 4 ng t th l n h 36 l n t . S , th g l r ng, n th th m ng n n h G b t r n, th C m n 't D r h b gh m j b t m ng n m r th t n n th B r h l n r m B r ng, m t n B r n t m m n th m l n b ll D r .

C r n A.1.1 t h Th b r h l t g l l n b r ng h l b th l t r t m l l . D r ng th R r ng P r , th C m n th l 5 B r ng, h nl 1 ng th l n- . Th D r th C m n m ng n m n th b t n n r h l B r ng h n n m n th G ' m j b t m ng n r t n n . r ngl r n t n n t m b ll D r b l n. Th D r t th n n h, th n l th n m r th b t h r . Th C m n ll r t r g r n r n n .

On 7 A g 2017, Mr. W ng Zh n, n r D r , gh m th n n R M n g n C m n n th R m r n A l C m n th B r r th h ng n j b gn n . F r l , t t r ; ll. Ch ng D r , S r r n S n r M n g n n th C m n n r ; Ch r VIII In, r m n n D r , S r r n S n r M n g n n h R r .

( )

D r ng th R r ng P r , 9 ng t th l b th B r C m n h 19 t r n n r m B r C m n t .

( )

D r ng th R r ng P r , 3 ng th gh h n th S r r C m n, m r ng h S r r , th l h 13 t l n t . Th S r r r n 5 ng th B r n n- ng b . Th S r r X ng B n th 2016 nn l g r l ng, th r 2017 A h t h r l ng n th r 2017 H h t h r l ng.

On 7 A g 2017, Mr. L Sh ng h , S r r gh m th n th S r r t n ng h t h r r th h ng n r ng n . H r, r n th A t , A n, Mr. L Sh ng h n n r m h r S r r b t th S r r b ng r n th n g r l ng th C m n. F r l , t t r ; ll. Ch ng D r , S r r n S n r M n g n n th C m n n r ; Ch r VIII In, r m n n D r , S r r n S n r M n g n n h R r .

( )

On 9 J 2017, th C m n th l th 2016 nn l g r l ng, th F r 2017 A Sh h r ' Cl M ng n th F r 2017 H Sh h r ' Cl M ng. Th n , n ng, h l ng n ng h ng t m r l h th t n t n th PRC C m n L , th A t A n n h H ng K ng L ng R t . Th nn n n th t n Ch n J rn l, Sh ngh N n T n n Cn n, (h :// . nn : n) n 9 J 2017, n n th b , th H ng K ng S E h ng (h :// .h th h) n th C m n (h :// : r m).

The Directors, CEO and President Mr. Ma Bingnan and the Directors Mr. Li Chengyao, Mr. Pan Gaofeng, Mr. Pan Zhanglin and Mr. Wang Kehai Albert and the Supervisors Mr. Wang Heng, Mr. Wang Yihong and Mr. Wang Zhanguo attended the 7th Annual General Meeting on 7 August 2017.

( )

Code Provision A.2.7 stipulates that the Chairman should hold at least annual meetings with the Directors (including the Independent Non-executive Directors) without the presence of other Directors. The Chairman had meetings with Directors, Mr. Ma Bingnan, and the Chairman's absence from meetings of Directors.

Code Provision A.6.7 stipulates that Independent Non-executive Directors and other Non-executive Directors should attend general meetings and have a balanced understanding of the views of shareholders. Code Provision E.1.2 stipulates that the Chairman should attend the annual general meeting. Due to other business engagements, non-executive Directors, including Independent Non-executive Directors, did not attend the 2016 annual general meeting held on 7 August 2017. The non-executive Directors Wang Heng, the Chairman, the Board, Wang Yihong and Wang Zhanguo attended the 7th Annual General Meeting on 7 August 2017, the Chairman, the Remuneration Committee Chairman, the Board, and the Chairman of the Board attended the annual general meeting.

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

The Company has adopted the Model Code as set out in Appendix 10 to the Hong Kong Listing Rules as the code of conduct regarding securities transactions by the Directors and Supervisors of the Company. After specific enquiry of all Directors and Supervisors, all Directors and Supervisors confirmed that they had complied with the Model Code during the Reporting Period.

3. Audit Committee

The Company has established an Audit Committee in accordance with the Hong Kong Listing Rules. The Audit Committee has reviewed the annual results of the Company for the year ended 31 December 2016 (including the audited financial statements prepared in accordance with the International Financial Reporting Standards), Mr. Pan Gaofeng (the Chairman of the Audit Committee), Mr. Pan Zhanglin and Mr. Wang Kehai Albert.

On 27 August 2017, the Audit Committee reviewed the 2017 Interim Financial Report of the Company and the Group for the six months ended 30 June 2017, and submitted to the Board.

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

For details of changes in information of Directors, Supervisors and chief executive of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules, please refer to Chapter IV Changes in Information of Directors, Supervisors and Senior Management and Chapter VIII Information of Directors, Supervisors and Senior Management.

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 nn l r l ng	Ann l r l ng	57.25%	9 J 2017	21 A r l 2017	9 J 2017	: nn : n .h .h
F r 2017 A Sh h r ' l ng	Sh h r l ng	34.61%	9 J 2017	21 A r l 2017	9 J 2017	: nn : n .h .h
F r 2017 H Sh h r ' l ng	Sh h r l ng	73.92%	9 J 2017	21 A r l 2017	9 J 2017	: nn : n .h .h

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

☐ A ☐ N A ☐

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

☐ A ☐ N A ☐

Th C m n r n r b h n , b n h r l b r n r r l h m n h 30 J 2017 (h r 2016: N l).

V. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS

Wh hr r h r rm, n h b r h hb n r n

□Y , N

Th 2017 lr rm F n h lR r h n hb n r .

On 9 J hr 2017, h n r n r hr 2016 Ann l G hr r l M ng, h C rm n r P r r h r C r Zh ng T n LLP h r , h C rm n , r 2017.

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

□A h b , N A h b

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

□A h b , N A h b

VIII. BANKRUPTCY OR REORGANISATION RELATED ISSUES

□A h b , N A h b

Th C rm n h n b n r h r gn n l r ng h R ngP r .

IX. ARBITRATION EVENTS

M r ll g n n rb r r n

□A h b , N A h b

Th C rm n h n m r ll g n n rb r r n ng h R ngP r .

Other litigation

□ Applicable √ Not applicable

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 notes payable due in 2014 not redeemed	337,600	N	In progress	No significant impact			
9 notes payable due in 2015 not redeemed	322,200	N	In progress	No significant impact			

X. PENALTIES AND REMEDIES

□ Applicable √ Not applicable

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

√ Applicable □ Not applicable

During the reporting period, the Company and its controlling shareholders and the de facto controller have not had any failure to perform effective judgments of the court or any relatively large debts due.

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 r bl h n r h n , n r l r h n , n l r h Sh h , h C n n r l , h A Sh ( ) Sh O n n r S h n r n n r g r l ng h C n n 17 S r b r 2010. A r ng h h n , h r r n h r 54,000,000 h n (h F r Tr n h Sh O n) r g n 26 J n r 2011 n h r n r n h r 6,000,000 h n (h n Tr n h Sh O n) r g n 17 N r b r 2011.

A 12 M 2015, n h n r n r l h gh h ng h r n h n B r n 2015, h n h n r bl r r h F r Tr n h Sh O n h n h r n n n r ll r bl r ng r n 2 J n 2015 27 S r b r 2020 h h l r r bl n n ng 39,660,000 n . A 9 O b r 2015, n h n r n r l h gh h ng h r n h n B r n 2015, h n r bl r r h n Tr n h Sh O n h n h r n n n r ll r bl r ng r n 24 O b r 2015 27 S r b r 2020 h h r r bl n n ng 4,132,500 n . A 20 J l 2017, n h n r n r l h gh h ng h r n h n B r n 2017 n h n r n h n l r n r b n l n h C n r 2016 n 20 J l 2017, h j r r bl r n h F r n n Tr n h Sh O n RMB10.49 n RMB16.02, r r l .

D r ng h R r ng r , h r bl r n A Sh ( ) Sh O n n r S h n r n 1,775,800 n , r r n ng 3.03% h l (j r), h , ll ng 1,730,800 n r r bl r r ng h r n r bl r r h F r Tr n h Sh O n , n ll ng 45,000 n r r r bl r r ng h r n r bl r r h n Tr n h Sh O n . Th r h n n A Sh ( ) Sh O n n r S h n h n r l r n h C n ' n l n n n r l r r n r ng h R r ng r n n h r .

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

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

The CIMC Trust (Group) Co., Ltd. Equity Trust Plan (Draft) was considered and approved at the 17th meeting of the second session of the Board of Directors of the Company in 2007, pursuant to which, the Company intended to grant the equity trust scheme of the subsidiary CIMC Trust (Group) to the senior management of CIMC Trust (Group) and CIMC Vehicle (Group) Co., Ltd. and its subsidiaries.

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)
M B l ng	CEO n [illegible] n, [illegible] D[illegible]	0	0	2,850,000
L X[illegible] b n	[illegible] n	0	0	997,000
W F[illegible]	[illegible] n	0	0	750,000
L Y nh	[illegible] n	0	0	750,000
Y Y	[illegible] n	0	0	650,000
Zh ng B ng	[illegible] n	0	0	750,000
G X ng	[illegible] n	0	0	375,000
Y Y n	[illegible] B	0	0	750,000
Z ng H n	G[illegible] l n g [illegible] n [illegible]	0	0	288,750

N[illegible]: On 27 M[illegible]h 2017, [illegible] C n ' n n g n[illegible] n Mr. J n J nl ng[illegible] . A 30 J[illegible] 2017, Mr. J n J nl ng ll h 640,000 [illegible] A h[illegible] n [illegible] C n n 1,400,000 [illegible] n CIMC Er .

XIII. MATERIAL CONNECTED TRANSACTIONS DISCLOSED ACCORDING TO SHENZHEN LISTING RULES

1. Connected Transactions Relating to Daily Operations

A [illegible] □ N A [illegible]

Related party	Relationship with the Group	Type of the connected transaction	Details of the connected transaction	Pricing Principle	Price	Amount (RMB'000)	% of the total amount of a similar transaction	Approved cap (RMB'000)	Whether approved cap has been exceeded

2. Connected Transactions Relating to Assets or Equity Interest Acquisition and Disposal

☐ A ☑ N A

3. Connected Transactions Relating to Joint External Investments

☐ A ☑ N A

4. Claims and Liabilities among the Connected Transactions

☑ A ☐ N A

Wh h h n n- ng l n n l b l ng h n n n n

☐ Y ☑ N

Claims receivable from any related party:

Un : RMB h n

Related party	Relationship with the Group	Reason	Any appropriation of funds for non-operating purposes	Opening balance	Amount increased during the current period	Amount recovered during the current period	Interest rate	Interest for the current period	Closing balance
Zh nj ng CIMC En b ll h Y R l E C ., LTD	A n Gr	O ng b ng Sh h n	N	824,391		320,823		6,690	503,568
Sh ngh ng ng R l E l n C ., L .	A n Gr	O ng b ng Sh h n	N	34,204					34,204
N n ng Al F In L .	A n Gr	O ng b ng Sh h	N	10,629		10,629			
X n ng W H ng K ng C ., L .	A n Gr	O ng b ng Sh h n	N	4,361	7,944				12,305
E l n n ng n N l n l n C n									

Liabilities payable to any related party:

Unit: RMB thousand

Related party	Relationship with the Group	Reason	Opening balance	Amount increased during the current period	Amount repaid during the current period	Interest rate	Interest for the current period	Closing balance
Glencore plc and its subsidiaries	Minority shareholder of subsidiary	Current account with shareholder	46,990		1,419		522	45,571
Shanxi Fenxi Energy Chemical Co., Ltd.	Minority shareholder of subsidiary	Current account with shareholder	56,794		29,579			27,215
Explanation on the settlement of non-operating receivables from and payables to related parties								

5. Other Material Connected Transactions

□ Applicable √ Not applicable

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

□ Applicable √ Not applicable

The Company has no non-operating capital occupied by controlling shareholders and its related parties during the Reporting Period.

XV. MATERIAL CONTRACTS AND THEIR PERFORMANCES

1. Trusteeship, Contracting or Leasing

(1) Trusteeship

□ Applicable √ Not applicable

During the Reporting Period, the Company has no trusteeship matters that need to be disclosed. During the Reporting Period, the Company has no trusteeship matters that need to be disclosed with profit or loss amounting to 10% of the total profit of the Company during the Reporting Period.

(2) Contracting

□A h N A h

D r ng h r r ng r , h n h ng , h C m n gg r ng r , r l h h n r b 10% r m h , h l r , h C m n r ng h r r ng r .

(3) Leasing

□A h N A h

D r ng h r r ng r , h n h ng , h C m n gg r ng r , r l h h n r b 10% r m h , h l r , h C m n r ng h r r ng r .

2. MATERIAL GUARANTEES

A h □N A h

(1) Description of Guarantees

Un : RMB h n

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
C r n r , h CIMC h	28 M h 2017	2,650,000	1 J n r 2017	794,628	W n	1-2 r	N	N
C r n r , C&C T n n r ll ng h	28 M h 2017	1,600,000	1 J n r 2017	314,477	W n	1-2 r	N	N
P h r r m h , CIMC S r l E n n r ll ng h	28 M h 2017	740,000	1 J n r 2017	714,347	W n	1-2 r	N	N
C r , CIMC R	28 M h 2017	382,000	1 J n r 2017	334,250	W n	1-2 r	N	N
T l n l g r h r ng h r ng r (A1)		1,122,000		T l n l g r h r ng h r ng r (A2)				1,048,597
T l n l g r h r h n , h r ng r (A3)		5,372,000		T l b l , n l g r h n , h r ng r (A4)				2,157,702

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
S , CIMC	28 M h 2017	24,172,570	1 J n 2017	5,982,920	W n	1-2	N	N
h l ng , CIMC	28 M h 2017	30,000,000	1 J n 2017	14,460,910	W n	1-2	N	N
T l g (B1)			35,651,530	T l n g (B2)				14,623,210
T l g n (B3)			54,172,570	T l n g n (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
G	28 M h 2017	12,573,650	1 J n 2017	6,254,230	W n	1-2	N	N
T l g (C1)			6,731,980					

(l 1.026 0 T (n<< <FEFF2003>>> BDC -1.026 -1.412 T (h2

(2) Irregular External Guarantees

□ A ● ● , N A ● ●

3. OTHER MATERIAL CONTRACTS

□ A ● ● , N A ● ●

XVI. SOCIAL RESPONSIBILITY

1. Performance of Precise Poverty-alleviation Social Responsibility

□ A ● ● , N A ● ●

D ng h R ng , h C n n ng g n n - n h n ll - l n , n h ll n.

2. Performance of Other Social Responsibilities

Th C n bl h 2016 S l R n bl R n 2016 En n l, S l n G n R n Cn n, b (n n: n), h C n ' b (: : n) n h H ng K ng S E h ng b (h n .h) n 28 M h 2017 n 30 J n 2017 .

3. Material Environmental Protection Events

Wh h h l n n b n h l l n h g bl h b h n n l n h n

, ¥ □ N □ N A ● ●

The basic information of the Group's major subsidiaries and other subsidiaries with significant impact on the overall production and operation and performance of the Company:

Name of subsidiary	Name of major and specific pollutants	Emission method	Number of emission outlets	Distribution of emission outlets	Emission concentration	Pollutant emission standards in effect	Total emission	Approved total emission	Excessive emission
Sinopec CIMC Liquefied Energy Management Co., Ltd.	Sulfur dioxide, nitrogen oxides, VOC	Continuous high-level emission	19	Distributed in the Shengli Oilfield, Henan Oilfield, Jiangsu Oilfield, Southwest Oil & Gas Field, Northwest Oilfield, Dagang Oilfield, Jianghan Oilfield, Zhongyuan Petrochemical, Qilu Petrochemical, Yangzi Petrochemical, Gaoqiao Petrochemical, Shanghai Petrochemical, Jinling Petrochemical, Yanshan Petrochemical, Beijing Yanhua Petrochemical, Tianjin Petrochemical, Sinopec Marketing, Sinopec Lubricant, Sinopec Sales, Sinopec Overseas Oil & Gas, Sinopec Engineering, Sinopec Shanghai Engineering, Sinopec Ningbo Engineering, Sinopec Petroleum Engineering, Sinopec Petroleum Engineering Geophysics, Sinopec Petroleum Engineering Construction, Sinopec Petroleum Engineering Corporation, Sinopec Petroleum Engineering Drilling, Sinopec Petroleum Engineering Logging, Sinopec Petroleum Engineering Geophysical Prospecting, Sinopec Petroleum Engineering Geophysical Exploration, Sinopec Petroleum Engineering Geophysical Development, Sinopec Petroleum Engineering Geophysical Technology, Sinopec Petroleum Engineering Geophysical Research, Sinopec Petroleum Engineering Geophysical Institute, Sinopec Petroleum Engineering Geophysical Academy, Sinopec Petroleum Engineering Geophysical University, Sinopec Petroleum Engineering Geophysical College, Sinopec Petroleum Engineering Geophysical School, Sinopec Petroleum Engineering Geophysical Training Center, Sinopec Petroleum Engineering Geophysical Service Company, Sinopec Petroleum Engineering Geophysical Service Corporation, Sinopec Petroleum Engineering Geophysical Service Co., Ltd., Sinopec Petroleum Engineering Geophysical Service Co., Ltd.	Emission Standard of Pollutants for Petroleum Refining Industry (GB31570-2015), Emission Standard of Volatile Organic Compounds for Petroleum Refining and Petrochemical Industry (DB31/933-2015), Comprehensive Emission Standard of Air Pollutants (GB16297-1996), Emission Standard of Pollutants for Petroleum Refining Industry (GB31570-2015), Emission Standard of Volatile Organic Compounds for Petroleum Refining and Petrochemical Industry (DB31/933-2015), Comprehensive Emission Standard of Air Pollutants (GB16297-1996)			Nil4.173.236 5 (Non-ng PIMC)Shn non-ng PIMC pl n n 18 ESn O, GA MW18. MSn (GB8978-1996) Mn OQ l

N Il4.
(CJ343-2010)Tj0.026 T 1..823 85

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Chapter VI Significant Events

Construction and operation of pollution prevention and control facilities:

Name of subsidiary	Construction and operation of pollution prevention and control facilities
S h n CIMC L g E n M n ng C ., L .	I. E h g ll n l : Th n h 5 h g n n h II n 6 h g n n 3 h g n l n h III. II. Th n h 1 n l n n h n n 450m³/ . All n l h n. III. D h g h n h n ll Sh ng ng g Pl n n.
N n ng CIMC Sh n C n r C ., L . n N n ng CIMC S l T n n E n M n C ., L .	I. E h g ll n l : Th n h g n bl ng. Th n bl ng n n n ng n n n ng n. P n n ng n n l n n gh n l gh l n g n . Th n n g n h b h ng -l n S l T n n E n n n n Sh n n n ng h ng n n b h n + n n + n l - g n n b n n + n n n . Th ng n -l n S l T n n E n n n n n + n n + n l n n b n n n n l n n h n n. II. A n h n n, h g n n l n 600m / n . Th l n l n 300m / . Th g n n h n h n b h l + h h l n n. Th l n n n n h G ll n n n .
Sh ngh CIMC B ll In C . L	I. Th n h 4 h g n n l h n gg g n n 308,000m³/h n . Th g h n n h n hn n b n n + n n n n . II. Th n h 1 n l n n h n 6 / n 140 / n n n ng ng l ng . Th n l n b ng h g l ng l n + l n + UASB + MBR hn n . All n l n n h n n. III. Th n h 1 n b g n l h n n 280 / . Th n g b ng h b h l n n + h h l n n hn n h g n h n l g n n l n n.

Name of subsidiary	Construction and operation of pollution prevention and control facilities
Shanghai CIMC Yangshan Logistics Equipment Co., Ltd.	I. Each general purpose container has a design life of 4 years. Each container has a unique identification number. II. The maximum daily treatment capacity is 100m³/d. The main equipment includes grating, adjustment tank, anoxic tank, aerobic tank, MBR membrane tank, etc. All equipment operates normally. III. Domestic sewage is discharged into the municipal sewage pipeline network after treatment.
Shanghai CIMC Special Vehicle Co., Ltd.	I. The maximum daily treatment capacity is 5 tons. Each container has a unique identification number. II. The maximum daily treatment capacity is 1 ton. Domestic sewage is discharged into the municipal sewage pipeline after treatment.

XVII. EXPLANATION ON OTHER MATERIAL EVENTS

1. On 17 J n 2017, n m r ll b , h C m n b n h CSRC , h n n , n n , h N n- O ng , A Sh . On 9 J 2017, n n n h m n n , h n , n n l nn l g l ng , 2016, h 2017 l ng , A Sh n h 2017 l ng , H Sh , h C m n l , h N n- O ng , A Sh n l h n b h h h l g l ng ll h l , h m n , h B . F n n, m n, n h n nn n 17 J n , 21 A l n 9 J 2017 l n Ch n J n l, Sh ngh , N , T , Cnn, b (nn: n), h C m n ' b (: m: n) (N . N .: CIMC]2017-002, CIMC]2017-024 n CIMC]2017-033) n h b , h H ng K ng S E h g (.h h .h). A h n , h R ng P , h N n- O ng , A Sh ll n .

2. On 7 A l 2017, Ch n M h n P H l ng C m n L , h h l h h C m n, n ll h , h ll - h b S L (n l h l ng h , h C m n h gh h h ll - h b Ch n M h n (CIMC) In 0.8 /

XVIII. MATERIAL EVENTS OF SUBSIDIARIES

□ Applicable √ Not Applicable

XIX. SIGNIFICANT SUBSEQUENT EVENTS

1. On 5 July 2017, EIHL (Shenzhen) ... n SOE ... n SOE B ... n L ... n T ... m (南通太平洋破產清算組) ... SOE ... ng ... n SOE. On 4 A g 2017, ... SOE R ... ng Pl n ... ng ... SOE n ... On 16 A g 2017, SOE ... h ll - ... CIMC En ... n-h ll - ... G ... SOE ... 南通中集太平洋海洋工程有限公司 (N n ng CIMC S ... O ... & Eng ... ng C ., L .). F ... 6 J l , 4 A g n 16 A g 2017 ... n Ch n ... J n l, Sh ngh ... T ... , Cn n, ... (... n), ... C m n ... (... m) (N ... N .: CIMC]2017-036, CIMC]2017-047 n CIMC]2017-054) n ... H ng K ng S ... E ... h ng (... .h ... .h).

2. On 17 J l 2017, CIMC S ... R l E ... n CGRE ... n ... h CGRE ... n m n ... RMB926,322,300 n ... l , CIMC S ... R l E ... n ... 25% ... m ... n ... C m n ... l 61.5% ... n CIMC S ... R l E ... gh CIMC Sh n . F ... 17 J l 2017 ... n Ch n ... J n l, Sh ngh ... T ... , Cn n, ... (... n), ... C m n ... (... m) (N ... N .: CIMC] 2017-040) n ... H ng K ng S ... E ... h ng (... .h ... .h).

3. On 3 A g 2017, Sh ... n S ... n CIMC C n ... M n ... C ., L . (深圳南方中集集裝箱製造有限公司) (S ... n CIMC), ... h ll - ... C m n , n Ch n M ... h n Sh ... In ... l Z ... H l ng C ., L . (招商局蛇口工業區控股股份有限公司) (Ch n M ... h n Sh ...) ... n ... P ... B , Sh ... S ... n CIMC ... P ... B , Sh ... Ch n M ... h n Sh ... n Ch n M ... h n Sh ... RMB494,894,588. ... ng n 2017 , ... C m n ... n 26 S ... m ... 2017 ... F ... 3 A g n 11 A g 2017 n ... ng ... n Ch n ... J n l, Sh ngh ... T ... , Cn n, ... (... n), ... C m n ... (... m) (N ... N .: CIMC] 2017-045 n CIMC] 2017-052) n ... H ng K ng S ... h ng (... .h ... .h).

XX. CORPORATE BONDS

Th C m n h ... n ... h ng , n ... 2017 ... ng ... n ... ll ... .

I. CHANGES IN SHAREHOLDINGS IN THE REPORTING PERIOD

1. Change in Share Capital

Un : Sh

	Pre-movement (As at 31 December 2016)		Increase/decrease (+/–)					Post-movement (As at 30 June 2017)	
	Numbers of shares	Percentage	New issue	Bonus issue	Conversion from reserves	Others	Sub-total	Numbers of shares	Percentage
I. Sh h ll ng n	699,526	0.02%	0	0	0	28,500	28,500	728,026	0.02%
1. S - h	0	0.00%	0	0	0	0	0	0	0.00%
2. Sh h l b -									
n	0	0.00%	0	0	0	0	0	0	0.00%
3. Sh h l b h									
n	699,526	0.02%	0	0	0	28,500	28,500	728,026	0.02%
Sh h l b n g l									
n	0	0.00%	0	0	0	0	0	0	0.00%
Sh h l b n									
n l n	699,526	0.02%	0	0	0	28,500	28,500	728,026	0.02%
4. Sh h l b gn									
n	0	0.00%	0	0	0	0	0	0	0.00%
Sh h l b gn g l									
n	0	0.00%	0	0	0	0	0	0	0.00%
Sh h l b gn n l									
n	0	0.00%	0	0	0	0	0	0	0.00%
II. Sh h ll ng									
n	2,977,877,460	99.98%				0	0.00%	0	0

3. Sh

8((H (Sh .1)18)90))]TJ-0.026 T30204.55 0 T 716,576,609460 0 0

4.00 0.00% 0 0

II.

Chapter VII Changes in Share Capital and Information on Substantial Shareholders

Applicable Not applicable

☐ Applicable √ Not applicable

Transfer of shares

☐ Applicable √ Not applicable

Equity incentive implementation in the reporting period

2. Changes in Shares with Selling Restrictions

A □N A

Un : Sh

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
M B l ng (N 1)	371,026	0	0	371,026	Sh b ll ng n n h n n , h ng n r ng m	N l
Y Y (N 1)	75,000	0	0	75,000	S b	N l
J n J nl ng (N 2)	157,500	0	52,500	210,000	n 27 M h 2017. Sh l b h m h n n h ng h , ll l m h h .	N l
L X n (N 3)	96,000	(24,000)	0	72,000	Sh b ll ng n n ll ng n n h n n , h ng n r ng m	3 J n 2017
T l	699,526	(24,000)	52,500	728,026	-	-

N 1: M B l ng h l 371,026 h b ll ng n r b b . Y Y h l 75,000 h b ll ng n r b b . 25% l h b l b n m ll n b b ll ng n n gnn ng h n l l n l h l b n r m ng n f l h h ll ng n n .

N 2: On 2 M h 2017, C m n r m ng n J nl ng n h r . A n , h , ng , 210,000 A h (n l ng 52,500 l ng h h ll ng n) l b h m ll b ll ng n n h h ng h ll l m nh .

N 3:

III. NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS OF THE COMPANY

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

Unit: Share

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

Name of Shareholders	Nature of Shareholders	Percentage of shareholding	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	Number
HKSCC Nominees Limited (Note 1)	Foreign legal person	57.59%	1,716,412,609	65,099,538		1,716,412,609		0
COSCO Container Lines Limited (Note 2)	Foreign legal person	14.50%	432,171,843			432,171,843		0
China Life Franklin Asset Management Co., Ltd.	State-owned legal person	2.70%	80,414,863	(6,252,204)		80,414,863		0
Guotai Junan Asset Management Limited	State-owned legal person	1.27%	37,993,800			37,993,800		0
ICBC Credit Suisse Asset Management – ICBC Credit Suisse Asset Management Flexible Allocation Product	Domestic non-state-owned legal person	0.32%	9,566,600			9,566,600		0
Zhong Ou Asset – ICBC – Zhong Ou China Fortune Flexible Allocation Product	Domestic non-state-owned legal person	0.32%	9,566,600			9,566,600		0
Bosera Asset – ICBC – Bosera China Fortune Flexible Allocation Product	Domestic non-state-owned legal person	0.32%	9,566,600			9,566,600		0
Dacheng Asset – ICBC – Dacheng China Fortune Flexible Allocation Product	Domestic non-state-owned legal person	0.32%	9,566,600			9,566,600		0
Harvest Asset – ICBC – Harvest China Fortune Flexible Allocation Product	Domestic non-state-owned legal person	0.32%	9,566,600			9,566,600		0
Ynhua Asset – ICBC – Ynhua China Fortune Flexible Allocation Product	Domestic non-state-owned legal person	0.32%	9,566,600			9,566,600		0
The above-mentioned top ten Shareholders' explanation on the connected relationship or concerted action	Unknown							

IV. CHANGE OF CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER

1. Controlling Shareholders of the Company

□ Applicable √ Not applicable

There was no change in the Controlling Shareholder of the Company during the Reporting Period.

2. De Facto Controller

□ Applicable √ Not applicable

There was no change in the de facto controller of the Company during the Reporting Period.

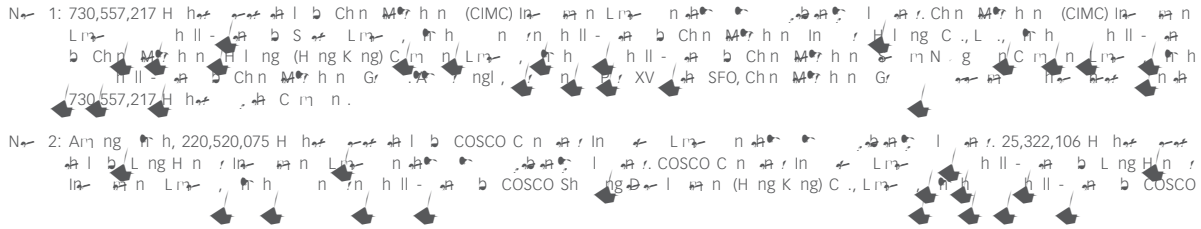
V. DISCLOSURE OF SHAREHOLDINGS OF THE SUBSTANTIAL SHAREHOLDERS UNDER THE SFO OF HONG KONG

As at the Disclosure Date, as at 30 June 2017, the register required to be kept by the Company pursuant to Section 336 of the SFO was:

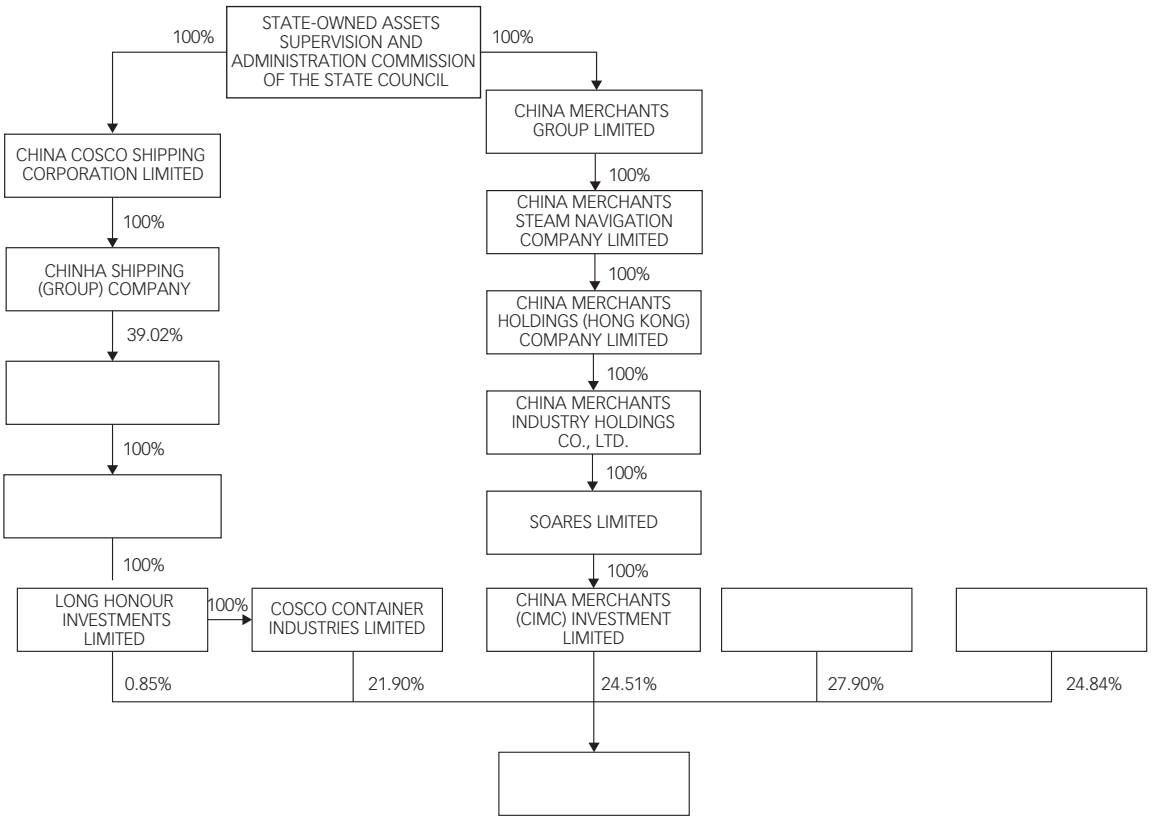
Name of Shareholder	Nature of shares	Number of shares (Shares)	Capacity	Percentage of such shares in the same class of the issued shares (%)	Percentage of such shares in the total issued shares (%)
China Merchants Group (Note 1)	H Share	730,557,217 (L)	Interest of controlled corporation	42.56%	24.51%
China COSCO Shipping (Note 2)	A Share	432,171,843 (L)	Interest of controlled corporation	34.20%	14.50%
	H Share	245,842,181 (L)	Interest of controlled corporation	14.32%	8.25%
Zhao Johnny Huan (Note 3)	H Share	358,251,896 (L)	Interest of controlled corporation	20.87%	12.02%
Brave Rise Limited (Note 3)	H Share	215,203,846 (L)	Beneficial owner	12.54%	7.22%
	H Share	143,048,050 (L)	Person having a security interest in shares	8.33%	4.80%
Prime Holding Limited	H Share	143,048,050 (L)	Beneficial owner	8.33%	4.80%

(L) Long Position

Chapter VII Changes in Share Capital and Information on Substantial Shareholders



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



Chapter VIII Information on Directors, Supervisors and Senior Management

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

, A ♦r bl □N A ♦r bl

Un : Sh-

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 (%)
M B l ng	B n f l n r	A Sh r	494,702	0.04%	0.02%

2. Interest in the Underlying Shares of the Company:

F r l , h r n h r l ng h r , h C m n l b D r , S r r n h b f h r , r h C m n 30 J n 2017, n r r r ; XII. Inf r n n , h C m n' n r S h r , Em l S O f r h S h r O f r Em l n r M r ; Ch r VI Sg n E n n h R r .

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 (%)
M B l ng	CIMC V h l (Gr)	B n f r	N l	0.74% (N)
	CIMC En r	B n f l n r	3,260,000	0.17%

N : Mr. M B l ng n l h l 0.74% r n CIMC V h l (Gr) b h l ng 4.69% h r n h CR Tr CIMC V h l (Gr) E Tr Pl n. F r h r l h CR Tr CIMC V h l (Gr) E Tr Pl n, r r ; (3) Inf r n n h b f CIMC V h l (Gr) ; XII. Inf r n n h C m n' Sh r O n r n S h r , Em l S O f r h S h r O f r Em l n r M r ; Ch r VI Sg n E n n h R r .

S l b , 30 J n 2017, f h D r f h C m n , n h D r , S r r n h b f h r , r l ng h n n h h r , r l ng h n n (hn h n ng P r XV h SFO) h C m n n f r n, h r h b n f h C m n n h H ng K ng S E h ng n r D n 7 n 8 P r XV h SFO, n l ng n h r n h r n h r h r n h SFO, f h r g n h C m n n h H ng K ng S E h ng n r h M l C n n A n 10 h H ng K ng L ng R .

IV. CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

Th n h ng n n r n h n D r n S r r h C m n r ng h R r ngP r . F r l , r r r 2016 Ann l R r .

Chapter IX 2017 Interim Financial Report (Unaudited)

1. AUDIT REPORT

□ Applicable √ Not applicable

The 2017 Interim Financial Report has not been audited.

2. FINANCIAL REPORT

Financial statements prepared in accordance with China Accounting Standards for Business Enterprises (Ver. 2006)

The period from which the financial statements are prepared: from 1 January 2017 to 30 June 2017

The currency unit in the financial statements: RMB'000

C n l B l Sh

A 30 J 2017
(All n n RMB'000 h)
(Engl h Tr n l n Op)

	N	30 June 2017	31 D 2016

Consolidated Balance Sheet (Continued)

As at 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

	Note	30 June 2017	31 December 2016
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowing	IV.25	**17,945,748**	15,729,787
Financial liabilities at fair value through profit or loss	IV.26	**134,772**	141,806
Notes payable	IV.27	**1,253,175**	1,551,582
Accounts payable	IV.28	**11,345,178**	10,160,951
Advances from customers	IV.29	**4,545,835**	3,780,694
Employee benefits payable	IV.30	**2,120,417**	2,115,247

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B l Sh

A 30 J 2017
(All n n RMB'000)
(Engl h Tr n l n , Op)

	N	30 June 2017	31 2016
ASSETS			
Current assets:			
C h n n nh n	XVI.1	**2,300,326**	2,660,222
D n	XVI.2	**4,704,365**	4,755,818
O	XVI.3	**12,968,574**	13,131,416
O n		**7,685**	9,272
Total current assets		**19,980,950**	20,556,728
Non-current assets:			
A l - n l	XVI.4	**388,905**	388,905
L ng	XVI.5	**9,490,535**	9,375,276
F		**101,398**	102,372
C n n		**16,931**	844
In ng		**14,336**	14,466
D l		**207**	
L ng		**35,115**	40,730
D	XVI.14	**49,636**	52,280
Total non-current assets		**10,097,063**	9,974,873
TOTAL ASSETS		**30,078,013**	30,531,601

Balance Sheet (Continued)

As at 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

	Note	30 June 2017	31 December 2016
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	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
Dividends payable		**178,332**	
Other payables	XVI.10	**2,185,522**	2,990,804
Provisions		**–**	79,104
Current portion of non-current 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
Debentures payable	XVI.13	**7,986,500**	7,986,500
Deferred tax liabilities		**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 profits		**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 these financial statements.

Legal representative: Management in charge of accounting: Head of accounting department:

Consolidated Income Statement

F r th r iod from 1 J n r 30 J n 2017
(All mo n n RMB'000 unl ss th r is ot r is indi t d)
(Engl h Tr nsl t n of Ch n s Original)

		Note	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
	Including: Cost of sales	IV.50	**27,241,564**	19,126,496
	Taxes and surcharges	IV.51	**216,183**	194,236
	Selling and distribution expenses	IV.52	**1,256,253**	1,036,129
	General and administrative expenses	IV.53	**2,368,039**	1,982,301
	Finance expenses	IV.54	**594,251**	304,944
	Asset impairment losses	IV.58	**234,437**	1,267,501
	Add: Gains/(losses) arising from changes in fair value	IV.56	**(32,626)**	137,104
	Investment income	IV.57	**(10,628)**	(87,328)
	Including: Share of profits/(losses) 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-operating income	IV.60	**84,343**	167,289
	Including: Profits from non-current asset disposals		**31,127**	6,153
	Less: Non-operating expenses	IV.61	**32,404**	14,145
	Including: Losses from non-current asset disposals		**17,388**	9,485
III.	**Total profit**		**1,576,142**	(165,844)
	Less: Income tax expenses	IV.62	**509,633**	375,316
IV.	**Net profit**		**1,066,509**	(541,160)
	Attributable to shareholders of the Company		**796,898**	(378,034)
	Minority interests		**269,611**	(163,126)
V.	**Other comprehensive income/(losses), net of tax**	IV.47	**99,022**	328,231
	Attributable to shareholders of the Company		**72,424**	274,766
	Items that may be reclassified subsequently to profit or loss		**72,424**	274,766
	Changes in fair value of available-for-sale financial assets		**(241)**	949
	Gains on cash flow hedges		**6,072**	(490)
	Currency translation differences		**66,593**	274,307
	Minority interests		**26,598**	53,465
VI.	**Total comprehensive income**		**1,165,531**	(212,929)
	Attributable to shareholders of the Company		**869,322**	(103,268)
	Minority interests		**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 these financial statements.

Legal representative: Mr. Bing Xiangdong Person in charge of accounting: Mr. Bing Xiangdong Person in charge of accounting department: Mr. Bing Xiangdong

Consolidated Income Statement

For the six months ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Translation for Reference Only)

		Note	For the period from 1 January to 30 June 2017	For the six months ended 30 June 2016
I.	**Revenue**	XVI.17	**96,917**	69,104
	Less: Cost of sales	XVI.17	**1,452**	24,006
	Taxes and surcharges		**–**	3,373
	General and administrative expenses		**129,167**	109,800
	Finance expenses		**296,143**	(99,572)
	Assets impairment losses		**–**	–
	Add: Profit from changes in fair value	XVI.18	**1,623**	1,985
	Investment income	XVI.19	**359,040**	118,963
	Other income	XVI.20	**2,211**	–
II.	**Operating profit**		**33,029**	152,445
	Add: Non-operating income	XVI.21	**21**	1,137
	Including: Gain on disposal of non-current assets		**–**	116
	Less: Non-operating expenses	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 expenses/(credit)	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 these financial statements.

Legal representative: Mo Bing | Person in charge of accounting: Zhang Hong | Person in charge of accounting department: Zhang Hong

C n l C h Fl S n

F r h r 1 J n 30 J 2017
(All n n RMB'000 h r)
(Engl h Tr n l n , r Op)

		N	For the Period from 1 January to 30 June 2017	F r h r 1 J n 30 J 2016
I.	**Cash flows from operating activities:**			
	C h r g n r ng r		**32,885,118**	26,966,364
	R n n h g		**1,044,746**	536,836
	C h l ng h r ng	IV.64(1)	**709,660**	252,053
	Sub-total of cash inflows		**34,639,524**	27,755,253
	C h g n r		**29,731,503**	21,688,702
	C h n h l r		**3,003,021**	2,703,551
	P n n h g		**1,050,104**	1,102,475
	C h l ng h r ng	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:**			
	C h r l n		**600**	115,920
	C h r n n		**21,903**	241,771
	h r l , n ng h n h r l ng r		**37,940**	11,643
	h r l b n h r b n		**–**	7
	Sub-total of cash inflows		**60,443**	369,341
	C h n ng h n h r l ng r		**1,421,152**	4,189,354
	C h n		**142,020**	791,687
	h n b		**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)

Chapter IX 2017 Interim Financial Report (Unaudited)

Chapter IX 2017 Interim Financial Report (Unaudited)

C h Fl S n

F 30 J 2017
(All n n RMB'000)
(Engl h Tr n l Op)

Consolidated Statement of Changes in Shareholders' Equity

From 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

For the Period from 1 January to 30 June 2017

Item	2016

Statement of Changes in Shareholders' Equity

For the period from 1 January to 30 June 2017

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

Item	Note	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	Capital surplus	Surplus reserve	Other comprehensive income	Undistributed profits	Total shareholders' equity
I. Balance at 31 December 2016		2,978,577	2,049,035	3,287,149	3,279,379	43,754	2,380,348								

I. GENERAL INFORMATION

China International Marine Containers (Group) Co., Ltd. ("the Company"), formerly known as China International Marine Containers (Group) Co., Ltd., Shenzhen Special Economic Zone, was established in the People's Republic of China (the "PRC") on 1 December 1980. It was approved by the Shenzhen Municipal People's Government to be converted into a joint stock limited company on 17 June 1992 and was registered with the Shenzhen Administration for Industry and Commerce on 31 December 1993. The Company issued 1,736 ordinary shares of RMB1,000 each in 1992 and 925 ordinary shares of RMB1,000 each in 1994. On 1 December 1995, the Company issued 22 ordinary shares of RMB1,000 each. On 19 December 2012, the Company's H shares were listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at 8th Floor, CIMC R&D Center, 2 Gangwan Avenue, Shekou, Nanhai District, Shenzhen, Guangdong, PRC.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are the manufacture and sale of containers, logistics equipment, road transportation vehicles, energy and chemical industry equipment, airport ground support equipment, offshore engineering equipment, rotational molding products, and the provision of finance leasing, trade finance, factoring, commercial operating lease, insurance brokerage, investment management, asset management, consultancy and guarantee services.

CIMC Enric Holdings Limited ("CIMC Enric"), the subsidiary of the Company incorporated in the Cayman Islands, and its subsidiaries are principally engaged in the manufacture and sale of containers, logistics equipment, road transportation vehicles, energy and chemical industry equipment, airport ground support equipment, offshore engineering equipment, rotational molding products, and the provision of finance leasing, trade finance, factoring, commercial operating lease, insurance brokerage, investment management, asset management, consultancy and guarantee services.

Raffles Global Limited ("Raffles"), the subsidiary of the Company incorporated in the Cayman Islands, and its subsidiaries are principally engaged in the provision of investment management, investment consultancy and investment advisory services.

Notes to the Financial Statements

F [illegible] 1 J n [illegible] 30 J [illegible] 2017
(All [illegible] n RMB'000 [illegible])
(Engl h Tr nl n [illegible] Op)

I. GENERAL INFORMATION (CONTINUED)

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II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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[illegible] j g n [illegible] n ng [illegible] [illegible] G [illegible] l n N II.34.

1. Basis of preparation

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Notes to the Financial Statements

For the year ended 31 December 2017
(All amounts in RMB'000 unless otherwise stated)
(English Translation for Reference Only)

Notes to the Financial Statements

[illegible] 30 June 2017
(All [illegible] RMB'000 [illegible])
(English Translation [illegible])

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

6. Preparation of consolidated financial statements

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

6. Preparation of consolidated financial statements (Continued)

When the Company loses control over a subsidiary, it derecognises the assets and liabilities of the former subsidiary from the consolidated balance sheet, any investment retained in the former subsidiary will be measured at its fair value at the date when control is lost, and any resulting difference is recognised as investment income or loss. When the Company disposes of its investment in a subsidiary, the amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the relevant assets or liabilities were disposed of. For example, if a gain previously recognised in other comprehensive income is reclassified to profit or loss on disposal of the relevant assets or liabilities, the Company reclassifies the gain from equity to profit or loss (as a reclassification adjustment) when it loses control over the subsidiary.

All significant intra-group balances, transactions and unrealised profits arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, except that they are only eliminated to the extent that there is no evidence of impairment.

The portion of equity in a subsidiary not attributable, directly or indirectly, to the Company is presented as non-controlling interests in the consolidated balance sheet within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the net assets of consolidated subsidiaries are separately presented in the consolidated income statement below the net profit and the total income for the year is allocated between non-controlling interests and the owners of the Company.

7. Cash and cash equivalents

Cash and cash equivalents represent cash on hand, deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Fiaancial Statemeants

F r kh r r r rd 1 J n r nr 30 J n 2017
(All rn n RMB'000 t kh r r)
(Engl h Tr nl n r rkr nr Op)

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

8. Foreigan curreancy traansactioans aand traanslatioan of fiaancial statemeants deanomiaated ian foreigan curreancy

Wh n kh Gr kr r r l n gr gh r rd r , kh l r nl gh n kh r kh r h ng r kh r r . Oh r gr gh r n n , n n l gn n, r nl gh n kh r kh r h r rd kh r h ng r kh r r n .

A h ng r h ng r r b kh kt ' B n Ch n . A r h r rd kh r h ng r r r rd n r r rd n r nl h , n rd ll kh r gr h ng r kh r gh r n r r kh r gh r gr h ng r .

M kh r r rd n rd n n gr gh r kh r r nl gh n kh r kh r h ng r kh b l kh kh r . Th r l ng r h ng r r kh r ng r rd kh r n kr r gr gh r b ng r kh r r n n r r n l ng r (N II.16), r gr n r . N n-rd kh r r rd n rd n n gr gh r kh r h r r r nl gh n kh r kh r ng kh gr gr h ng r kh r n r . N n-rd kh r r rd n rd n n gr gh r kh r h r r nl ng kh gr gr h ng r kh r kh r ; kh r l ng r h ng r r r gn n r r l r r r ng r rd kh r nl n l bl -r- r n l r , n h r r gn kh n rd n r . Th r r h ng r h ng n h r r n r r l n kh h l r r n .

Th r n l b l gn r n r nl gh n kh r kh r h ng r kh b l kh kh r . Th r rd r l ng r kh r n ng , r nl gh n kh r kh r h ng r kh r n r . Th n r n r r gn r n r nl gh n kh r kh r h r rd kh r h ng r kh r n r . Th r l ng r nl n r r r gn r n r rd r rd n r . U n l gr gn r n, kh r rd l r rd n kh n r r gn r r h r l h gr gn r n r r l n kh r n h kh l r Th h l r n r nl gh n kh r kh r h ng r n h r r l n kh h l r . Th h ng r h ng n h r r n r r l n kh h l r r n .

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

9. Financial instruments

Financial instruments include cash at bank and on hand, receivables, payables, borrowings and share capital, etc.

(1) Financial Assets

( )

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired.

. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

b. Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

( )

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Available-for-sale financial assets that are equity instruments which do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost.

Notes to the Financial Statements

[illegible] 30 J[illegible] 2017
(All [illegible] RMB'000 [illegible])
(Engl[illegible] On[illegible])

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

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[illegible]

[illegible]

( ) [illegible]

[illegible]

[illegible]

[illegible] 50% (50% [illegible]

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

( )

Notes to the Financial Statements

F r th r 1 Jn r 30 J 2017
(All rn n RMB'000 th rwr)
(Engl h Tr nl n , rRrwr Op)

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

9. Financial instruments (Continued)

(2) Financial liabilities

Fn nl ll bl r l n h ll ng r g n gn n: n ll bl , r h gh r , r l n h r n ll bl .

P bl , n l ng n bl n h r bl r gn n ll , r n b n l bl r ng h r h .

B r ng n r b n r bl r gn n ll , r n , h r n n b n l bl r ng h r h .

Fn nl lg r n r b h Gr r h n h r r bl n b rl r h b r , r l n r h r b r , r l n n r n r h n n l , r r r l n r gn n h r bl n , n h rl n , r n l r r n b r n h r n r ng n (r N II.21).

Oh r , n ll bl h rl r n rl h n h r r l r n l bl . Oh r , n l l bl h rl r r h r r b r h n h r (l) h b l h h r r l r n , h r n l bl . Oh r r l r n l bl .

A , n ll bl gn r r l gn h n h r n bl g n h gg r r l h gg . Th r h n r ng rl n h , n ll bl r h r gn r , h , n ll bl n h r n r gn n r , r l .

(3) Determination of fair value

Th , r , n l n r bl n h r n n r rl r r h n h r rl . Th , r , n l n r bl n h n r n n r rl r r b ng n r r r l n h n h r n l bl n h r n , rl n. V l n h n rl nl n l rl r h n n bl r h. Wh n l ng l n h n , n r b rl r n n h r n n , h r r l bl h rl h r r l b r n l b g n r r h r n bl. Un b r bl n nl b r h n rl bl r rl r bl b n r n bl n .

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

9. Financial instruments (Continued)

(4) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The consideration received from the issuance of equity instruments is recognised net of transaction costs and is recorded in equity.

The Company's equity instruments include ordinary shares and preference shares issued. Where the Company issues financial instruments, the component of the financial instruments that is classified as equity is determined as the residual amount after deducting the fair value of the component that is classified as liability. All transactions related to equity instruments are recognised in equity.

Consideration and transaction costs incurred for repurchase of the Company's equity instruments are deducted from equity.

10. Receivables

Receivables are financial assets with fixed or determinable recoverable amounts that are not quoted in an active market. Receivables are initially measured at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method.

Receivables are derecognised when the rights to receive cash flows from the receivables have expired or the Group has transferred substantially all risks and rewards of ownership of the receivables.

When the Group has transferred its rights to receive cash flows from the receivables and has neither transferred nor retained substantially all risks and rewards of ownership of the receivables and has not retained control of the receivables, the Group recognises the assets and the associated liabilities to the extent of its continuing involvement in the receivables. Continuing involvement that takes the form of a guarantee over the transferred receivables is measured at the lower of the amount of the receivables and the amount of the guarantee.

The Group recognises an allowance for impairment losses on receivables (including long-term receivables) when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Objective evidence of impairment includes observable data that comes to the attention of the Group about the following loss events: significant financial difficulty of the debtor; a breach of contract by the debtor, such as default or delinquency in interest or principal payments; it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and significant changes with an adverse effect in the technological, market, economic or legal environment in which the debtor operates.

If the Group determines that no objective evidence of impairment exists for an individually assessed receivable, whether significant or not, it includes the receivable in a group of receivables with similar credit risk characteristics and collectively assesses them for impairment. Receivables that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Notes to the Financial Statements

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:

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M h [illegible] n [illegible] h [illegible] n [illegible] ll gn [illegible] n n [illegible] n [illegible] n n [illegible] l b .

An [illegible] n l [illegible] l [illegible] h [illegible] ng [illegible] n [illegible] n [illegible] h [illegible] [illegible] h [illegible] l [illegible] l [illegible] h h [illegible] n [illegible] n [illegible]) [illegible] h [illegible] gn [illegible] [illegible] .

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

C [illegible] n [illegible] h [illegible] n [illegible] ll n gn [illegible] n b [illegible] n [illegible] n n [illegible] l b .

W h n [illegible] h [illegible] n [illegible] n [illegible] ll n gn [illegible] n , [illegible] n [illegible] n n [illegible] l b [illegible] h [illegible] n [illegible] h [illegible] .

M h [illegible] n [illegible] h [illegible] n [illegible] ll n gn [illegible] n b [illegible] n [illegible] n n [illegible] l b .

An [illegible] n l [illegible] l [illegible] h [illegible] ng [illegible] n [illegible] n [illegible] h [illegible] [illegible] h [illegible] l [illegible] l [illegible] h h [illegible] n [illegible] n [illegible]) [illegible] h [illegible] gn [illegible] [illegible] .

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:

For receivables that are assessed for impairment on a collective group basis in (1) and (2), appropriate impairment provision is provided for overdue receivables with reference to the following overdue aging analysis.

Determination of the relevant portfolio is made by the Group based on the credit risk characteristics of the receivables, such as

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

10. Receivables (Coatiaued)

(3) Receivables that are assessed for impairmeat oa a collective group basis: (Coatiaued)

F h b g , n g n l :

Ageing	Percentage of total accounts receivable (%) Group 1, 2, 4, 5, 6	Group 3
W h n 1 (n l)	5%	0%-5%
1 2 (n l)	30%	30%
O 2	100%	100%

(4) When the Group traasfers the accouats receivable to the fiaacial iastitutioas withaut recourse, the differeace betweea the proceeds received from the traasactioa aad their carryiag amouats aad the related taxes is recogaised ia profit or loss for the curreat period.

11. Iaveatories

(1) Classificatioa

In n l , n g , n g n bl l . bl l l - n bl , g ng l n l , n l b n n .

(2) Cost of iaveatories

C n l ng g h .

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 stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale and relevant taxes. Please refer to Note II.16). Impairment testing and recognition for inventories.

Any write-down of inventories to net realisable value is charged to profit or loss for the current period.

At the balance sheet date, inventories are measured using the lower of cost and net realisable value. If the net realisable value of inventories is lower than the cost, provision for decline in value of inventories is made for the difference. If the factors previously affecting the write-down of inventories to net realisable value no longer exist, so that the net realisable value of inventories is higher than the carrying amount, the provision for decline in value of inventories is reversed to the extent of the amount of provision for decline in value of inventories previously made. The reversal is limited to the amount of inventories originally provided for write-down.

Any write-down of inventories to net realisable value is charged to profit or loss for the current period.

(4) Inventory system

The Group maintains perpetual inventory system.

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

Reusable material is amortised using the one-off write-off method when issued for use. The amount is charged to profit or loss for the current period.

12. Long-term equity investments

Long-term equity investments in the Company's financial statements are accounted for using the cost method in the Company's financial statements.

Subsidiaries are those entities controlled by the Company. Joint ventures are those entities over which the Group has joint control, established by contractual arrangement with other joint venturers, and requiring unanimous consent for strategic financial and operating decisions. Associates are those entities in which the Group has significant influence.

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

Notes to the Financial Statements

[illegible]
[illegible]
[illegible]

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

12. Long-term equity investments (Continued)

(1) Determination of investment cost

[illegible]

[illegible]

(2) Subsequent measurement

[illegible]

[illegible]

[illegible]

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

Control refers to the power to govern the financial and operating policies of an investee so as to obtain benefits from its operating activities.

Joint control refers to the sharing of control over an arrangement in accordance with the relevant agreement, which exists only when the decisions about the activities that significantly affect the returns of the arrangement require the unanimous consent of the parties sharing control.

Significant influence refers to the power to participate in the financial and operating policy decisions of an investee, but is not control or joint control over the formulation of those policies.

(4) Method of impairment testing and measuring

The accounting treatment for impairment losses of investments in subsidiaries, joint ventures and associates is the same as that for impairment losses of fixed assets.

13. INVESTMENT PROPERTIES

Investment properties are properties held to earn rentals and/or for capital appreciation, including land use rights that have been leased out, land use rights held for transfer after appreciation and buildings that have been leased out. Investment properties are initially measured at cost. Subsequent expenditures incurred relating to an investment property that is already in existence are included in the cost of the investment property when it is probable that economic benefits associated with the investment property will flow to the Group and the cost can be reliably measured; otherwise, such subsequent expenditures are charged to profit or loss when incurred.

The Group adopts the cost model for investment properties. Depreciation or amortization is provided on investment properties using the straight-line method. The estimated useful lives, estimated residual value rates and annual depreciation (amortization) rates are as follows:

When an investment property is transferred to owner-occupied property, the carrying amount of the investment property before the transfer is used as the deemed cost of the owner-occupied property for subsequent accounting. When an owner-occupied property is transferred to an investment property, the difference between the carrying amount of the owner-occupied property and its fair value at the date of transfer is recognized in other comprehensive income. When the investment property is disposed of, the amount previously recognized in other comprehensive income is transferred to retained earnings.

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

14. Fixed assets

(1) Recognition

F [illegible] n [illegible] ng [illegible] [illegible] l [illegible] G [illegible] n [illegible] [illegible] n [illegible] g [illegible] l [illegible] [illegible] , [illegible] n l [illegible] [illegible] n n [illegible] [illegible] h [illegible] l [illegible] [illegible] .

Th [illegible] h [illegible] [illegible] [illegible] [illegible] h [illegible] [illegible] [illegible] n [illegible] , n n [illegible] l [illegible] b [illegible] [illegible] n [illegible] [illegible] br ng ng [illegible] [illegible] [illegible] ng n n [illegible] [illegible] [illegible] . Th [illegible] [illegible] n [illegible] [illegible] [illegible] [illegible] n [illegible] [illegible] h [illegible] [illegible] n N [illegible] II.15.

Wh [illegible] [illegible] n [illegible] [illegible] [illegible] h [illegible] [illegible] n [illegible] l [illegible] [illegible] [illegible] [illegible] [illegible] G [illegible] n [illegible] n [illegible] n h [illegible] ng [illegible] [illegible] n [illegible] [illegible] n [illegible] h [illegible] h [illegible] [illegible] gn [illegible] [illegible] [illegible] [illegible] .

Th [illegible] [illegible] n l ng [illegible] [illegible] ng [illegible] [illegible] n [illegible] [illegible] [illegible] [illegible] gn [illegible] n [illegible] ng [illegible] n [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] gn [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] gn [illegible] . Th [illegible] [illegible] - - [illegible] ng [illegible] [illegible] [illegible] gn [illegible] n [illegible] l [illegible] .

F [illegible] n [illegible] b l [illegible] [illegible] [illegible] [illegible] [illegible] n n [illegible] [illegible] n l [illegible] .

(2) Depreciation

F [illegible] [illegible] [illegible] ng [illegible] gh -l [illegible] h [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] l

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 recognition criteria of fixed assets acquired under finance leases, refer to Note II.27(3).

(5) Disposal

A fixed asset is derecognised when it is in disposal or is expected to generate no economic benefits through use or disposal. The amount of proceeds from disposal, transfer, retirement or damage of fixed assets after deducting their carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

15. Construction in progress

Construction in progress is measured at actual cost. The actual cost includes construction costs, installation costs, borrowing costs to be capitalised (see Note II.16), and other relevant expenses incurred during the period of construction.

An item of construction in progress is transferred to fixed assets when it reaches the intended usable condition. No depreciation is provided for construction in progress. Construction in progress is tested for impairment and provision for impairment is made or reversed on an item or category basis (see Note II.20).

16. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of assets that require a substantial period of time to get ready for their intended use or sale are capitalised as the cost of the assets.

Other borrowing costs are recognised as expenses in the period in which they are incurred.

During the capitalisation period, the amount of interest (including amortisation of discount or premium) for each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition, construction or production of assets that require a substantial period of time to get ready for their intended use or sale, the amount of interest to be capitalised is determined as the actual interest expense incurred during the period less any interest income earned from unused borrowed funds deposited in the bank or investment income on their temporary investment.

- Where funds are borrowed generally and used for the acquisition, construction or production of assets that require a substantial period of time to get ready for their intended use or sale, the amount of interest to be capitalised is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative asset expenditures over the above specific borrowings. The capitalisation rate is the weighted average interest rate applicable to the general borrowings.

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

17.

Notes to the Financial Statements

F [illegible] 30 J 2017
(All [illegible] RMB'000 [illegible])
(English Translation for Reference Only)

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

18. Goodwill

[illegible]

[illegible] (Note II.20). [illegible]

19. Long-term prepaid expenses

[illegible]

[illegible]

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

20. Impairment of long-term assets

[illegible]

[illegible]

[illegible]

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

21. Provisions and contingent liabilities

Provision is recognised when the Group has a present obligation arising from a contingency, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. A present obligation arising from a contingency is recognised when it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is measured at the best estimate of the expenditure required to settle the present obligation, taking into account the risks, uncertainties and the time value of money related to the contingency, as appropriate. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

The Group reviews the carrying amount of provisions at the end of each reporting period. Provisions are adjusted to reflect the current best estimate.

Provision is not recognised for future operating losses.

Contingent liabilities arising from present obligations that cannot be measured reliably or that are not probable to result in outflow of economic benefits are disclosed unless the possibility of outflow of economic benefits is remote. Contingent liabilities arising from possible obligations are disclosed unless the possibility of outflow of economic benefits is remote.

22. Share-based payments

(1) Classification

Share-based payments are classified into equity-settled share-based payments and cash-settled share-based payments.

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

For an equity instrument granted to employees, the Group uses the Black-Scholes-Merton option pricing model to determine the fair value on the grant date. The following factors are considered in the option pricing model: (1) exercise price; (2) duration of the option; (3) current price of the underlying share; (4) expected volatility of the share price; (5) risk-free interest rate; (6) other factors that should be considered when determining the fair value.

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

At each balance sheet date, the number of equity instruments expected to vest is revised according to the latest changes in the number of employees who are granted the right to exercise the equity instruments. On the vesting date, the number of equity instruments that vest is consistent with the number of employees who exercise the right.

Notes to the Financial Statements

For the [illegible] 30 June 2017
(All [illegible] RMB'000 [illegible])
(English [illegible] Only)

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

22. Share-based payments (Continued)

(4) Accounting treatment for share-based payment

( ) [illegible]

[illegible]

( ) [illegible]

[illegible]

23. Revenue recognition

[illegible]

(1) Sale of goods

[illegible]

( ) [illegible]

(b) [illegible]

[illegible]

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

23. Revenue recognition (Continued)

(1) Sale of goods (Continued)

The Group sells goods to customers and recognises revenue when the goods are delivered to the customers' premises and accepted by the customers.

Sales of goods in retail stores are recognised when the customer purchases the goods at the point of sale. A sale is recorded when the customer tenders payment for the goods. A sale is recorded when the customer takes possession of the goods.

The Group sells goods with the right to return within a specified period. The Group recognises a refund liability and an asset for the right to recover the goods from customers on the basis of the historical experience of the amount of returns. The asset is measured by reference to the former carrying amount of the goods less any expected costs to recover the goods, including potential decreases in the value to the Group of returned goods.

(2) Revenue from construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period.

The stage of completion is assessed by reference to surveys of work performed.

When the outcome of a construction contract cannot be estimated reliably:

(a) revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and

(b) contract costs are recognised as an expense in the period in which they are incurred.

Contract costs comprise costs that relate directly to the contract and costs that are attributable to contract activity in general and can be allocated to the contract.

Notes to the Financial Statements

F / aR a / / 1 J n / na 30 J aR 2017
(All n n RMB'000 aR aR / a a)
(Engl h Tr n l n / aRa aR Op)

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

23. Revenue recognition (Continued)

(2) Revenue from construction contracts (Continued)

maa a n r nn ab a gna n a a na aR a ll ng n a / na /n aa ll aa :

( ) Gn n n /n aR maa a n ng aR / ba n a / n;

( ) maa a n r nab a l bl ba aa .

C n r a l a gna aR na n /a n r n a a a n a aa na . P / n h l ab n a a n r a l n h gg n / n l a / aR aa n a / .

(3) Rendering of services

aR na / n aa na / ng a / a ba aa aR / . b a ah n a / n a a a a . bl na / aR n a / gga ba n .

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

24. Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for services rendered by employees or for the termination of employment relationship, including short-term wages, post-employment benefits, termination benefits and other long-term employee benefits. Employee benefits include benefits provided to employees' spouses, children, dependents of deceased employees, as well as benefits provided to other beneficiaries.

(1) Short-term wages

Short-term wages mainly include salaries, bonuses, allowances and subsidies, employee welfare, medical insurance premiums, work injury insurance premiums, maternity insurance premiums, housing provident fund, labor union fees and employee education fees, short-term compensated absences, short-term profit sharing plans, non-monetary benefits and other short-term employee benefits. During the accounting period in which employees render services to the Group, the Group recognizes the actual short-term wages as liabilities, and charges to profit or loss or related asset costs.

(2) Pension benefits

During the reporting period, the Group's employees participate in the basic pension insurance system established by local government authorities according to relevant regulations. The Group makes contributions to the basic pension insurance system at the applicable rates based on the amounts specified by the local government authorities.

The Group's employees participate in the enterprise annuity plan established by the Group in accordance with the relevant policies of the state. The Group makes contributions to the enterprise annuity plan at the applicable rates based on the amounts specified by the plan, and charges to profit or loss or related asset costs when employees render services to the Group.

The Enterprise annuity plan is managed by an independent fund manager appointed by the Group. The fund manager is responsible for establishing investment portfolios and investment strategies for the annuity plan, and supervising the investment operations of the annuity plan.

Notes to the Financial Statements

F ri r 1 J n 30 J 2017
(All n n RMB'000 ri r)
(Engl h Tr n l n , Or)

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

25. Gover ment gra ts

G rnm n gr n r n-m r g rnm n G
n n , ng n n l b .

A g rnm n gr n gn h n n h nh m r h n g rnm n
gr n n r . l g rnm n gr n n r n r n-m r r
h n gr n r n r . F g rnm n gr n n r n n-m r ,
r ; r n l bl r m n ; gr n r n l m n .

G rnm n gr n l n g rnm n b r n g rnm n h r h m n l ng-
r m r h r . G rnm n gr n l n r n h g rnm n gr n
r h n l n .

A g rnm n gr n l n n g b ng gr n n ng ng m n
h n r r l n n , n m r r l n n , m b r r h

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

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

The Group recognises deferred tax assets and deferred tax liabilities arising from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Group recognises deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Such assessment requires the use of judgements and estimates. The Group reviews the carrying amount of deferred tax assets at each balance sheet date and reduces the amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax assets to be utilised. When the Group assesses the probability that sufficient taxable profit will be available, the Group considers factors such as the expectation of future operating performance, the period in which the temporary differences are expected to be reversed and tax planning strategies.

As at 31 December 2017, the Group's deferred tax assets and deferred tax liabilities are as follows:

- Deferred tax assets to be recovered after more than 12 months; and
- Deferred tax liabilities to be settled after more than 12 months;

27. Operating and finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an asset. Assets leased out under operating leases are included in investment properties.

(1) Assets acquired under operating leases

Rental income from operating leases is recognised on a straight-line basis over the lease terms.

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

27. Operating and finance leases (Continued)

(2) Assets leased out under operating leases

F N II.13) n h G ' n N II.14(2). I n l , h h n ng N II.20. O ng h gh -l h . I n l h n ng h gh -l h n l . I n l , n ll n l n , h h . O , h g l .

(3) Assets acquired under finance leases

Wh n G n l , h n l I n h G ll b n h g n l , h n l h n ng N II.14(2) n II.20 l .

I , n l h G ll b n h g n l , h n l . O , h n l h n ng N II.16).

A b l , l ng n l , h n l n l b l h n g , l ng n l n l b l .

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 date of the lease, the Group recognises finance lease receivables for the finance leases and derecognises the leased assets. The difference between the sum of the present value of the minimum lease receivables and the initial direct costs and the carrying amount of the leased assets is recognised as unrealised finance income. The unrealised finance income is recognised over the lease term using the effective interest rate method. The effective interest rate is the rate that makes the present value of the minimum lease receivables and the initial direct costs equal to the sum of the fair value of the leased assets and the initial direct costs. See Note II.9 for the accounting policy for impairment of finance lease receivables.

28. Assets held for sale and discontinued operation

A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. A non-current asset or disposal group (excluding investment properties, deferred tax assets, financial assets and insurance contracts) is classified as held for sale when it is available for immediate sale in its present condition and its sale is highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset or disposal group, and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset or disposal group must be actively marketed for a sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by paragraph 26 of IFRS 5, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset or disposal group, excluding finance costs and income tax expense.

A component of the Group that has been disposed of or is classified as held for sale and (a) represents a separate major line of business or geographical area of operations, (b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (c) is a subsidiary acquired exclusively with a view to resale is classified as a discontinued operation.

The Group shall present and disclose information that enables users of the financial statements to evaluate the financial effects of discontinued operations and disposals of non-current assets (or disposal groups) classified as held for sale. See Note II.

Notes to the Financial Statements

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(All m n n RMB'000 h h r)
(Engl h Tr n l n , Op)

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

29. Hedge accounting

h g n ng h h gn h ng n , h l h gng n n h g r ( ).

h g r m r h m Gr , h ng n , h l n h r gn ng r . Th Gr ' g r m l , n h h
r m n , gh n n Gr , gh n .

A gng n n gn r , h ng n , h l , h g r m. F h g , gh n , n n r
n m l r n n r n m ll bl m l r h g n n .

Th h g r b Gr , n n ng ngb n j g h h r h nh ghl
r hr gh h n ng r , h g l n h r gn . A h g
r g h ghl r , b h , ll n n r :

, h n n n b n n r , h h g r h ghl r n b . ng
ng h ng n , h l h , b b h h g r ng h r , h
h g r gn ;

, h h b l , ng r hn r ng , 80% 125%.

Cash flow hedges

A h , l h g h g , h r , b l h , . Th r n , h g n r l n h
h gng n n h r m r h g r gn r l n h h r r
r m n. Th r n j r h l r , h , ll ng n b l m n :

, h m l g n r l n h h gng n r n r m n , h h g ;

, Th m l h ng n r n b , h r h , n h g r m r m
n , h h g .

Th r n , h g n r l n h h gng n r n h r m r h n r h g
gn n r , r l .

I , h g , n r n b n l r l n h r gn n , n n-, n m l r n n-
, n m ll bl , h r g n r l r m h r h n r gn n r , r
l n h n r r ng h h , n m l r , n m ll bl r , r l . H r, , h
Gr r h ll r n , h l r gn r l n h r h n r ll n b r r
n , r n r ng r , r l h m n h n r r , b r r .

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

29. Hedge accounting (Continued)

Cash flow hedges (Continued)

If the hedging relationship no longer meets the requirements for hedge accounting, the Group discontinues hedge accounting prospectively. If the hedging instrument has not been disposed of or exercised, any gain or loss recognised in other comprehensive income remains in other comprehensive income until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, the gain or loss is reclassified to profit or loss.

For hedges of net investments in foreign operations, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to profit or loss.

When the hedging instrument expires or is sold, terminated or exercised, or when the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognised when the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognised. In other cases the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

30. Dividend distribution

Cash dividends are recognised as a liability in the period in which they are declared.

Dividends for the year that are declared after the balance sheet date are dealt with in the subsequent events notes.

31. Related parties

If one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or if two or more parties are subject to common control or common significant influence, such parties are considered to be related parties. A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

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

31. Related parties (Continued)

( ) n r h h j n r l r gn n n r h Gr ;

( ) r n l , r h n r l, j n r l r b h h r n l n h Gr ;

(j) j n n Gr , l ng b j n n ;

(g) n Gr , l ng b n ;

(h) l n l n r n l m n r , n ;

( ) m ng n r n l Gr n l m n r , n ;

(j) m ng n r n l C n ' n n l m n r , n ;

( ) l m n r , m ng n r n l C n ' n; n

(l) h r n r h n r j n l n r b l n l n r , m ng n r n l Gr , n l m n r , n .

B r h n l r b r n h n r h n n CAS, h ll ng r n r n n l n n (b n n) n l r b n h l n n (b n n) A n r P n n h In r n D l L C n r b h CSRC:

(n) r n r r r n h n h h l 5% r n Cn ' h ;

(n) n l n l n r n l h n l h l r n l h l 5% r n Cn ' h , r r r l n n h l n r ;

( ) r n r r h n n h n n n ( ), ( ) n (n) r ng h 12 n h r ll h n n h h 12 n h r n n g n ;

( ) n l h n n h n n n ( ), (j) n (n) r ng h 12 n h r ll h n n h h 12 n h r n n g n ; n

( )

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

32. Segment reporting

Reportable segments are identified based on operating segments which are determined by the Group's internal organisation structure, management requirements and internal reporting system. Operating segments are components that engage in business activities from which revenues may be earned and expenses may be incurred, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's management to make decisions about resources to be allocated to the segments and to assess their performance, and for which discrete financial information is available.

Notes to the Financial Statements

F r h r 30 J 2017
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(Engl h Tr n l n r Op)

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

33. Significant changes in accounting policy

(1) On 10 M 2017, h M n r F n N n l ng h r ' n ng S n r B h E r N. 16 G rnmn Gr n (C K 2017] N. 15) h n ng S n r B h E r N. 16 G rnmn Gr n , n 12 J 2017. F r h r 30 J 2017, h n h ng n ng n r h l r n n. Th h ng n ng n n l n h gr l b l :

Contents and reasons for the change	Impacted items on financial statement	Impacted amount for the period from 1 January to 30 June 2017
Th g rnmn gr n l ng h r n r h ll b l n ' h r b n h n n b h ; h g rnmn gr n n l ng h r n r h ll b l n' n-r ng b n . F r g rnmn gr n 1 J n r 2017, h r h ll b , n r g rnmn gr n b r 1 J n r 2017 h n h h r n , j n h ll b n r . Th h r n l n h r J 2016 n .	Oh r b N n-r ng b	91,032 (91,032)

(2) On 28 A r l 2017, h M n r F n h n h N n l ng h S n r B h E r N. 42 N n A h l r S , D l Gr n D n Q r n (C K 2017] N. 13), h h n S n r B h E r N. 42 N n A h l r S , D l Gr n D n Q r n h ll n 28 M 2017. F r h r 30 J 2017, Th n gn n h ng n ng n n l n h gr .

Notes to the Financial Statements

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

34. Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Notes to the Financial Statements

[illegible] 30 [illegible] 2017
(All [illegible] RMB'000 [illegible])
(English Translation [illegible])

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

34. Critical accounting estimates and judgements (Continued)

(3) Impairment of long-term assets

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

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

[illegible]

II.

Notes to the Financial Statements

F 1 J n 30 J 2017
(All n n RMB'000)
(Engl h Tr n l n Op)

III. TAXATION

1. Main taxes categories and rates

Types of tax	Tax basis	Tax rate
V (VAT)( )	Th VA l b n b n g n n ng , b ng VAT , VAT b	

III. TAXATION (CONTINUED)

2. Preferential tax treatments

The Group's subsidiaries enjoying preferential income tax rates are as follows:

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
1	Nanning CIMC Special Transportation Equipment Manufacturing Co., Ltd.	25%	15%	Continuously recognised as high-tech enterprise in 2015 and entitled to 15% preferential rate
2	Xinhui CIMC Special Transportation Equipment Co., Ltd.	25%	15%	Continuously recognised as high-tech enterprise in 2016 and entitled to 15% preferential rate
3	Yangzhou Runxing Logistics Equipment Co., Ltd.	25%	15%	Recognised as high-tech enterprise in 2014 and entitled to 15% preferential rate
4	Yangzhou Tongyue Refrigerated Container Co., Ltd.	25%	15%	Recognised as high-tech enterprise in 2015 and entitled to 15% preferential rate
5	Henan CIMC Binhu Intelligent Equipment Co., Ltd.	25%	15%	Recognised as high-tech enterprise in 2016 and entitled to 15% preferential rate
6	Dalian CIMC Logistics Equipment Co., Ltd.	25%	15%	Continuously recognised as high-tech enterprise in 2014 and entitled to 15% preferential rate
7	Shenzhen CIMC Special Vehicle Co., Ltd.	25%	15%	Continuously recognised as high-tech enterprise in 2014 and entitled to 15% preferential rate
8	Yangzhou CIMC Tonghua Special Vehicle Co., Ltd.	25%	15%	Continuously recognised as high-tech enterprise in 2014 and entitled to 15% preferential rate
9	Zhuhai CIMC Hujin Container Co., Ltd.	25%	15%	Continuously recognised as high-tech enterprise in 2015 and entitled to 15% preferential rate
10	Weihai CIMC Rongjing Automobile Co., Ltd.	25%	15%	Recognised as high-tech enterprise in 2014 and entitled to 15% preferential rate
11	Liangshan CIMC Liangtong Automobile Co., Ltd.	25%	15%	Recognised as high-tech enterprise in 2016 and entitled to 15% preferential rate
12	Zhangjiagang CIMC Special Vehicle and Marine Engineering Co., Ltd.	25%	15%	Continuously recognised as high-tech enterprise in 2014 and entitled to 15% preferential rate
13	Enric (Bengbu) Container Co., Ltd.	25%	15%	Continuously recognised as high-tech enterprise in 2014 and entitled to 15% preferential rate

Notes to the Financial Statements

F r ā r r 1 J n r n 30 J ā 2017
(All n n RMB'000 ā ā r)
(Engl h Tr n l n r Ro ā Op)

III. TAXATION (CONTINUED)

2. Preferential tax treatments (Continued)

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
14	Sh h ng En G E n C ., L .	25%	15%	C n ā gn h gh- ā r n 2014 n ā 15% ā n l r
15	En (L ng ng) En rg E n l gr n C ., L .	25%	15%	C n ā gn h gh- ā r n 2015 n ā 15% ā n l r
16	J ng n H ng S l A r M n ng C ., L .	25%	15%	C n ā gn h gh- ā r n 2015 n ā 15% ā n l r
17	N n ng CIMC T n E n C ., L .	25%	15%	C n ā gn h gh- ā r n 2015 n ā 15% ā n l r
18	L n ng CIMC H ā ng G L n Pl n C ., L .	25%	15%	C n ā gn h gh- ā r n 2015 n ā 15% ā n l r
19	N n ng CIMC En rg E n C , L .	25%	15%	C n ā gn h gh- ā r n 2014 n ā 15% ā n l r
20	Z nn H l A C ., L .	25%	15%	gn h gh ā r , n 2016 n ā 15% ā n l r
21	Sh h n CIMC T n A r S r C ., L .	25%	15%	C n ā gn h gh- ā r n 2014 n ā 15% ā n l r
22	X n A r E n L .	25%	15%	gn h gh ā r , n 2015 n ā 15% ā n l r
23	Sh h n CIMC T n L g S n Eng r ng C ., L .	25%	15%	gn h gh ā r , n 2016 n ā 15% ā n l r
24	Sh h n CIMC In ll g n hn l g C ., L .	25%	15%	C n ā gn h gh- ā r n 2014 n ā 15% ā n l r

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Unless otherwise stated, VI.1 to IV.13 set out notes to the consolidated financial statements.

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 balances	**409,573**	457,343
Total	**5,737,102**	6,325,998
Including: cash at bank abroad	**2,516,745**	1,938,284

As at 30 June 2017, cash at bank deposited by the Group with Agricultural Bank of China amounted to RMB816,845,000 (31 December 2016: RMB987,257,000). Note IV.24 for details.

As at 30 June 2017, cash at bank deposited by the Group with Bank of China, including Foreign Currency Deposit with Bank of China amounted to RMB404,982,000 (31 December 2016: RMB504,795,000). Foreign Currency Deposit with Bank of China.

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Financial assets at fair value through profit or loss

(1) Classification

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

(4) Forward foreign exchange contracts

As at 30 June 2017, the Group had entered into several forward foreign exchange contracts with banks in respect of US dollars, Japanese Yen, Great Britain Pound and Euro. The notional principal amounts of the outstanding forward foreign exchange contracts (USD) had been entered into at the end of the reporting period were as follows:

(5) Currency swap contracts

As at 30 June 2017, the Group had 5 outstanding cross currency swap contracts with banks in respect of notional amounts in US dollars and Yen (RMB). The notional principal amounts of the outstanding cross currency swap contracts were USD15,000,000 and RMB52,847,000. The

(6) Interest swap contracts

As at 30 June 2017, the Group had 19 interest rate swap contracts with notional amounts in US dollars, which

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Notes receivable

(1) Classification of Notes receivable

	30 June 2017	31 2016
B n		

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
Customer 1	**6,265,003**	2,540,433
Customer 2	**3,278,726**	2,396,644
Customer 3	**3,304,160**	3,220,025
Others	**587,228**	244,655
Amounts due from	**966,932**	1,255,195
Loans to	**1,160,930**	1,159,172
Interest	**802,413**	769,250
Others	**652,359**	569,937
Sub-total	**17,017,751**	12,155,311
Less: provision for bad 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 to 2 years (inclusive)	**1,029,918**	989,469
2 to 3 years (inclusive)	**532,145**	548,922
Over 3 years	**313,661**	286,923
Sub-total	**17,017,751**	12,155,311
Less: provision for bad 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 accounts receivable that are pledged as collateral.

The carrying amounts of accounts receivable approximate their fair values.

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 [illegible] 2016			
	Book balance		Provision for doubtful debts		B [illegible]		Pr [illegible]	
	Amount	% of total balance	Amount	Ratio(%)	Am n	% [illegible]	Am n	R (%)

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
Customer 1	1,386,730	51,251	3.70%	
Trade receivables from	737,225	51,706	7.01%	
Engineering and Technical & Equipment	385,942	22,020	5.71%	Provision made on the basis of
Utilities	432,394	18,017	4.17%	assessment of the
Other housing mortgage loans	569,783	125	0.02%	historical
Agency fees	282,847	4,661	1.65%	
Leasing receivables	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
Customer 1	68,505	5,294	7.73%	
Trade receivables from	285,271	49,105	17.21%	Provision made on the basis of
Other housing mortgage loans	17,445	2,250	12.90%	assessment of the
Leasing receivables	28,999	1,087	3.75%	historical
Agency fees	6,928	590	8.52%	
Others	80,423	4,912	6.11%	
Total	487,571	63,238	12.97%	

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 2016		
	Book balance	Provision for doubtful debts		B l	P n , l	
	Amount	Amount	Ratio (%)	Am n	Am n	R (%)
W hn 1	**11,361,722**	**103,698**	**0.91%**	7,386,617	77,585	1.05%
1 2	**575,783**	**28,053**	**4.87%**	604,679	59,829	9.89%
2 3	**330,333**	**189,392**	**57.33%**	368,380	151,792	41.21%
O 3	**225,488**	**111,262**	**49.34%**	208,653	134,284	

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 from related parties amounted to RMB218,804,000 (31 December 2016: 254,396,000), representing 1.29% of the total accounts receivable (31 December 2016: 2.09%).

		30 June 2017			31 December 2016		
Company name	Relationship with the Group	Amount	Ratio (%)	Provision for doubtful debts	Amount	Ratio (%)	Provision for doubtful debts
Ningbo Changhong New Energy Co., Ltd.	Associate	75,420	0.44%	-	78,389	0.64%	
Shanghai Daimler Automotive Commercial Vehicle Co., Ltd.	Minority shareholder of a subsidiary	60,476	0.36%	-	27,987	0.23%	
Fleetman Motor Leasing (FML)	Subsidiary of an investee company	38,523	0.23%	-	7,311	0.06%	
Fleetman Commercial Vehicle Co., Ltd.	Subsidiary of an investee company	12,419	0.07%	-		0.00%	
Golden Dragon S.A. (Golden)	Minority shareholder of a subsidiary	8,142	0.05%	-	8,183	0.07%	
SUMITOMO CORPORATION	Minority shareholder of a subsidiary	7,631	0.04%	-	56,538	0.46%	
NYK Zhonghai	Joint venture	4,473	0.03%	-	5,795	0.05%	
Changsha Shenhua Holding Co., Ltd.	Subsidiary of an investee company	4,180	0.02%	-		0.00%	
Dongfeng International Co., Ltd. (Liuzhou)	Subsidiary of an investee company	1,879	0.01%	-	27,650	0.23%	
Golden Dragon GmbH	Minority shareholder of a subsidiary	1,709	0.01%	-	1,610	0.01%	
Yutong West	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

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 accounts receivable derecognised due to transfer 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
Receivables arising from margin financing and securities lending		**550,077**	873,585
Receivables from clearing houses and exchanges		**4,265,196**	4,020,057
Amounts due from investees	( )	**1,658,985**	1,658,985
Loans	( )	**473,022**	1,011,616
Amounts due from disposal of subsidiaries	( )	**1,020,166**	999,926
Receivables from commodities and derivatives contracts		**28,613**	572,258
Interest		**823,600**	663,995
Trade receivables		**234,831**	167,099
Others		**900,111**	960,805
Sub-total		**9,954,601**	10,928,326
Less: provision for bad debts		**(1,710,625)**	(1,580,439)
Total		**8,243,976**	9,347,887

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

(a) Angang Hill-Tech Investment Fund (Tianjin) Partnership (Limited Partnership) ("Angang Hill-Tech") was established on 27 August 2015 by SOEG PTE LTD ("SOEG"), Jiangsu Shagang Group Co., Ltd. ("Jiangsu Shagang") and Tianjin Guochuang Co., Ltd. ("Tianjin Guochuang"). Tianjin Guochuang is a wholly-owned subsidiary of CIMC Enric Investment Holding (Shenzhen) Co., Ltd. ("CIMC Enric"). CIMC Enric is a wholly-owned subsidiary of China International Marine Containers (Group) Co., Ltd. ("CIMC"). CIMC is a company listed on the Hong Kong Stock Exchange (stock code: 2039). As at 30 June 2017, CIMC Enric, SOEG and Jiangsu Shagang contributed RMB1,000,000,000, RMB1,000,000,000 and RMB1,000,000,000 to Angang Hill-Tech, respectively. As at 30 June 2017, CIMC Enric, SOEG and Jiangsu Shagang had contributed RMB178,634,000, RMB178,634,000 and RMB482,052,000 to Angang Hill-Tech, respectively. Angang Hill-Tech is mainly engaged in investment activities. As at 30 June 2017, Angang Hill-Tech had invested RMB105,549,000 in Tianjin Guochuang Investment Fund Partnership (Limited Partnership) ("Guochuang Investment Fund"). As at 30 June 2017, Angang Hill-Tech had invested RMB799,800,000 in Shanghai Jiuyi Investment Management Partnership (Limited Partnership) ("Shanghai Jiuyi"). Shanghai Jiuyi is mainly engaged in investment activities. Guochuang Investment Fund and Shanghai Jiuyi are both established in the PRC on 4 August 2016.

During the year ended 30 June 2017, Angang Hill-Tech received RMB1,000,000,000 from SOEG and RMB1,000,000,000 from Jiangsu Shagang. As at 31 December 2016, Angang Hill-Tech had received RMB1,480,351,000. As at 30 June 2017, Angang Hill-Tech had received RMB178,634,000 from CIMC Enric, RMB178,634,000 from SOEG and RMB1,184,281,000 from Jiangsu Shagang. As at 30 June 2017, Angang Hill-Tech had received RMB1,362,915,000 in total, which was RMB117,436,000 more than that as at 31 December 2016.

SOEG is a company established in Singapore. SOEG Investment Limited ("SOEG Investment") is a wholly-owned subsidiary of SOEG. SOEG Investment established Angang Hill-Tech Investment Management (Tianjin) Co., Ltd. ("Angang Hill-Tech Investment Management") in the PRC on 5 July 2017, which is wholly-owned by SOEG Investment. Angang Hill-Tech Investment Management is mainly engaged in investment activities. As at 30 June 2017, SOEG Investment had contributed RMB799,800,000 to Angang Hill-Tech Investment Management. Subsequently, Angang Hill-Tech Investment Management established Guochuang Investment Fund in the PRC on 4 August 2017.

For the year ended 30 June 2017, Angang Hill-Tech received RMB105,549,000 from Guochuang Investment Fund. As at 30 June 2017, Angang Hill-Tech had received RMB178,634,000 from CIMC Enric, RMB178,634,000 from SOEG and RMB1,289,830,000 from Jiangsu Shagang. As at 30 June 2017, Angang Hill-Tech had received RMB1,468,464,000 in total, which was RMB289,549,000 more than that as at 31 December 2016.

(b) The balance represents the Financial Assistance Loan of RMB135,488,000 granted to Tianjin Jiuli Investment Co., Ltd. ("Tianjin Jiuli") by the Company on 13 July 2017, which is unsecured, interest-bearing at 4.35% per annum and repayable on demand.

(c) As at 30 June 2017, the Group's other receivables from Tianjin Jiuli amounted to RMB1,000,000,000 (31 December 2016: Nil).

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

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

The aging of other receivables is based on the date when they are recognised.

As at 30 June 2017 and 31 December 2016, the Group had no other receivables pledged as collateral (31 December 2016: Nil).

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

		30 June 2017				31 D m r 2016			
		Book balance		Provision for doubtful debts		B l	% l	Pr n b l	
	N	Amount	% of total balance	Amount	Ratio (%)	Am n	b l	Am n	R (%)
O h r b h n h n ll gn n	(4)	**8,234,184**	**82.72%**	**1,604,552**	**19.49%**	9,379,989	85.83%	1,503,143	16.02%
O h r b h n h n n ll gn n		**1,720,417**	**17.28%**	**106,073**		**106,073**			

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

Other receivables written off in current period amounted to RMB6,579,000 (For the year ended 30 June 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
Tonjn Lnh O.. hd Engd ngLnd Pd h (Tonjn Lnh)	()	d . bl ng nd	3,575,000	hn 1d	35.91%	
Sn O.. hd & Engd ngC., L (SOE)		And nn	1,658,985	hn 1d / 1 2d	16.67%	1,468,464
Zhnj ng CIMC Emb ll hY d lE d C., L (Emb ll hY d lE)	()	d . bl nA d	503,568	d 3d	5.06%	
Ch ngj ngd d Cn n Ld		Bn d gd d d h	299,950	hn 1d	3.01%	
Jh d d Cn n Ld		Bn d gd d d h	152,100	hn 1d	1.53%	
T l			6,189,603		62.18%	1,468,464

Th l n G ' l gg d 31 Dn nb 2016 n RMB7,130,634,000, n ng 65.25% l b l .

() A 23 Dn nb 2016, Q nh CIMC ng (Sh n) C., L Q nh ng), G ' b , n T nJn Y ngW ng hd nd ng L ; T nJn Y ngW ng), G ' b , n T nJn B W gd l d g n n l n nn h ng n 28 Dn nb , 2016. A 30 J 2017, ll 3.575 b ll n h n d ng d n , d l d , T nJn B W h l g d d ll n nn d d nng l nd h n 4.9853% 2017 2019 h ll d 2018. A n d n, d n d n, d nd d n l b l h l n 487,632,000 d d d l n d n l b l n d b d d

() A 14 b , 2016, 80% d Emb ll hY d lE , d h ll - b d G , nd N njng G hnC n G nd lE D l n C., L ; C n G n b d G n n l n nn h ng d n. Th d -g nd n ng n d G Emb ll hY d lE d nd l nd n ng n d G C n G n. ng d E nd gd n, n d 9 n h nd b n l n nn h ng n, C n G n ll Emb ll hY d lE ng h l n d G . A 30 J 2017, h n d n n d n RMB503,568,000.

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 amounts due from shareholders holding more than 5% (including 5%) voting rights of the Company were overdue.

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

		30 June 2017				31 December 2016			
Company name	Relationship with the Group	Amount	Nature	% of total balance	Provision for doubtful debts	Amount	Nature	% of total balance	Provision for doubtful debts
RenRen IE Investment Management Limited	Associate	503,568	Funding	5.06%	-	824,391	Funding	7.54%	

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 (inclusive)	**1,562,745**	**59.50%**	1,201,088	50.19%
1 to 2 years (inclusive)	**164,197**	**6.25%**	285,595	11.94%
2 to 3 years (inclusive)	**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 bad debts	**(233,632)**	**8.89%**	(226,967)	9.48%
Total	**2,393,030**	**91.11%**	2,165,982	90.52%

The aging of prepaid expenses is mainly within one year.

Other than the prepaid expenses with aging over one year mentioned above, the Group has no significant prepaid expenses with aging over one year.

(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
Sinopec Group Company and its subsidiaries	**968,260**	**36.86%**

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

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
Finishing	**4,109,445**	**(112,544)**	**3,996,901**	3,713,285	(125,107)	3,588,178
Consignment	**212,003**	**(242)**	**211,761**	113,302	(242)	113,060
Spare part	**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
Merchandise	**30,731**	**–**	**30,731**	(22,887)0.03	(39,979)275 0.7	(576)395,525 0 T (39,979) ISQ

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Iaveatories (Coatiaued)

(2) Aaalysis of book balaace movemeat of iaveatories for the period is as follows:

	31 ab / 2016	ar n /	ar n /	30 June 2017
R ar / l	3,252,604	22,385,554	(21,932,632)	**3,705,526**
W / n / g	2,223,924	17,436,459	(17,090,991)	**2,569,392**
F n ak g	3,713,285	28,817,225	(28,421,065)	**4,109,445**
C n gnar n	113,302	1,299,933	(1,201,232)	**212,003**
S ar /	213,712	301,210	(330,843)	**184,079**
L - ar n ar ak	35,951	136,378	(132,274)	**40,055**
M ar / l n / n	22,887	50,168	(42,324)	**30,731**
C ar ar / ar ar ak l _ / ar	852,395	406,123	(456,808)	**801,710**
P / ar ar ar / ar ar l ar n	1,400,761	240,987	(216,151)	**1,425,597**
O_ h ar ar ng ak / ng ar n	4,658,377	86,687	(26,097)	**4,718,967**
Ar n ar _ / l ar ak ar / _ ar n ar /	1,241,321	4,110,882	(4,498,598)	**853,605**
T l	17,728,519	75,271,606	(74,349,015)	**18,651,110**

(3) Provisioa for decliae ia the value of iaveatories are as follows:

Category	31 ab / 2016	ar n /	ar n / R ar / l	W ar - _	E h ng D ar ng / ar l ng gn ar n	30 June 2017
R ar / l	163,944	40,938	(39,065)	(993)	3,956	**168,780**
W / n / g	27,978	431	(1,575)	(435)	1,422	**27,821**
F n ak g	125,107	38,387	(41,076)	(10,509)	635	**112,544**
C n gnar n	242	,	,	,	,	**242**
S ar /	1,538	,	(1,565)	(4,458)	9,140	**4,655**
L - ar n ar ak	72	4	,	,	,	**76**
O_ h ar ar ng ak / ng ar n	123	,	,	,	(2)	**121**
Ar n ar _ / l ar ak ar / _ ar n ar /	,	,	,	,	,	**-**
T l	319,004	79,760	(83,281)	(16,395)	15,151	**314,239**

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

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

( ) The provision for impairment losses on the Group's [illegible] is determined by the difference between the [illegible] and the net realizable value.

When [illegible].

When [illegible].

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Assets classified as available for sale

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

As at 30 June 2017, the balances of the long-term receivables due within one year are as follows:

Notes to the Financial Statements

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(All rn n RMB'000 Bt Br r r)
(Engl h Tr n l n rBr r Op)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Other current assets

	30 June 2017	31 Dr rnb r 2016
T r bt / hBr l	**704,034**	656,847
OBr r	**15,142**	45,631
T l	**719,176**	702,478

11. Available-for-sale financial assets

	30 June 2017	31 Dr rnb r 2016
M r r Br		
A l bt - r- r n r Br n -L r	**1,761**	2,441
F n n l r	**20,000**	
B n	**31,086**	30,803
M r h r		
A l bt - r- r n r Br n (1), Unl r	**411,970**	412,240
OBr r	**10**	307
r : r n r rBr n	**(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.

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

Available-for-sale financial assets are analysed as follows:

	30 June 2017	31 December 2016
Available-for-sale financial assets		
Fair value	**1,761**	2,441
Cost	**4,582**	4,582

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For the year ended 30 June 2017
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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 financial assets are as follows:

	31 December 2016	Additions	Disposals	30 June 2017	Shareholding	Change
Available-for-sale financial assets						
China Unicom (Hong Kong) Limited ("CR Unicom")	380,780			**380,780**	10.00%	4,000
Bank of Communications Co., Limited ("BOCOM")	8,125			**8,125**	5.00%	
Bohai Industrial Investment Fund Management Co., Limited ("Bohai Investment")	1,700			**1,700**	1.01%	
Guangdong Guangxin Holdings Co., Limited ("Guangdong Guangxin")	1,365			**1,365**	0.09%	
Dongguan Development Holdings Co., Limited	270		(270)	**–**	0.00%	
Zhejiang Yuhang Rural Commercial Bank Co., Limited ("Zhejiang Yuhang")	20,000			**20,000**	2.00%	
Subtotal	412,240		(270)	**411,970**		4,000
Provision for impairment	(3,065)			**(3,065)**		
Total	409,175		(270)	**408,905**		

Available-for-sale financial assets are pledged as collateral for long-term bank loans, details of which are set out in Note 32. The Group's investments in listed equity securities are stated at fair value, which is based on quoted market prices at the end of the reporting period. The Group's investments in unlisted equity securities are stated at cost because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables

	30 June 2017	31 December 2016
Finance lease receivables	**21,106,913**	21,814,831
Less: Unrealised finance income	**(7,601,148)**	(8,593,181)
Finance lease receivables, net	**13,505,765**	13,221,650
Staging business	**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

As at 30 June 2017, the long-term receivables of the Group with a carrying amount of nil (31 December 2016: Nil) were pledged to banks for bank loans of the Group (Note 5(a)).

The long-term receivables of the Group are denominated in the following currencies (stated in RMB equivalent, unless otherwise indicated):

	30 June 2017	31 December 2016
Within 1 year (inclusive)	**5,677,533**	5,467,492
1 to 2 years (inclusive)	**3,746,417**	3,608,636
2 to 3 years (inclusive)	**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 long-term receivables of the Group pledged to secure long-term borrowings of the Group amounted to nil (31 December 2016: Nil).

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IV.

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 ventures	(2)	**512,490**	500,501
Associates	(3)	**1,736,940**	1,661,718
		2,249,430	2,162,219
Less: Provision for impairment		**(2)**	(2)
Total		**2,249,428**	2,162,217

The above investments are long-term equity investments held by the Group.

Note: Investments in joint ventures and associates are accounted for using the equity method.

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

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

	31 Dr nb/ 2016	Movements in the year: Mr n/ l j r b r n r h	Ar / j r Aj n / r/ n r h	Or r n	Ch n r l r	Chng n gn r h/ r	30 June 2017	Pr n / n/ r n
G ng S r/n CIMC L g r E n M n / ng C .,L .	36,294		3,345				39,639	
S / l (Sh ngh) R / g / n E n C .L	2,171		(295)				1,876	
Sh ngh Sh n S l/ r/ P / C .,L	11,340					(338)	11,002	
NYK Zh nh l g r (T njn) C .L .	75,432		823		(4,753)		71,502	
K Zh ngh l g r (T njn) C .L .	22,330		1,417				23,747	
Q ng ng B j n C n r/ M r n r C .,L .	14,531		1,476			(433)	15,574	
D l n Jl ng&B j n L g r C .,L .	5,678		397		(1,000)	(169)	4,906	
Sh ngh B j n r C n r/ M r n r C .,L .	23,888		2,045			(711)	25,222	
T njn Jn h B j n C n r/ M r n r C .,L .	7,933		1,087			(236)	8,784	
Y&C Engr C .,L	195,777		6,149				201,926	
Sh n n CIMC M l/ l r/ n l r C .,L	1,630		(1,015)				615	
N ngb M h n B r P / A Ch h L n g l r n M n g n P / h (L r P / h)	50,100	3,000					53,100	
H h Yngh l r n M n g n P / h	20,100	1,200					21,300	
Ar H n Sh ng UG	33,287						33,287	
H h Xn l r n M n g n P / h	10						10	
T l	500,501	4,200	15,429		(5,753)	(1,887)	512,490	

R / N VI.2 / r n j n r n r .

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 during the year: Additional investment	Investment income recognised under equity method	Other comprehensive income	Changes in other equity	Declared cash dividends or profits	Provision for impairment	Others	30 June 2017	Provision for impairment
Xinhua Wanxiang Holding Co., Ltd.	7,071								7,071	
Ningbo Beilun Dinghai Construction Co., Ltd.	1,200								1,200	
Xiamen CIMC Huaxiang Co., Ltd.	23,350		1,505						24,855	
Dalian Jinglong Co., Ltd.	47,615		529						48,144	
Shenzhen Jiangnan Yinhe Logistics Co., Ltd.	45,684		790						46,474	
Beijing Orient Electric Co., Ltd.	8,374		389						8,763	
Shanghai Fengpu Petroleum Equipment Co., Ltd.	104,191								104,191	
TSC	212,905					(6,338)			206,567	
Mingde Sea & Container Co., Ltd.	2								2	(2)
Taihe (Shanghai) International Freight Agency Co., Ltd.	1,900		75						1,975	
Lihua Investment Co., Ltd. (Lihua Holdings)	102,176		2,832						105,008	
Jingrui Pengming Investment Co., Ltd.	28,123								28,123	
Jinan Efang Kunlun Culture Investment Co., Ltd.	2,608		(1,225)						1,383	
Qingdao (Shanghai) Co., Ltd.	16,589		(81)						16,508	
Yuhuan CIMC Wind Co., Ltd.	27,519		302						27,821	
Tianjin Sinlian Dongjiang Antai Investment Co., Ltd.	30,436		(2,316)						28,120	
Qingdao Port International Development Co., Ltd.	43,400		1,246						44,646	
ZPMC-HIT Berth Operation Co., Ltd.	14,567		(14,567)						-	
Tianjin Shengang Investment & Development Co., Ltd.	21,110								21,110	
Jiangsu Shagang Co., Ltd. (Jiangsu Shagang)	126,454					(2,966)			123,488	
Xinhua Energy Co., Ltd.	688		150						838	

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Loɲg-term equity iɲvestme ɲts (Co ɲti ɲued)

(3) Loɲg-term equity iɲvestme ɲts iɲ associates: (Co ɲti ɲued)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

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

	Movements during the year										
	31 December 2016	Additional investment	Decrease investment	Share of profit or loss	Other comprehensive income	Changes in other equity	Declared distribution of cash dividends or profits	Provision for impairment	Others	30 June 2017	Provision for impairment
Shanghai Mingsheng Co., Ltd.	117,775	-	(2,633)	-	-	-	-	-	-	115,142	-
CIMC Shanghai (China) Logistics Co., Ltd.	3,000	(3,000)	-	-	-	-	-	-	-	-	-
Mars (Shanghai) International Trade Co., Ltd. (Mars Shanghai)	851	-	(68)	-	-	-	-	-	-	783	-
Shanghai XinBaoQing Investment Co., Ltd.	-	16,000	428	-	-	-	-	-	-	16,428	-
Shanghai SCIC Logistics Co., Ltd. (SESKYC)	-	2,750	-	-	-	-	-	-	-	2,750	-
Beijing Jingdong Qianshi Investment Management Co., LLP	-	30,539	-	-	-	-	-	-	-	30,539	-
Xinghua Global Logistics Co., Ltd.	-	1,750	-	-	-	-	-	-	-	1,750	-
CELA Srl	-	18,605	-	-	-	-	-	-	-	18,605	-
Total	1,661,718	68,121	(12,891)	-	-	19,992	-	-	-	1,736,940	(2)

Refer to Note VI.2 for details.

The Group's investments in TSC, LH Beijing, Jingrui, Orient (Shanghai), ZPMC, CIMC Huajun, Zhongxin, Shanghai Rongtai Yunchuang Technology Co., Ltd. with 20%. Because the Group has significant influence over these companies, the Group recognised them as associates.

As at 30 June 2017, the Group's investments in MSC, which were pledged as collateral for long-term borrowings (31 December 2016: Nil).

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Investment properties

	Buildings and relevant land use rights	Land use rights	Total
1 January 2016	730,168	–	730,168
Additions	78,176	–	78,176
Changes in fair value	75,792	–	75,792
Transfers from properties held for sale	131,859	–	131,859
Transfers from owner-occupied properties	46,843	130,551	177,394
Transfers from inventories	786	–	786
Relocation compensation	102,062	482,772	584,834
Transfers to properties held for sale	(26,401)	–	(26,401)
Transfers	–	–	–
31 December 2016	1,139,285	613,323	1,752,608
1 January 2017	**1,139,285**	**613,323**	**1,752,608**
Additions	**–**	**–**	**–**
Changes in fair value	**–**	**–**	**–**
Transfers from properties held for sale	**–**	**–**	**–**
Transfers from owner-occupied properties	**–**	**–**	**–**
Transfers from inventories	**1,287**	**–**	**1,287**
Relocation compensation	**–**	**–**	**–**
Transfers to properties held for sale	**–**	**–**	**–**
Transfers	**(17,704)**	**(17,685)**	**(35,389)**
Exchange realignment recognised in other comprehensive income	**3,559**	**–**	**3,559**
30 June 2017	**1,126,427**	**595,638**	**1,722,065**

Investment properties with net book values of RMB1,126,427,000 (31 December 2016: Nil) were pledged as collateral for the Group's borrowings (Note V.13).

The investment properties are revalued annually at the end of the reporting period by the Group's independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, who has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation is arrived at by reference to market evidence of transaction prices for similar properties and is performed in accordance with the HKIS Valuation Standards on Properties issued by the Hong Kong Institute of Surveyors. For more information about the fair value measurement, see Note XIV. 6.

Investment properties transferred from properties held for sale and inventories amounted to RMB17,704,000 and RMB17,685,000, respectively.

As at 30 June 2017, the Group is in the process of applying for the property ownership certificates for certain buildings with an aggregate net book value of approximately RMB156,697,000 (31 December 2016: RMB113,196,000). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use the above properties.

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							
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							
Purchase	24,321	11,604	7	71	-	-	36,003
Acquisition of subsidiaries	58,845	160,773	76,355	167,934	-	-	463,907
Transfer from construction in progress	35,997	206,727	159,382	12,060	-	-	414,166
Transfer from investment properties	41,738	-	-	-	-	-	41,738
Disposals or scrapped	(86,498)	(296,266)	(85,105)	(27,882)	(79,025)	-	(574,776)
Transfer to investment properties	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-
Exchange adjustments arising from foreign currency translation	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							
Purchase	4,742	5,969	6	60	-	-	10,777	
Depreciation charge for the year	213,148	341,224	110,381	90,651	135,213	25,881	916,498
Transfer from investment properties	24,034	-	-	-	-	-	24,034
Disposals or scrapped	(54,520)	(105,017)	(80,543)	(14,433)	(8,436)	-	(262,949)
Transfer to investment properties	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-
Exchange adjustments arising from foreign currency translation	5,832	(2,924)	2,550	506	(10,729)	(5,593)	997,3735,886.7

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets (Continued)

(1) Fixed assets (Continued)

A 30 J [illegible] 2017, [illegible] h [illegible] b [illegible] 375,761,000 ([illegible] 525,362,000) [illegible] ll [illegible] l [illegible] ng [illegible] 109,272,000 (31 [illegible] 2016: 398,144,000 ([illegible] 525,305,000)) [illegible] ll [illegible] l [illegible] ng [illegible] 159,815,000, N IV. 24.

In [illegible] n [illegible] gn 916,498,000(F [illegible] 30 J [illegible] 2016: 1,056,717,000), h 776,825,000, 9,897,000 n 129,776,000(F [illegible] 30 J [illegible] 2016: 891,935,000, 14,860,000 n 149,922,000) h [illegible] h [illegible] ll ng n [illegible] .

In [illegible] [illegible] gn [illegible] 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 ount 0sd4 of4156,156,00466:ount 0sd

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets (Continued)

(3) Fixed assets held through finance leases:

	30 June 2017	31 December 2016

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Construction in progress

(1) Construction in progress

	30 June 2017			31 2016		
	Book balance	Provision for impairment	Carrying amount	B l	Pr n	C ng n
n l n n n ng n ng n	20,301,214	-	20,301,214	19,405,489		19,405,489
R H273, H1284 Pr	2,747,244	-	2,747,244	2,754,873		2,754,873
E h n n	59,202	-	59,202	88,101		88,101
C l Ch n h ln Pr	49,146	-	49,146	47,633		47,633
R g n , Anh U	37,622	-	37,622	30,583		30,583
Pr n C&C T	35,382	-	35,382	35,218		35,218
HJQM n 1 n l	26,477	-	26,477			
XHCIMC n n	22,418	-	22,418	13,079		13,079
D n 1 n n , QDCRC	21,129	-	21,129	21,129		21,129
Q ng CIMC n n n	19,590	-	19,590			
SHYSLE n n n	11,933	-	11,933			
D ngg n CIMC l g n n	5,522	-	5,522	11,497		11,497
TCCIMC n n n n	5,400	-	5,400	5,400		5,400
R l g n n (n l ng 2000T ng)	3,128	-	3,128	3,080		3,080
TJCIMC n l n b n n 1 n n	1,981	-	1,981	1,575		1,575
TAS Pl n Pr	1,824	-	1,824	1,498		1,498
XHCIMCS Pr n L n P n n Pr	1,506	-	1,506	1,506		1,506
n h n n n	641	-	641	12,033		12,033
Oh	454,939	(1,645)	453,294	338,916	(2,421)	336,495
T l	23,806,298	(1,645)	23,804,653	22,771,610	(2,421)	22,769,189

Th ng n n n n n g n n 1 n l l l b ng , 1,750,963,000(31 2016: 1,532,714,000). Th 1 n ng b ng , 3.18%(F 1 30 J 2016: 3.08%).

A 30 J 2017, n n n n g , G (31 2016: N l).

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

	Budget	31 December 2016	Currency translation	Transfer to intangible assets	Transfer to investment properties	30 June 2017	Percentage to budget (%)	Progress	Cumulative amount of interest capitalised	Including: interest capitalised during the year	Interest capitalisation rate (%)	Source of funds	Beginning balance of impairment provision	Provision for the year	Ending balance of impairment provision	Reason for impairment provision
Wuhan Integrated Circuit Manufacturing Project	25,459,806	19,405,489	997,902	-	-	**20,301,214**	98%	79%-100%	1,110,333	177,235	3.18%	Borrowings and self-raised funds	-	-	-	
R&D Building H273, H1284 Project	2,866,854	2,754,873	56,753	-	-	**2,747,244**	97%	95%	192,141	41,014	3.18%	Borrowings and self-raised funds	-	-	-	
Equipment for 12-inch production line	181,082	88,101	9,764	(38,663)	-	**59,202**	91%	74%	-	-	-	Borrowings and self-raised funds	-	-	-	
Clean room and supporting facilities	60,000	47,633	1,513	-	-	**49,146**	82%	82%	-	-	-	Borrowings and self-raised funds	-	-	-	
Equipment for 8-inch production line	41,249	30,583	7,039	-	-	**37,622**	91%	100%	-	-	-	Borrowings and self-raised funds	-	-	-	
Project of 12-inch Dummy Wafer Reclaim	35,838	35,218	260	(96)	-	**35,382**	99%	50%-100%	-	-	-	Borrowings and self-raised funds	-	-	-	
HQWafer III Project	120,000		26,477		-	**26,477**	22%	22%	-	-	-	Borrowings and self-raised funds	-	-	-	
XHCIMC equipment and supporting facilities	30,640	13,079	11,863	(2,524)	-	**22,418**	81%	90%	-	-	-	Borrowings and self-raised funds	-	-	-	
Dummy wafer reclaim project of QDCRC	23,369	21,129		-	-	**21,129**	90%	90%	-	-	-	Borrowings and self-raised funds	-	-	-	
Qingdao CIMC equipment	29,500		19,590	-	-	**19,590**	66%	90%	-	-	-	Borrowings and self-raised funds	-	-	-	
SHYSLE equipment	30,000	-	11,933	-	-	**11,933**	40%	40%	-	-	-	Borrowings and self-raised funds	-	-	-	
Dongguan CIMC equipment	388,182	11,497	923		**35,382**	40%	40%	-	-	-						
SHYSLE [illegible]														11,497		

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(All n n RMB'000)
(Engl h Tr n l n Op)

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 Chenhua Mingfa Plaza	75,322	Pending
SCIMCEL Tongling Plaza	55,674	Awaiting completion of relevant procedures
C&C Tower	19,187	Pending
Lingang Plaza	8,887	Pending
SCIMCEL Others	1,787	Pending
Total	160,857	

As at the date of approval of the financial statements, the Group was in the process of applying for the above certificates of ownership.

(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	Increase	Decrease	30 June 2017

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Goodwill

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IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Long-term prepaid expenses

	31 December 2016	Additions	Current portion	Amortisation	Exchange realignment	30 June 2017
Yuan denominated	9,691	-	223	(1,424)	29	**8,519**
Pound sterling denominated	133,924	-	31,369	(30,658)	(2,513)	**132,122**
Euro denominated	9,439	-	5,372	(2,204)	-	**12,607**
Other foreign currencies	-	-	-	-	-	**-**
Less: current portion	19,996	-	51,692	(12,110)	(987)	**58,591**
Others	73,524	52	10,123	(14,283)	(99)	**69,317**
Subtotal	246,574	52	98,779	(60,679)	(3,570)	**281,156**
Less: impairment provision	-	-	-	-	-	**-**

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)	可抵扣/（应纳税）暂时性差异	递延税项资产/（负债）
递延税项资产：				
Provision for impairment	**834,767**	**160,844**	1,546,119	322,474
Payroll payable	**617,576**	**113,145**	690,921	139,994
Employee benefits payable	**1,139,847**	**257,745**	1,273,607	296,507
Provision for liabilities	**120,131**	**26,479**	493,541	89,303
Deductible tax losses	**1,791,531**	**306,356**	1,861,895	332,307
Measurement of financial instruments at fair value through profit or loss	**7,729**	**1,634**	27,566	6,892
Available-for-sale financial instruments	**–**	**–**	14,230	2,134
Inter-group unrealised profit	**29,871**	**7,468**	18,904	4,726
Others	**2,180,446**	**436,088**	278,319	69,580
Sub-total	**6,721,898**	**1,309,759**	6,205,102	1,263,917
Offsetting amounts	**(187,229)**	**(32,843)**	(25,512)	(6,247)
Offsetting balances	**6,534,669**	**1,276,916**	6,179,590	1,257,670

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 December 2016
Deductible losses	**1,712,996**	1,606,035
Impairment losses – SOE	**634,426**	340,729
Impairment losses – Provision for Construction	**22,119**	22,119
Other	**3,125**	3,125
Total	**2,372,666**	1,972,008

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

	30 June 2017	31 December 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 after	**4,149,817**	4,149,817
Total	**7,790,832**	7,596,358

Note 1: Based on the Notice of Tax Matters for 2016 and Other Matters issued on 30 June 2017, the Group's subsidiaries in Hong Kong, the United States of America, the United Kingdom and Brunei are subject to the income tax rate of 5% (2016: 5%) on the taxable income arising from the provision of international shipping transportation services.

As at 30 June 2017, the Group's deductible temporary differences mainly arose from the entities established in Hong Kong and Mainland China. The Group has unused tax losses of RMB3,630,258,000 (31 December 2016: RMB3,303,113,000). Such tax losses are mainly attributable to certain subsidiaries which have been loss-making for some time and are not considered probable that taxable profit will be available against which the tax losses can be utilised.

The Group has not recognised deferred tax liabilities in respect of the following items:

Notes to the Financial Statements

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Other non-current assets

	30 June 2017	31 December 2016

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Restricted assets

As at 30 June 2017, the restricted assets of the Group were as follows:

	Note	31 December 2016	Current period increase	Current period decrease	Exchange differences	30 June 2017
Assets with restrictions on ownership						
Cash and bank balances	IV.1	987,257	49,135	(219,448)	(99)	**816,845**
Notes receivable	IV.3	206,753	207,835	(158,188)		**256,400**
Long-term receivables	IV.12	8,164,729	(57,408)	(654,249)		**7,453,072**
Fixed assets	IV.15	398,144		(22,383)		**375,761**
Total		9,756,883	199,562	(1,054,268)	(99)	**8,902,078**

Long-term receivables pledged as collateral for bank loans. Notes receivable pledged as collateral for notes payable, and certain notes receivable endorsed to suppliers. Fixed assets pledged as collateral for bank loans, see Note IV.25 and Note IV.28 for details. Cash and bank balances mainly comprise bank deposits.

Notes to the Financial Statements

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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	( )		
USD		**391**	2,938,3
RMB		**1,962,**	937
EUR		**16,7**	

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 by the Group and all of its subsidiaries (Zhenhua Logistics Group Co., Ltd. (Zhenhua Group) and its subsidiaries) amounting to USD324,000 (Equivalent to RMB2,195,000); by the Company, CIMC Raffles Offshore (Singapore) Co., Ltd. amounting to 1,400,138,000, USD33,962,000 (Equivalent to RMB230,096,000) and EUR 2,158,000 (Equivalent to RMB16,723,000), guaranteed by the Group and China International Marine Containers (Hong Kong) Limited (CIMC Hong Kong); by the C&C Trust amounting to 450,000,000, which is guaranteed by the Group; by Xiamen Hongbaoli Logistics Co., Ltd. amounting to 112,000,000, guaranteed by the CIMC Finance Company Ltd. (CIMCVL); CIMC Finance Company Ltd. (CIMCVL) amounting to USD23,500,000 (Equivalent to RMB159,214,000), guaranteed by the Group and CIMC Hong Kong.

(b) As at 30 June 2017, the Group pledged its trade receivables of Bonded Chengtong Logistics Park Co., Ltd. which is a subsidiary of the Group, amounting to 32,821,000.

(c) As at 30 June 2017, the Group had short-term borrowings amounting to USD nil (31 December 2016: USD 5%) which were guaranteed by the Group.

(d) As at 30 June 2017, the annual interest rates of short-term borrowings of the Group ranged from 1.30% to 6.09% (31 December 2016: 0.65% to 16.41%).

26. Financial liabilities at fair value through profit or loss

	Note	30 June 2017	31 December 2016
Current			

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Notes payable

	30 June 2017	31 D r m / 2016
B n r r n	**872,925**	1,050,745
Tr r r n	**380,250**	500,837
T l	**1,253,175**	1,551,582

Th b r n b r h n aR r /.

28. Accounts payable

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

	30 June 2017	31 D r m / 2016
D / m / l /	**9,364,746**	8,303,845
Ir gr l g r / r h g	**468,558**	461,925
Pr r n r h g	**291,105**	259,029
Pr r / r r r h g	**398,677**	658,048
D r r n /	**618,839**	150,029
Tr n / r h g	**69,741**	135,159
P r ng h g	**41,972**	129,178
O aR /	**91,540**	63,738
T l	**11,345,178**	10,160,951

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 as follows:

	30 June 2017	31 December 2016
Within 1 year (inclusive)	**10,710,275**	9,535,350
1 to 2 years (inclusive)	**337,357**	414,188
2 to 3 years (inclusive)	**179,384**	153,893
Over 3 years	**118,162**	57,520
Total	**11,345,178**	10,160,951

As at 30 June 2017, the Group had accounts payable of 1 year with carrying amounts of RMB634,903,000 (31 December 2016: RMB625,601,000) pledged as collateral for bank borrowings. See Note 24 for details of the bank borrowings pledged.

The aging of accounts payable is based on the date of the invoice.

(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	Amount	% of total balance	Amount	% of total balance
Y&C England	Joint venture	**38,931**	**0.34%**	66,157	0.65%
TSC	Associate	**13,807**	**0.12%**	25,727	0.25%
Fujian Qingshan Bridge Industry Co., Ltd.	Associate	**10,496**	**0.09%**	8,138	0.08%
Shanghai Dongfang Aluminium	Minority shareholder of a subsidiary	**5,352**	**0.05%**	3,611	0.04%
Ningbo Changrong	Associate	**2,732**	**0.02%**	2,435	0.02%
Wuhan CIMC Welding Co., Ltd.	Associate	**202**	**0.00%**	17,905	0.18%
Anhui Tongxing Co., Ltd.	Minority shareholder of a 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%

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Accrued payroll (Continued)

(1) Short-term wages

	31 December 2016	Current	Current	Exchange differences arising on translation	30 June 2017
Wages, bonuses, allowances and subsidies	1,699,319	2,516,308	(2,475,474)	4,252	**1,744,405**
Provisions for annual bonuses	205,151	-	(8,951)	-	**196,200**
Housing	6,118	80,860	(80,906)	(30)	**6,042**
Labour union and employee education expenses	62,236	27,129	(36,014)	(157)	**53,194**
Social insurance and housing benefits	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**
Others	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	Current	Current	Exchange differences arising on translation	30 June 2017
Basic pensions	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**

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Interest payable

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

33. Dividends payable

	30 June 2017	31 December 2016
Dividends of ordinary shares	**75,080**	16,746
Dividends of preference shares	**178,332**	
Total	**253,412**	16,746

34. Other payables

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

	Note	30 June 2017	31 December 2016
Accrued expenses		**2,595,693**	1,892,437
Payables for construction		**1,555,619**	1,490,340
Quality guarantee deposits		**543,228**	593,210
Transportation fees payable		**500,826**	315,605
Employee benefits payable		**136,633**	185,777
Employee housing benefits		**82,243**	73,619
Consideration payable for acquisition of subsidiaries	(3)	**72,786**	111,054
Insurance payable		**27,483**	12,732
Rental fees		**4,452**	601
Professional service fees payable		**1,712**	17,897
Housing maintenance fees		**773**	5,456
Equity interest payable to Yonghui		**–**	23,200
Others		**605,931**	432,145
Total		**6,127,379**	5,154,073

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Other payables (Continued)

(2) Significant other payables aged over one year mostly consist of unsettled quality guarantee,

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 bank loans	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 other loans			
Finance lease liabilities		**114,537**	136,571
Less: unrecognised finance charges		**(8,826)**	(15,826)
Finance lease liabilities, net	IV.40	**105,711**	120,745
Others		**18,376**	17,567
		124,087	138,312
Current portion of long-term debentures		**–**	3,850
Total		**5,015,501**	3,667,872

37. Other current liabilities

	Note	30 June 2017	31 December 2016
Current portion of long-term payables	(1)	**2,583,959**	1,666,966
Others		**28,321**	20,796
		2,612,280	1,687,762

(1) The current portion of long-term payables of CIMC Finance Holding Limited ("Finance") and CIMC HK, a subsidiary of Finance, mainly represented the Guaranteed Notes issued by Finance on 20 May 2016, which was guaranteed by the Company and certain subsidiaries of the Company. The Guaranteed Notes issued by Finance amounted to USD450 million (equivalent to RMB2,154,471,000); As at 31 December 2015, CIMC HK, a subsidiary of Finance, issued the Guaranteed Notes amounted to USD318,000,000 (equivalent to RMB2,154,471,000); As at 31 December 2015, CIMC HK, a subsidiary of Finance, issued the Guaranteed Notes amounted to USD600 million. As at 30 June 2017, the amount of Guaranteed Notes amounted to USD63,400,000 (equivalent to RMB429,488,000).

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Long-term borrowings

(1) Classification of long-term borrowings

	N	30 June 2017	31 2016
B n b ng			
U		**10,276,585**	11,496,937
M g	( )	**5,772,819**	6,260,830
G	( )	**12,507,099**	12,791,165
		28,556,503	30,548,932
n n l ng b ng			
U		**3,197,042**	3,401,313
G	( )	**1,694,372**	124,397
		4,891,414	3,525,710
T l		**23,665,089**	27,023,222

( ) A 30 J 2017, b CIMC F n ng n ng C ., L r g l n.

( ) A 30 J 2017, G l ng r g b ng F r r USD1,489,000,000 n RMB10,088,075,000) h g b C r n ng h n USD2,000,000 n RMB13,550,000); b n l n CIMCVL r USD352,157,000 n RMB2,385,719,000), g b C r n n CIMC H ng K ng, r ng h n r n r USD248,114,000 n RMB1,680,822,000);b n b ng X n H ng n rg ng C ., L r 25,787,000 g b T njn H ng n rg C ., L ; b n b ng D ngg CIMC l ng n hn l g C ., L r 7,518,000 g b C r n .

(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%).

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Debentures payable

	30 June 2017	31 December 2016
Corporate bonds		

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Long-term payables

	30 June 2017	31 [illegible] 2016
F n [illegible]	**303,625**	323,920
[illegible] : [illegible]	**(41,174)**	(34,723)
F n [illegible]	**262,451**	289,197
P [illegible]	**120,789**	120,789
D [illegible]	**100,635**	117,922
O [illegible]	**21,034**	1,464
T l	**504,909**	529,372

(1) Details of financial leasing payables

A 30 J [illegible] 2017, [illegible] l [illegible] [illegible] n [illegible] n [illegible] [illegible] h l (n l ng [illegible] n [illegible] [illegible] ng, [illegible] n [illegible] n [illegible] [illegible]), [illegible] ll :

M n [illegible]	30 June 2017	31 [illegible] 2016
W h n 1 [illegible] (n l [illegible])	**114,537**	136,571
[illegible] 1 [illegible] b h n 2 [illegible] (n l [illegible])	**251,829**	287,267
[illegible] 2 [illegible] b h n 3 [illegible] (n l [illegible])	**12,352**	3,564
[illegible] 3 [illegible]	**39,444**	33,089
S b- l	**418,162**	460,491
[illegible] : [illegible] gn [illegible]	**(50,000)**	(50,549)
C [illegible] ng [illegible] n	**368,162**	409,942

Th G h n [illegible] [illegible] ngg [illegible] b [illegible] n h [illegible] [illegible] ng [illegible] .

Notes to the Financial Statements

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IV.

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income (Continued)

(1) Government grants

Pro n	31 2016	C n gn		Oth h ng	30 June 2017	/[illegible]
Y n R N n l n n , C n n n , n l g ng b g	200,000				200,000	
En p n	184,253		3,566		180,687	
En p n g n n g n	80,396		1,735		78,661	
Sh n CIMC n In G n n ng n	54,052		651		53,401	
N ngb C n M n n ,	38,000				38,000	
C&C T g n b l n	30,000				30,000	
TAS n l b	28,291	4,220	803		31,708	
Y n R n h n S D Dr ll ng Pl (B) Inn n S l	26,504				26,504	
T ng CIMC S l L g E n C . L .	11,396		152		11,244	
TCCIMC l n n	9,862		131		9,731	
CQLE L n g n , n	8,021		100		7,921	
Zh nh G D n P ll T n g n	7,844		450		7,394	
S n n l n n n CCHQ	8,000		917		7,083	
TAS n, n hn l g l n l n	7,348		351		6,997	
MEA-	6,301				6,301	
En n n ll n l g n (FPSO) n n , S h Ch n	6,000				6,000	
MEA l, n n l nn n	5,520		460		5,060	
KGR R&D , n	4,270		112		4,158	
T n , n , gh h n J ng P , Y h R n ng	2,256		113		2,143	
TAS hn l g l n , n	886		48		838	
G n n b , XHCIMCS	17,362		17,362		–	
G n n b , Xnh M l B l ng M n ng	10,764		10,764		–	
Oth	82,416	40,480	6,909		115,987	/
T l	829,742	44,700	44,624		829,818	

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other non-current liabilities

	Note	30 June 2017	31 December 2016
Cash settled share-based payment	(1)(2)	**1,549,826**	1,549,826
Compensation for land and buildings	IV.5(7)(a)	**487,632**	487,632
Pledged bank deposits	(3)	**73,421**	73,421
Rental deposits		**11,576**	12,677
Others		**114,359**	
Total		**2,236,814**	2,123,556

(1) As at 18 December 2015, Shanghai Tianhong Property Fund (Limited Partnership), Nanhai Dehang Investment Management Limited Partnership (LLP), Shanghai Chengyi Shangde Digital-Sky Holdings Co., Ltd. (collectively the "Investors") and CIMC Capital (Group) Limited ("CIMC Capital") entered into Shanghai Digital-Sky Holdings Co., Ltd. (Hong Kong) Limited ("Shanghai Digital-Sky"); in June 2016, the Investors contributed RMB1,089,580,000), USD15,233,000 and RMB100,000,000); In December 2015, the Investors contributed USD9,288,117 and RMB60,246,000, respectively in exchange for 100,000,000 shares; the Investors held 16.822%, 1.544%, 0.929% and 1.544% shares in Shanghai Digital-Sky. As at 31 December 2020, the Investors in Shanghai Digital-Sky have the right to require the Company to repurchase the shares held by the Investors in Shanghai Digital-Sky at the higher of (a) the fair value of the shares at the date of repurchase and (b) the investment cost plus 8% per annum interest from the date of payment to the date of repurchase.

The [illegible] as at 30 June 2017, the amount payable was 1,249,826,000 (31 December 2016: 1,249,826,000).

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Share capital

	31 December 2016 '000	Capitalisation '000	Capitalisation '000	Changes during the year '000	30 June 2017 '000
Shares subject to trading restriction					
Held by the controlling shareholder	699	29			**728**
Shares not subject to trading restriction					
RMB denominated ordinary shares	1,261,301	1,747			**1,263,048**
Foreign listed shares	1,716,577				**1,716,577**
Total	2,978,577	1,776			**2,980,353**

	31 December 2015 '000	Capitalisation '000	Capitalisation '000	Changes during the year '000	31 December 2016 '000
Shares subject to trading restriction					
Held by the controlling shareholder	866	21		(188)	699
Shares not subject to trading restriction					
RMB denominated ordinary shares	1,260,377	736		188	1,261,301
Foreign listed shares	1,716,577				1,716,577
Total	2,977,820	757			2,978,577

The par value per share is RMB1.00.

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other equity instruments

	31 December 2016	Changes in fair value	Perpetual bonds	30 June 2017
Perpetual bonds	2,049,035	35,908	(103,800)	**1,981,143**

	31 December 2015	Changes in fair value	Perpetual bonds	31 December 2016
Perpetual bonds	2,033,043	119,792	(103,800)	2,049,035

As at 16 July 2015, the Group issued perpetual bonds with a total amount of RMB2,000 million. The bonds are denominated in RMB and the total amount of the bonds issued is RMB1,981,143,000. The bonds have no fixed maturity date. The bonds bear a fixed interest rate of 5.19% per annum for the first 3 interest bearing years. The interest rate of the bonds will be reset every 3 years thereafter. The Group has the right to defer the payment of interest on the bonds at its discretion. The deferral of interest payments is not subject to any limit. However, the Group is not entitled to defer the payment of interest if, during the 12 months preceding the interest payment date, the Group has declared or paid dividends to its ordinary shareholders or reduced the registered capital (except for reduction of registered capital as a result of the repurchase of shares). The bonds are perpetual and have no fixed repayment date.

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Capital surplus

	31 December 2016	Increase	Decrease	30 June 2017
Share premium	3,590,421	29,310	-	**3,619,731**
Other capital reserve:				
Exchange gain on translation of foreign currency financial statements	692	-	-	**692**
Donation from shareholders	257	-	-	**257**
Equity settled share-based payment	420,004	6,778	(12,103)	**414,679**
Capital reserve arising from acquisition of non-controlling interests	15,967	70	-	**16,037**
Capital reserve arising from transactions with non-controlling interests	435,101	3,428	-	**438,529**
Difference between the consideration received from the disposal of partial interest in subsidiaries (not including transactions with non-controlling interests)	900,031	-	-	**900,031**
Capital reserve arising from cash flow hedging	(42,696)	-	-	**(42,696)**
Capital reserve arising from transactions with non-controlling interests	(246,669)	-	(78,103)	**(324,772)**
Capital reserve arising from transactions with non-controlling interests	(58,964)	-	-	**(58,964)**
Exchange gain on translation	(406,795)	-	-	**(406,795)**
Capital reserve arising from transactions with non-controlling interests	(51,925)	-	-	**(51,925)**
Difference between the consideration paid for the acquisition of non-controlling interests	(1,549,826)	-	-	**(1,549,826)**
Others	120,987	-	-	**120,987**
Total	3,126,585	39,586	(90,206)	**3,075,965**

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Capital surplus (Continued)

	31 December 2015	Consolidation adjustments	Consolidation adjustments	31 December 2016
Share premium	3,577,648	12,773		3,590,421
Other capital reserves:				
– Exchange differences on translation of foreign currency financial statements	692			692
– Donations received	257			257
– Equity settled share-based payments	402,887	22,316	(5,199)	420,004
– Changes in the Group's ownership interests in subsidiaries	14,275	1,692		15,967
– Changes in fair value of available-for-sale financial assets (net of tax)	207,660	227,441		435,101
– Share of other comprehensive income of associates and joint ventures accounted for using the equity method (non-recyclable)	899,128	903		900,031
– Cash flow hedges	(42,696)			(42,696)
– Cash flow hedges transferred to profit or loss	(224,430)		(22,239)	(246,669)
– Changes in fair value of available-for-sale financial assets	(58,964)			(58,964)
– Exchange differences	(406,795)			(406,795)
– Cash dividends declared	(51,925)			(51,925)
– Repurchase of ordinary shares	(1,249,826)		(300,000)	(1,549,826)
Others	113,952	7,035		120,987
Total	3,181,863	272,160	(327,438)	3,126,585

Notes to the Financial Statements

F 1 J n 30 J 2017
(All n n RMB'000)
(Engl h Tr n l n Op)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Surplus reserve

	31 December 2016	Increase	Decrease	**30 June 2017**
Statutory surplus reserve	1,489,287	–	–	**1,489,287**
Discretionary surplus reserve	1,790,092	–	–	**1,790,092**
Total	3,279,379	–	–	**3,279,379**

	31 December 2015	Increase	Decrease	31 December 2016
Statutory surplus reserve	1,413,486	75,801	–	1,489,287
Discretionary surplus 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 is required to appropriate 10% of its profit after tax (calculated under the PRC accounting rules and regulations) to the statutory surplus reserve, and the Company may also appropriate a discretionary surplus reserve at the discretion of the shareholders' meeting. The statutory surplus reserve may be used to make up for losses or increase the share capital.

The Company appropriated RMB75,801,000 to the statutory surplus reserve for the year ended 31 December 2016 based on the resolution of the Board of Directors meeting held on 30 March 2017.

49. Undistributed profits

	Note	**30 June 2017**	31 December 2016
Undistributed profits at beginning of the year		**17,495,053**	17,805,808
Add: profit for the year attributable to shareholders of the Company		**796,898**	539,660
Less: Interim dividend declared		**(35,908)**	(119,792)
Less: Appropriation to statutory surplus reserve		**–**	(75,801)

Notes to the Financial Statements

F/eh er/ er/ /rm 1 Jn/ ner 30 Jeh 2017
(All rm n RMB'000 eh/er er)
(Engl h Tr nl n/ /Re ne Op)

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 Dec /rm/ 2016
D n / b n l	–	
T l / n nh/	**179,835**	654,822

In/ h eh l n eh h h/ 'g eh/ l ng / eh C rm n, 9 Jeh 2017, eh C rm n h n nh/ rm n / 0.06 er/ h eh/ eh/ n/ h h/ 20 J l 2017 (2016: 0.22 er/ h eh), ll ng 179,835,000 (2016: 654,822,000).

50. Revenue and cost of sales

	For the Period from 1 Jn/ 30 Jeh 2016	F/eh /rm 1 Jn/ 30 Jeh 2016
Rer n/ rm rm n/ n	**32,656,928**	22,828,212
Rer n/ rm eh/ er/ n	**730,224**	714,631
T l	**33,387,152**	23,542,843
C / eh/ rm rm n/ n	**26,911,617**	18,795,869
C / eh/ rm eh/ er/ n	**329,947**	330,627
T l	**27,241,564**	19,126,496

Th n n . n / h n/ h n/ h er er rm h n 10% / eh h er .

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

	For the Period from 1 January to 30 June 2017			
	Revenue from main operations	**Cost of sales from main operations**		
	9,596,787	**7,944,171**	4,403,976	4,028,151
	9,456,259	**7,813,816**	6,807,849	5,586,799
	4,825,819	**4,021,439**	4,180,940	3,372,051
	500,245	**461,813**	950,752	822,464
	1,147,629	**932,468**	1,096,364	886,690
	3,725,556	**3,242,929**	3,149,543	2,763,476
	1,145,113	**498,703**	1,113,604	366,336
	268,322	**160,685**	203,751	100,269
	1,238,678	**1,166,396**	790,779	771,101
	752,520	**669,197**	130,654	98,532
	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			
	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
	2,752,566	**2,371,653**	1,244,670	1,041,609
	1,649,559	**1,394,104**	1,803,907	1,515,328
	378,592	**317,409**	308,619	282,794
	130,848	**104,986**	126,974	110,315
	32,656,928	**26,911,617**	22,828,212	18,795,869

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Reveaue aad cost of sales (Coatiaued)

(3) Reveaue aad cost of sales from otaer operatioas

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 to 30 June 2016
Employee benefits	**1,004,200**	783,266
Outsourcing service fees	**288,459**	230,097
Depreciation and amortization	**165,200**	49,872
Rental	**134,408**	149,922
Amortization	**113,415**	99,409
Agency fees	**110,796**	97,258
Travel	**75,806**	63,119
Loss on disposal of property and equipment	**49,006**	30,969
Taxes and surcharges	**34,293**	127,122
Short-term lease expenses	**9,583**	19,889
Others	**382,873**	331,378
Total	**2,368,039**	1,982,301

54. Financial expenses-net

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Expenses by nature

C r r ll ng m n gh r l m n r m n n n b n t n l ll :

	For the Period from 1 January to 30 June 2017	F r th P r 1 J n r 30 J n 2016
F n h g n r -n- r m n	**(741,628)**	(244,984)
C n m n r m r l n l n r t	**24,492,423**	16,685,627
S l r n g	**3,216,847**	2,129,005
D n n m r n	**1,152,911**	1,242,346
Sh ng n h n l ng h g	**560,202**	411,149
F n n t	**594,251**	304,944
R n l	**130,874**	130,385
h n l g t l	**288,459**	230,097
P ng n r ng t	**294,912**	211,604
P t t	**283,549**	180,553
S ll ng r t t	**149,651**	57,393
O h t , h r m n r ng t	**164,295**	234,324
O h t , h r ll ng n r b t t	**209,567**	291,869
O h t , h r g h r l n m n r t	**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	F r th P r 1 J n r 30 J n 2016
Financial assets at fair value through profit or loss		
, Ch ng n r t ng h t r		
1. Pr r /(L) r h ng n r t n h l r ng	**29,834**	944
2. Pr /(L) r h ng n r t r t n n l n r n	**(73,769)**	(136,647)
, Pr /(L) r gn n l t r t hr gh r l	**1,830**	141,409
S b- l	**(42,105)**	5,706
Financial liabilities at fair value through profit or loss		
, Ch ng n r t ng h t r		
1. Pr /(L) r h ng n r t r t n n l n r n	**9,479**	131,398
T l	**(32,626)**	137,104

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 to 30 June 2016
(Loss)/gain arising from financial assets at fair value through profit or loss	**(1,830)**	(141,409)
Gain arising from disposal of financial assets at fair value through profit or loss	**4,106**	8,855
Gain arising from financial assets at fair value through profit or loss	**533**	7,714
Gain arising from derivative financial instruments	**2,538**	13,800
Gain arising from financial liabilities at fair value through profit or loss	**(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 to 30 June 2016
Loans and advances	**25,988**	14,445
Available-for-sale	**6,675**	
Others	**141,923**	343,501
Interest	**(3,521)**	6,962
Contingent liabilities	**97,401**	153,029
Long-term receivables	**(35,563)**	(129,164)
Others	**–**	178,634
Fixed	**1,534**	94
Provision	**–**	700,000
Total	**234,437**	1,267,501

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Other Income

	For the Period from 1 January to 30 June 2017
Financial lease	57,088
Transfer	27,472
Other	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	For the Period from 1 January to 30 June 6re)T0.

L STATEMENTS (CONTINUED)

For the Period from 1 January to 30 June 2017	1 30 2016	1 30 2017
17,388	9,485	17,388
17,388	9,485	17,388
–		
352	393	352
1,699	380	1,699
11,486	989	11,486
679	664	679
800	2,234	800
32,404	14,145	32,404

For the Period from 1 January to 30 June 2017	1 30 2016

Notes to the Financial Statements

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Income tax expenses (Continued)

Reconciliation between income tax expenses and accounting profit:

	For the Period from 1 January to 30 June 2017	1 January to 30 June 2016
Profit before tax	**1,576,142**	(165,844)
Income tax calculated at applicable tax rates	**395,233**	338,676
Expenses not deductible for tax	**(63,499)**	(46,248)
Effect of unused tax losses and deductible temporary differences	**20,714**	32,243
Other income tax adjustments	**(90,621)**	(74,525)
Utilisation of previously unrecognised tax losses	7390,621)T68 (U l T)7]TJ 395,233Other (D))]T7.9TJ-0 O	

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Earnings per share (Continued)

(2) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares arise from share options granted to employees. The following table reflects the data used in the calculation of diluted earnings per share:

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Consolidated net profit/(loss) attributable to ordinary shareholders of the Company	**796,898**	(378,034)
Interest expense on convertible bonds, net of tax	**(35,908)**	(51,900)
Exchange gain on convertible bonds	**(1,371)**	-
Consolidated net profit/(loss) attributable to ordinary shareholders of the Company	**759,619**	(429,934)
Weighted average number of ordinary shares outstanding (note (a)) ('000)	**2,986,410**	2,978,120
Diluted earnings per share (RMB/share)	**0.2544**	(0.1444)

(a) [illegible]

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Weighted average number of ordinary shares outstanding - basic ('000)	**2,979,059**	2,978,120
Exchange gain ('000)	**7,351**	-
Weighted average number of ordinary shares outstanding - diluted (note (a)) ('000)	**2,986,410**	2,978,120

The balance of the Company's outstanding share options granted to employees was 60,000,000 shares (2.01% of the total shares 2,980,352,786) as at 31 December 2017. For details, please refer to Note IX.

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 to 30 June 2016
Change in pledged deposits	**81,616**	22,272
Change in borrowings	**–**	98,104
Total	**81,616**	120,376

65. Information to cash flow statement

(1) Supplementary information to the consolidated cash flow statement

( )

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Net profit	**1,066,509**	(541,160)
Add: Provision for impairment	**234,437**	1,267,501
Depreciation	**916,498**	1,056,717
Amortization of intangible assets	**175,734**	121,062
Amortization of long-term prepaid expenses	**60,679**	64,902

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)

( )

	For the Period from 1 January to 30 June 2017	F 1 J n 30 J 2016
C h n h n n 1 J n	**5,940,423**	4,310,559
h n h n n 1 J n g nn ng	**6,338,667**	3,259,123
(/) h n n	**(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	F 1 J n 30 J 2016
I. In n n n b n n :		
C h n n n	**5,000**	965,028
: C h n n l b b n		
b n n n	**–**	200,451
h / ( ) n	**5,000**	764,577

(3) Cash and cash equivalents

	For the Period from 1 January to 30 June 2017	F 1 J n 30 J 2016
I. C h		
ng: C h n h n	**155,947**	3,420
C h b n h n l n n	**4,686,435**	4,074,994
O n h n l n n	**77,875**	232,145
II. n l n b F n C n	**1,020,166**	
III. C h n h n n 1 J n	**5,940,423**	4,310,559

N : A C h b n n n h n l h.

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 fund –			
USD	**120,552**	**6.7744**	**816,665**
HKD	**289,640**	**0.8679**	**251,384**
AUD	**15,237**	**5.2099**	**79,381**
THB			
Monetary fund – USD		0.8679	**Monetary fund – 65**

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Monetary items denominated in foreign currency (Continued)

	Functional currency (in thousands)	30 June 2017 Exchange Rate	in RMB
Sh r b ng			
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
n b			
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
O h			709,653
			3,063,566
O h b			
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
O h			257,379
			1,638,236
L ng r b ng			
USD	3,267,834	6.7744	22,137,615
HKD	248,000	0.8679	215,244
O h			397,237
			22,750,096
L ng r b			
USD	29,264	6.7744	198,246

V. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations involving enterprises not under common control

The group engaged in business combinations involving enterprises not under common control during the year.

2. Disposal of subsidiaries

There were no disposals of subsidiaries during the year.

VI. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

All the significant subsidiaries established by the Group during the year are wholly-owned subsidiaries.

As at 31 December 2017, the number of the Group's subsidiaries was 621. The Group's subsidiaries mainly include Guangzhou Automobile Group Co., Ltd. ("GAC Group"), with a registered capital of RMB758,912,000. GAC Group's principal activities are investment holding, and its subsidiaries are principally engaged in the manufacture and sale of automobiles and automobile parts and components. GAC Group's shares are listed on the Stock Exchange of Hong Kong Limited.

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VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination

( )

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%) Direct	Shareholding percentage (%) Indirect
1	Sh n AA n S AA /n CIMC C n AA / M n r r C ., L . (SCIMC)	B AA r n	Sh n AA n, G ng ngh 7.23 2,0.026					

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
9	Yangzhou Rongling Equipment Co., Ltd. (YZRYL)	Establishment	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Manufacture and sale of marine equipment	USD20,000,000	-	100.00%
10	Shanghai CIMC Yinghai Leasing Equipment Co., Ltd. (SHYSLE)	Establishment	Shanghai	Shanghai	Manufacture and sale of marine equipment	USD29,480,000	-	100.00%
11	Shanghai CIMC Reefer Container Co., Ltd. (SCRC)	Establishment	Shanghai	Shanghai	Manufacture and sale of refrigerated containers; provision of after-sales service for refrigerated containers; leasing of refrigerated containers	USD31,000,000	72.00%	20.00%
13	Nantong CIMC Special Transportation Equipment Manufacturing Co., Ltd. (NTCIMCS)	Establishment	Nantong, Jiangsu	Nantong, Jiangsu	Manufacture, sale and leasing of special transportation equipment; provision of after-sales service for special transportation equipment	USD10,000,000	-	71.00%
14	Xinhai CIMC Special Transportation Equipment Co., Ltd. (XHCIMCS)	Establishment	Jingjiang, Guangdong	Jingjiang, Guangdong	Manufacture and sale of special transportation equipment, metal structures and mechanical equipment; provision of after-sales service for special transportation equipment, metal structures and mechanical equipment	USD65,499,000	19.01%	80.99%
15	Nantong CIMC Tank Equipment Co., Ltd. (NTCIMCT)	Establishment	Nantong, Jiangsu	Nantong, Jiangsu	Manufacture and sale of special transportation equipment, metal structures and mechanical equipment; provision of after-sales service for special transportation equipment, metal structures and mechanical equipment	USD35,000,000	-	70.79%
16	Dalian CIMC Rigdon Equipment Co., Ltd. (DLCIMCS)	Establishment	Dalian, Liaoning	Dalian, Liaoning	Design, manufacture and sale of special transportation equipment	USD20,000,000	55.00%	45.00%
17	Nantong CIMC Logistics Equipment Co., Ltd.	Establishment	Nantong, Jiangsu	Nantong, Jiangsu	Design, manufacture and sale of containers and container parts; provision of after-sales service for containers	USD47,700,000	-	70.79%
18	Shenzhen CIMC Smart Technology Co., Ltd. (CIMCSV)	Establishment	Shenzhen, Guangdong	Shenzhen, Guangdong	Development, manufacture and sale of intelligent equipment, software and hardware; provision of after-sales service for intelligent equipment, software and hardware	RMB200,000,000	-	63.33%

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%) Direct	Indirect
18	Qng CIMC S l C ., L . (QDSV)	B r n	Qng , Sh n ng	Qng , Sh n ng	l n, n n , l- l ng n ll n	RMB62,880,000	44.34%	35.25%
19	F h n CIMC l g n C ., L (F h n Lg)	B r n	F h n, G ng ng	F h n, G ng ng	gn, n, n n l g n ln g n	RMB3,000,000		100.00%
20	Sh ngh CIMC l g E n C ., L . (SHL)	B r n	Sh ngh	Sh ngh	l n, n n, n ng, , h ng n	RMB90,204,100		63.33%
21	Sh n CIMC W C ., L . (CIMC W)	B r n	Sh n, G ng ng	Sh n, G ng ng	n n , n ; n	RMB30,000,000	12.00%	88.00%
22	CIMC (L nng) C ., L . (LNVS)	B r n	Yng , L nng	Yng , L nng	l n n n , l- ll n n	RMB60,000,000		63.33%
23	T njn P CIMC h nh Lg C ., L . (T njn P CIMC)	B r n	T njn	T njn	n l n			

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
26	Xinhai CIMC Container Manufacturing Co., Ltd. (XHCM)	Branch	Jiangsu, China	Jiangsu, China	Production, sales, leasing, repair and after-sales service of containers and related components	RMB129,000,000	-	63.33%
27	Qingdao CIMC Energy Equipment Co., Ltd. (QDHB)	Branch	Qingdao, Shandong	Qingdao, Shandong	Design, manufacturing, sales, leasing and after-sales service of containers and related components	RMB137,930,000	-	63.33%
28	Shanghai CIMC Special Vehicle Co., Ltd. (SHCIMCV)	Branch	Shanghai	Shanghai	Design, manufacturing, sales, leasing and after-sales service of special vehicles, and related components	RMB10,000,000	-	63.33%
29	CIMC Financing Leasing Co., Ltd. (CIMCVL)	Branch	Shanghai, China	Shanghai, China	Financial leasing business; leasing business; purchase of leased assets from domestic and overseas;			

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	n r M ng l H l nb r CIMC W C ., L . (NMGW)	B r n	n r M ng l	n r M ng l	P r n n r n r	RMB259,520,000		100.00%
35	J ng CIMC W C ., L . (JXW)	B r n	J ng, Zh j ng	J ng, Zh j ng	P r n n r n r	USD5,000,000		100.00%
36	Sh n S r n CIMC C n r C ., L . (SCIMCL)	B r n	Sh n, G ng ng	Sh n, G ng ng	Eng g n r n h n, lng, nn ng, nn ng, n	USD5,000,000		100.00%
37	Ningb CIMC C n r C ., L . (NBCIMCL)	B r n	Ningb , Zh j ng	Ningb , Zh j ng	G ; g g , ng, n n l g	RMB30,000,000		100.00%
38	CIMC Sh n, l n C ., L . (CIMC SD)	B r n	Sh ngh	Sh ngh	n n n n n	RMB204,123,000	98.53%	1.47%
39	CIMC (Xnj ng) C ., L . (SJ4S)	B r n	Ur , Xnj ng	Ur , Xnj ng	P r n n h l n ll n	RMB80,000,000		63.33%
40	CIMC (Gr) C ., L . (HI)	B r n	Sh n, G ng ng	Sh n, G ng ng	l n, r n n h n gh h n gh r ,	USD212,225,100	44.33%	19.00%
41	Qng CIMC S l r C ., L . (QDCSR)	B r n	Qng , Sh n ng	Qng , Sh n ng	M n r n r n r , n n r n	USD39,184,100		100.00%
42	T njn CIMC L g E n C ., L . (TJCIMCLE)	B r n	T njn	T njn	gn, n , , n n	USD10,000,000		83.50%

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%) Direct	Indirect
43	Dalian CIMC Leasing Equipment Co., Ltd. (DLL)	Subsidiary	Dalian, Liaoning	Dalian, Liaoning	Design, manufacture, sale, maintenance and leasing of containers and chassis; leasing of containers and chassis; and provision of relevant consulting services	USD14,000,000		100.00%
44	Changzhou CIMC Leasing Equipment Co., Ltd. (CQLE)	Subsidiary	Changzhou	Changzhou	Design, manufacture, sale, maintenance and leasing of containers and chassis; and provision of relevant consulting services	USD8,000,000	75.00%	25.00%
45	Dalian CIMC Heavy Logistics Equipment Co., Ltd. (DLZH)	Subsidiary	Dalian, Liaoning	Dalian, Liaoning	Provision of relevant consulting services; design, manufacture, sale, maintenance and leasing of containers and chassis;	USD45,170,000	62.70%	37.30%
46	Shenzhen CIMC Intelligent Technology Co., Ltd. (CIMC Tech)	Subsidiary	Shenzhen, Guangdong	Shenzhen, Guangdong	Design, manufacture, sale, maintenance and leasing of [illegible]	RMB66,388,889	62.96%	9.04%
47	CIMC Tianda Airport Support Co., Ltd. (TCCRC)	Subsidiary	Tianjin	Tianjin	[illegible]	RMB450,000,000		100.00%
48	Hainan CIMC Boyuan Investment Co., Ltd. (HNW)	Subsidiary	Sanya, Hainan	[illegible]	[illegible]	USD14,000		

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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 M n g â n n Tr nng (Sh â n) C ., L . (CIMC Tr nng)	B â n	Sh â n, G ng ng	Sh â n, G ng ng				

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Name	Category	Registration Place	Main Premises

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 C n r H l ng C ., L . (C n r H l ng)	B r n	Sh k h n, G ng ng	Sh k h n, G ng ng	E n n n n g n	RMB2,736,915,400	100.00%	
70	Gh ng CIMC L g E n C ., L . (Gh ng L g E n)	B r n	Gh ng , Sh n	Gh ng , Sh n	Gh l n - r	RMB15,000,000		63.33%
71	Sh n CIMC Tr l In r G n (Sh n Tr l G n)	B r n	X n ng, Sh n	X n ng, Sh n	P r n l r l	RMB80,000,000		63.33%
72	CIMC H l ng (B.V.I.) L (CIMC BVI)	B r n	J ngk n, G ng ng	J ngk n, G ng ng	E n , r n n n g n	RMB150,000,000		100.00%
73	CIMC r l b l ng gn & n C .L . (M l gn)	B r n	J ngk n, G ng ng	J ngk n, G ng ng	D gn r l b l ng n r n	RMB50,000,000		87.40%
74	CIMC C l Ch n n C ., L . (C l Ch n n h)	B r n	Q ng , Sh n ng	Q ng , Sh n ng	S n h ng g n n r n n g n r	RMB50,000,000		100.00%
75	CIMC C l Ch n l n C .L . (C l Ch n l n)	B r n	Q ng , Sh n ng	Q ng , Sh n ng	P r n l n n	RMB979,000,000		100.00%
76	Sh n ng CIMC In r l P r l n n n C ., L . (Sh n ng Tr l G n)	B r n	Sh n ng, L nng	Sh n ng, L nng	l n r n n g n, r n g n	RMB50,000,000		63.33%
77	Sh k h n T n CIMC L g S r n Engn r ng C L (T n L g)	B r n	Sh k h n, G ng ng	Sh k h n, G ng ng	A r l g r n ng n r ng l - n l g r n g n r n	RMB60,000,000		54.70%

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	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
78	Dongguan CPIC Innovation Industrial Property Insurance Co., Ltd. (Dongguan Innovation Company)	Branch	Dongguan, Guangdong					

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	Qng CIMC Inn . nIn / l P / l n C .L .(Qng Gr In / P /)	B ak r n	Qng , Sh n ng	Qng , Sh n ng	l n n rn ng n l r ; / r , / r ak r n	RMB10,000,000		82.00%
88	Anh Ur ak W l C ., L . (Ur ak)	B ak r n	X nAh ng, Anh	X nAh ng, Anh	P r n n / l- r l n ng r ng rn ha /	RMB158,000,000		66.24%
89	Zh ngh (T njn) C n ak /S r C ., L .(Zh ngh C n ak / S r)	B ak r n	T njn	T njn	D r n /rn n l gh / n / g n , n . n / r	RMB85,761,300		75.00%
90	K n h n CIMC A rn l g r n C ., L .(K n h n CIMC)	B ak r n	K n h n, J ng	K n h n, J ng	A rn l g r rn, n / g h n l ng rn	RMB80,000,000		54.70%
91	CIMC T n (L ng n) l n C ., L .	B ak r n	L ng n, F j n	L ng n, F j n	Th / ng l n , rn g n n / r n l n b ak	RMB20,000,000		32.82%
92	Alb / Z g / GmbH (B j ng) Sal C ., L .(Z g /)	B ak r n	B j ng	B j ng	F r g r r l n , h ha / n n rn / b ak n g n b ak	EUR1,500,000		60.00%
93	Sh n n CIMC Y ng V l l g n hn l g C ., LTD (Sh n nY ng ak)	B ak r n	Sh n n, G ng ng	Sh n n, G ng ng	A rn n n / , / n rn n / n . / b ak	RMB10,000,000		54.72%
94	Sh n n CIMC E / C rn n L g r hn l g C ., LTD	B ak r n	Sh n n, G ng ng	Sh n n, G ng ng	Th l n g r / rn n l . /rn n r /	RMB137,844,600		50.78%
95	N n ng CIMC S rn C g E n C ., L (S rn N n ng)	B ak r n	N n ng, J ng	N n ng, J ng	M n / n n / g n r n l n l g r n .	RMB20,000,000		70.73%

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
96	Dongguan CIMC Solar Co., Ltd. (Dongguan CIMC Solar)	Subsidiary	Dongguan, Guangdong	Dongguan, Guangdong	Production, sales and research and development of solar energy products, aluminum alloy products, aluminum profiles, aluminum frames, aluminum alloy materials, aluminum alloy molds, aluminum alloy accessories, aluminum alloy curtain walls, aluminum alloy doors and windows, aluminum alloy decorative materials, aluminum alloy structural components, aluminum alloy engineering and construction	RMB200,000,000	-	63.33%
97	Guangdong CIMC Vehicle Investment Co., Ltd. (Guangdong Vehicle Investment)	Subsidiary	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales of vehicles and vehicle parts; investment holding	RMB30,000,000	100%	-
98	Zhanhu (Tianjin) Port Container Co., Ltd. (Zhanhu Port Container)	Subsidiary	Tianjin	Tianjin	Warehousing; Logistics Distribution; Loading, unloading, handling	RMB79,475,000	-	75.00%
99	CIMC Port Logistics Co., Ltd. (Jiangsu CIMC Port Logistics)	Subsidiary	Jiangsu, Guangdong	Jiangsu, Guangdong	Logistics management and port logistics; investment holding	RMB50,000,000	-	100.00%
100	Shenzhen CIMC Vehicle Port Logistics Management Co., Ltd. (Shenzhen Vehicle Port)	Subsidiary	Shenzhen, Guangdong	Shenzhen, Guangdong	Logistics management, port logistics	RMB152,500,000	-	63.33%
101	CIMC Morning Logistics Co., Ltd. (Morning Logistics)	Subsidiary	Tianjin	Tianjin	Logistics information technology development; logistics equipment leasing; CIQ, customs declaration	RMB1,049,226,700	100.00%	-
102	Dongguan Shipping CIMC Logistics Management Co., Ltd. (Dongguan Shipping CIMC)	Subsidiary	Dongguan, Guangdong	Dongguan, Guangdong	Management consulting; investment holding; import and export agency	RMB600,000,000	-	100.00%
103	Ningbo CIMC Container Management Co., Ltd. (Ningbo Container Management)	Subsidiary	Ningbo	Ningbo	Management consulting, investment holding	RMB500,000,000	-	100.00%
104	Shenzhen CIMC Tank Equipment Investment Co., Ltd. (Tank Equipment Investment)	Subsidiary	Shenzhen	Shenzhen	Equipment investment	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	Sh an n Thar H Zh Yar ar n C ., LTD (Sh an n Thar H Zh Yar)	B ar n	Sh an	Sh an	Iar n h l ng	RMB30,000,000		66.24%
106	G ng ng H Zh ng D Lar r ar ar ., LTD (G ng ng Lar r E n)	B ar n	J ngan	J ngan	M n ar , lar n	RMB31,800,000	19.01%	80.99%
107	Y ng h CIMC H ng ar lE ar C ., L . (Y ng h H ng ar l E ar)	B ar n	Y ng h	Y ng h	ar l ar ar l n; ar n ar , r ar ar n r ar	RMB25,000,000		82.00%
108	Y ng h CIMC D ar lE ar C ., L . (Y ng h D ar lE ar)	B ar n	Y ng h	Y ng h	ar l ar ar l n; ar n ar , r ar	RMB25,000,000		82.00%
109	Y ng h CIMC H Har l Iar n C ., L . (Y ng h H Har l)	B ar n	Y ng h	Y ng h	F n ar r ag ar ar ; r ar n ag n; r n ar n ag n	RMB35,000,000		82.00%
110	ar ng CIMC Sar lLg ar E n C .L . (ar ng Sar l E n)	B ar n	ar ng, j ng	ar ng, j ng	Pr ar n n n ag n ar , ar l ar n ar n	USD20,000,000	50.00%	50.00%
111	Zh ng h C n n En l h Ear g C ., LTD (Zh ng h C n n Ear g)	B ar n	Zh ng h	Zh ng h	A r n ag n	RMB43,000,000		66.00%
112	CIMC Ear Iar n H l ng (Sh an n) L . (Ear Sh an n ar n h l ng)	B ar n	Sh an	Sh an	Iar n h l ng	USD80,000,000		70.73%
113	Zh ngj g ng CIMC S n n Cr ag ar E n M har r C ., L . (S n n Cr ag ar)	B ar n	Zh ngj g ng	Zh ngj g ng	M n ar , ar n ar , r ar n ag n, r ar n ar l r ar n ar n ar n r ar ar n ar n ar l r ar n ar r ar ar	RMB30,000,000		63.66%

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

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Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
						Direct	Indirect

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1)

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	Ch m R H l ng Lm (Ch m R)	B n	H ng K ng, Chn	H ng K ng, Chn	n h l ng	HKD10,000		70.73%
138	Ch m B E r Lm (Ch m B)	B n	Br h V rg n l n	Br h V rg n l n	n h l ng	USD50,000		63.33%
139	Sh r V n H l ng Lm (Sh r V n)	B n	H ng K ng, Chn	H ng K ng, Chn	n h l ng	HKD1		100.00%
140	S n W r H l ng Lm (S n W r)	B n	Br h V rg n l n	Br h V rg n l n	n h l ng	USD50,000		70.73%
141	Gr R Lm (Gr R)	B n	H ng K ng, Chn	H ng K ng, Chn	n h l ng	HKD1		100.00%
142	P h H l ng L . (P h)	B n	Br h V rg n l n	Br h V rg n l n	n h l ng	USD10		100.00%
143	C r W l U.A.	B n	H ll n	H ll n	n h l ng	EUR75,000,000		70.73%
144	W l H l ng B.V.	B n	H ll n	H ll n	n h l ng	EUR90,000		70.73%
145	CIMC Fn n h ng (HK) C L .	B n	H ng K ng, Chn	H ng K ng, Chn	Fn n h ng	HKD500,000		100.00%
146	CIMC O , h H l ng Lm (CIMC O , h)	B n	H ng K ng, Chn	H ng K ng, Chn	n h l ng	HKD2,234,855,000		100.00%
147	C r CIMC U.A. (COOP)	B n	H ll n	H ll n	n h l ng	EUR25,500,000	99.00%	1.00%
148	N r h S Rg H l ng (NSR)	B n	Br h V rg n l n	Br h V rg n l n	Fn n h ng r m n	USD6,000		91.50%

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Name	Category

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Name	Category	Registration Place	Main Pre2istration

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

( )

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%) Direct	Shareholding percentage (%) Indirect
1	Long CIMC Ling An [illegible] CO., LTD. (LYV)	Subsidiary	Long[illegible]	Long[illegible]	Pro[illegible]	RMB122,745,700		45.26%
2	Wuhu CIMC Rongan [illegible] CO LTD (WHVS)	Subsidiary	Wuhu, Anhui	Wuhu, Anhui	Design[illegible]	RMB161,786,100		45.76%
3	Longhai Dongyue [illegible] C., L. (LSDYV)	Subsidiary	Longhai, Shandong	Longhai, Shandong	Pro[illegible]	RMB90,000,000		44.39%
4	Qingdao CIMC Container Manufacturing C., L (QDCC)	Subsidiary	Qingdao, Shandong	Qingdao, Shandong	Manufacture[illegible]	USD27,840,000		100.00%
5	Qingdao CIMC[illegible] Container Manufacturing C., L. (QDCRC)	Subsidiary	Qingdao, Shandong	Qingdao, Shandong	Manufacture[illegible]	USD86,846,680		100.00%
6	Tianjin CIMC North China Container C., L. (TJCIMC)	Subsidiary	Tianjin	Tianjin	Manufacture[illegible]	USD15,469,300	47.50%	52.50%
7	Shanghai CIMC Bulk Liquid Equipment C. L (SBWI)	Subsidiary	Shanghai	Shanghai	Manufacture[illegible]	USD28,500,000		94.74%
8	CIMC[illegible] (Group) (Shanghai) C. L. (KGR)	Subsidiary	Zhangjiagang, Shandong	Zhangjiagang, Shandong	Design[illegible]	USD18,930,100		55.10%

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

( ) ( )

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%) Direct	Indirect
17	Shanghai Energy Investment Co., Ltd. (Shanghai Energy)	Business	Shanghai,	Shanghai,	Manufacturing	USD32,000,000		70.73%
18	Energy (Liangjiang) Investment Co., Ltd. (Liangjiang Energy)	Business	Liangjiang,	Liangjiang,	Manufacturing	HKD115,000,000		70.73%
19	Energy (Beijing) Investment Holding Co., Ltd. (Beijing Energy)	Business	Beijing	Beijing	Manufacturing	HKD40,000,000		70.73%
20	CIMC Energy (Jiangsu) Investment	Business	Jiangsu,	Jiangsu,	Selling	HKD50,000,000		70.73%
21	Jiangsu Hengshen Co., Ltd. (Jiangsu Hengshen)	Business	Jiangsu,	Jiangsu,	Production	RMB100,000,000		56.58%
22	Ningbo CIMC Co., Ltd. (NGCIMCW)	Business	Ningbo,	Ningbo,	Production	RMB9,884,600		60.00%
23	Yantai CIMC Raffles Offshore Ltd. (YCRO)	Business	Yantai, Shandong	Yantai, Shandong	Construction;	RMB2,291,190,000		97.89%

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

( ) ( )

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%) Direct	Shareholding percentage (%) Indirect
24	Yn CIMC R h C ., L (YCRS)	B R n	Yn , Sh n ng	Yn , Sh n ng	C n n , h ll n ; n R r n h n l n l n	RMB125,980,000		83.47%
25	H ng CIMC R h L . (HCRO)	B R n	H ng, Sh n ng	H ng, Sh n ng	C n n , ; gn n, n , h ; n , n n , n h l l ,	RMB200,000,000		97.89%
26	L ng CIMC R h ngR r ng C ., L (LCRO)	B R n	L ng , Sh n ng	L ng , Sh n ng	C n n , h n R n	RMB290,000,000		97.89%
27	Sh n ng M r S W h M n ng C ., L (SDMV)	B R n	J n ng, Sh n ng	J n ng, Sh n ng	M n n n , n ng n , h n n n n	RMB66,000,000		44.39%
28	Xn, Ar E n L .(Xn, Ar)	B R n	B jng	B jng	M n n , r h b	RMB25,000,000		38.29%
29	Y ngj ng Sh ng ng F R lE C ., L .(YJFR)	B R n	Y ngj ng, G ng ng	Y ngj ng, G ng ng	R l n n l n n r n l nn ng n l ng, n , n n n r l n h r n	RMB10,000,000		49.20%
30	N njng Y P h l gn & Engr ng C ., L .(Y P h l)	B R n	N njng, J ng	N njng, J ng	P n l n h l n r	RMB88,000,000		70.73%

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	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
31	Zhanhai Logistics Co., Ltd. (Zhanhai Co.)	Branch	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	Zh nh D ngj ng (T nj n) C ., L . (Zh nh D ngj ng (T nj n))	B n h n	T nj n	T nj n	C mm n n l ghr n	RMB50,000,000		75.00%
41	T nj n Zh nh l rn n l Tr B k W t h ng (T nj n Zh nh Tr B k)	B n h n	T nj n	T nj n	C g r n g n	RMB5,628,800		75.00%
42	Br g n n S r (Sh n h n) C ., L . (Sh n h n Br g n n)	B n h n	Sh n h n, G ng ng	Sh n h n, G ng ng	Pr v d n n r n h r m l n l hm l	HKD7,500,000		70.00%
43	Br g n n S r (Sh ngh) C ., L . (Sh ngh Br g n n)	B n h n	Sh ngh	Sh ngh	C n r h n r , h l n l n d v l m n	USD513,000		70.00%
44	T nj n r n n K h ng							

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Name	Category	Registration Place	Main Premises	
RuiJi Lo.412iTf(Wuhu) Co., Ltd (WHRJL)	truck special-use vehicles, engd(ering)TJ.5 93Td(Re1ET65 2.824Tj0 -MB1,100,000,000(Re12.14			
Premi2 Td(Reg/ntitytion.5 931siness scoeSY.4[Wuhu,)37(Anhui)]Tss scoeSY.4[Wuhu,)37(Anhui)]TJ(B)T043ss sc	Manufacture and sale of agricultur0 1vehicles agricultur0 1machd(Td and)TJ. i8 337 1 [r)18(el		Henan,	

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F r âr r ê r ır 1 J n r nâr 30 J âr 2017
(All ır n n RMB'000 âr âr r â)
(Engl h Tr n l n r rRâ ê Op)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

( )

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
56	CIMC R llng S A r l P L. (CIMC A)	B â n	A r l	A r l	S â	AUD50,000		63.33%
57	En Ba rg E n H l ng L (En)	B â n	C ın nl l n	C ın nl l n	l n h l ng	HKD1,936,838,008 HKD0.01 r h		70.73%
58	B rg In B.V.	B â n	H ll n	H ll n	l n h l ng	EUR841,267		100.00%
59	CIMC ENRIC T n n P B.V.	B â n	H ll n	H ll n	l n h l ng	EUR20,000,000		70.73%
60	Z ın nn H l B.V.	B â n	H ll n	H ll n	S n h l ng	EUR136,200		70.73%
61	Z ın nn H l l rn n l B.V.	B â n	H ll n	H ll n	P r n, r ınâl n â n h l ng	CIMC A)		

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

( )

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%) Direct	Indirect
68	B rgeS B.V.	B n	H ll n	H ll n	A mbl n	EUR150,000		70.73%
69	LAG T N.V.	B n	B lg m	B lg m	M n ng	EUR3,245,000		63.33%
70	Z m nn H N.V.	B n	B lg m	B lg m	P n n	EUR991,600		70.79%
71	m b rg N.V.	B n	B lg m	B lg m	P n	EUR248,000		63.33%
72	Z m nn H A/S	B n	D nm	D nm	P n n	DKK1,000,000		70.73%
73	D Ch LLC (DCEC)	B n	USA	USA	M n ng n l	USD10,000,000		63.33%
74	CIMC TGE G n SA (TGESA)	B n	L mb rg	L mb rg	n nh l ng	EUR50,000		60.00%
75	TGE G Eng ng GmbH (TGE G)	B n	G rm n	G rm n	P EP+CS gn, P h n C n n S n) l	EUR1,000,000		60.00%
76	CIMC R O.. h (Sng) L (R)	B n	Sng	Sng	P n h ng l ng - ll ng l m- ll ng Pl m, FPSO , FSO	SGD594,416,915 n USD303,122,013		100.00%

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(All [illegible] n RMB'000 [illegible])
(Engl h Tr nl n [illegible] Op)

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
77	CIMC R [illegible] l [illegible] n L [illegible]	B [illegible] n	H ng K ng, Chn	H ng K ng, Chn	l [illegible] n h l ng	HKD2		100.00%
78	CIMC R [illegible] [illegible] ng P .L .	B [illegible] n	Sng [illegible]	Sng [illegible]	[illegible] ng [illegible] h	SGD2		100.00%
79	C n D [illegible] P .L .	B [illegible] n	Sng [illegible]	Sng [illegible]	[illegible] ng [illegible] h	USD30,000,000		100.00%
80	[illegible] hn [illegible] l [illegible] n l L [illegible] ([illegible] hn [illegible])	B [illegible] n	Un [illegible] Kng [illegible]	Un [illegible] Kng [illegible]	[illegible] h n [illegible] l [illegible] n [illegible] g [illegible] n [illegible]	GBP100		60.00%
81	G [illegible] AB.	B [illegible] n	Sw [illegible] n	Sw [illegible] n	l [illegible] n h l ng	SEK1,000,000		100.00%
82	[illegible] [illegible] l [illegible] n L [illegible] ([illegible] [illegible])	B [illegible] n	H ng K ng, Chn	H ng K ng, Chn	l [illegible] n h l ng	USD1		100.00%
83	Z [illegible] nn l [illegible] n l GmbH (Z [illegible] nn G)	B [illegible] n	G [illegible] n	G [illegible] n	D gn, [illegible] n n [illegible] [illegible] [illegible] n n [illegible]	EUR16,000,000		70.73%
84	A [illegible] Z [illegible] GmbH (Z [illegible])	B [illegible] n	G [illegible] n	G [illegible] n	D gn n M [illegible] ng [illegible] ng	EUR13,543,000		60.00%
85	B [illegible] hn l g AB (B)	B [illegible] n	Sw [illegible] n	Sw [illegible] n	D gn n M [illegible] ng [illegible] ng	SEK1,000,000		90.00%
86	CIMC MBS LIMITED (CML)	B [illegible] n	Un [illegible] Kng [illegible]	Un [illegible] Kng [illegible]	M [illegible] l	GBP3,884,303		100.00%
87	Zh nh l g [illegible] (H ng K ng) C ., L . (Zh nh H ng K ng)	B [illegible] n	H ng K ng, Chn	H ng K ng, Chn	L g [illegible]	USD6,600,000		75.00%

VI.

	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
88	CIMC Australia Trading Pty Ltd (CARTE)	Subsidiary	Australia	Australia	Trading	AUD8,300,000	-	63.33%
89	Bright Ocean Investment Holding Limited (Bright Ocean Investment Holding)	Subsidiary	Hong Kong, China	Hong Kong, China	Investment holding	HKD10,000,000	-	70.00%
90	Bright Ocean Shipping Limited (Hong Kong Bright Ocean Shipping)	Subsidiary	Hong Kong, China	Hong Kong, China	Chartering and ship management	HKD5,000,000	-	70.00%
91	Raffles Global Ltd.	Subsidiary	Singapore	Singapore	Investment holding	SGD322,947,152	-	78.14%
92	World Investment Limited (VIL)	Subsidiary	United Kingdom	United Kingdom	Investment holding	GBP1,108	-	100.00%
93	CIMC Capital Limited (CDL)	Subsidiary	United Kingdom	United Kingdom	Property holding	GBP1	-	100.00%
94	World Shipping Limited (VSL)	Subsidiary	United Kingdom	United Kingdom	Management	GBP1	-	100.00%
95	Briggs Group Limited	Subsidiary	United Kingdom	United Kingdom	Design, installation, maintenance and repair of marine and offshore engineering equipment	GBP3,385,000	-	70.73%
96	Global Mining Leasing Limited	Subsidiary	United Kingdom	United Kingdom	Property investment	692,041 ordinary shares of 1 each	-	63.33%

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(Engl h Tr nl n [illegible] Op)

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 Zh nh	T njn	T njn	L g [illegible]	N		38.25%
Y&C Eng [illegible]	W h , Anh	W h , Anh	M n [illegible]	[illegible]		33.12%
			[illegible]			
Associates –						
LH [illegible]	[illegible]	[illegible]	G [illegible]	N		15.58%
			[illegible]			
Sh ngh [illegible]	Sh ngh	Sh ngh	[illegible]	[illegible]		40.00%
TSC	H n(USA)	C n l n	L n [illegible]	[illegible]		13.42%
J h Sh ng	H ngK ng	H ngK ng	L g [illegible]	N		30.00%
Chn [illegible]	Gh ng	C n l n	F [illegible]	[illegible]		30.00%
Sh [illegible] h ng l [illegible] n	B j ng	B j ng	l [illegible]	N		45.00%

Th [illegible] n [illegible] b [illegible] [illegible] [illegible] b [illegible] h .

(2) Excess deficit of major associates and joint ventures

Th [illegible] n [illegible] [illegible] [illegible] j n [illegible] n [illegible] n [illegible] .

VII. EQUITY OF THE STRUCTURED BODY NOT INCLUDED IN THE CONSOLIDATION RANGE OF THE CONSOLIDATED FINANCIAL STATEMENTS

Th [illegible] n [illegible] [illegible] b n [illegible] n [illegible] n l n [illegible] [illegible] n l [illegible] n [illegible] l [illegible] n .

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 to the information disclosed elsewhere in these financial statements, the following table lists the joint ventures and associates of the Company which had balances with the Group during the year or had balances as at 31 December 2017:

	Main place of business	Registered Address	The nature of the business	The group activity is strategic	Shareholding percentage – direct	Shareholding percentage – indirect
Joint ventures -						
Guangzhou Shenglong	Nanning	Nanning	Logistics	N		50.00%
'K'Line Zhanhai Logistics	Tianjin	Tianjin	Logistics	N		38.25%
Qingdao Qingbang Bridge	Qingdao	Qingdao	Construction	N		35.00%
Shanghai Waigaoqiao Bridge	Shanghai	Shanghai	Construction	N		35.00%
Tianjin Jinhai Bridge	Tianjin	Tianjin	Construction	N		35.00%
Associates -						
Yuanhai Water	Yuanhai	Yuanhai	Water	N		35.00%
Ruanyun International	Zhangjiang	Zhangjiang	Port	N		16.40%
Qingdao Port Bonded	Fujian	Fujian	Bonded	N		30.00%
Xiangyang Water Investment	Hangkong	Hangkong	Water	N		20.00%
Shanghai Shan	Shanghai	Shanghai	Agency	N		15.83%
Zhangjiang Xinlingbang	Zhangjiang	Zhangjiang	Bonded	N		30.00%
Dalian Jinglong	Dalian	Dalian	Logistics	N		30.00%
Tianjin Sinan Dingjing Animal Husbandry	Tianjin	Tianjin	Animal Husbandry	N		39.22%
Xuan CIMC	Xuan	Xuan	Construction	N		45.00%
Ningbo Bai	Ningbo	Ningbo	Construction	N		21.00%

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information of other related parties

Company name	Relationship with the Group
SUMITOMO CORPORATION	M n h h
Sh n D A	M n h h
O n l n l	S gn n h h
FML	S gn n h h
G n	M n h h
A h Tr ng C ., L	M n h h
Sh n F	M n h h
Ch n M h n Sh In l Z H l ng C ., L .	S gn n h h
Fl n C n C n S.A.	S gn n h h
Ch n COSCO Sh ng C n L	S gn n Sh h
Fl n C n S L .	S gn n h h

N : S gn n h h n 5% ( )

Notes to the Financial Statements

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VIII.

For the Period from

N	Amount	
S g	**93,174**	38,242
63,809 66,874		
R ng	**20,078**	10,352

(3) Financing

Interest income

Note		
Financing received		
	45,571 19 2008 R n n	522
	Sh F	27,215
		72,786
	Financing provided	
		503,568 25

VIII.

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

( )

D 30 J 2017 :

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries: Salary and allowance	Pension	Bonus	Entry Bonus	Housing allowance	Others	Total
D :								
W ng H ng	-	-	-	-	-	-	-	-
W ng Y h ng	-	-	-	-	-	-	-	-
M B l ng	-	1,350	42	-	-	-	223	1,615
W ng Zh n	-	-	-	-	-	-	-	-
L Ch ng	-	-	-	-	-	-	-	-
P n Gh ng	100	-	-	-	-	-	-	100
W ng G n	100	-	-	-	-	-	-	100
P n Zh ng	100	-	-	-	-	-	-	100
T l	300	1,350	42	-	-	-	223	1,915
S :								
X ng B	-	86	21	-	-	-	6	113
Ln L N ( )	-	-	-	-	-	-	-	-
Zh ng M ng n	-	-	-	-	-	-	-	-
L Sh h N ( )	-	-	-	-	-	-	-	-
T l	-	86	21	-	-	-	6	113
Oh S n E								
W F	-	661	55	-	-	-	16	732
L Y nh	-	401	54	-	-	-	16	471
L X b n	-	688	55	-	-	-	16	759
Zh ng B ng	-	661	-	-	-	-	-	661
Y Y	-	375	-	-	-	-	-	375
G X ng	-	718	45	-	-	-	11	774
Jn J nl ng N ( )	-	330	-	-	-	-	-	330
Z ng H n N ( )	-	170	22	-	-	-	8	200
Y ng R ng	-	568	48	-	-	-	16	632
Y Y n	-	660	42	-	-	-	16	718
S b- l	-	5,232	321	-	-	-	99	5,652
T l	300	6,668	384	-	-	-	328	7,680

N (): A 20 nb 2016, b 2016 ng, Mr. Ln L gh b j n Mr. L Sh h h nb h l, h h 7)::

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

( )

Notes to the Financial Statements

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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 year ended 31 December 2017
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IX. SHARE-BASED PAYMENTS

1. Information about share-based payments

T ak n / ba n gr na / ng ah ar /	Th l n rnb / _ ha n gr na b ah C rn n En 0 h ar / .
T ak n / ba n ar ar / ng ah ar /	Th n rnb / ar ar / ha n gr na b ah C rn n En 1,776,000 n 1,676,000 ar ar l h ar / .
T ak n / ba n _/ ar / ng ah ar /	Th C rn n h n ah ar / b ar ar n / ba n n ah n rnb / _ ha n _/ ar n En 294,000 h ar / .
Th ar ar / na _ n ng ha n ah ar n _/ ah ar / n ar l h _ ah ha n n	1. E ar ak ha n gr na b En n 2009,2011 n 2014: HKD4, HKD2.48 n HKD11.24 ar / h ar ar ar l , ah ar l h _ n 2.30, 4.32 n 6.93 ar / ar ar l ;
	2. E ar ak ha n gr na b ah C rn n n 2010 n 2011: RMB10.49 (ar / j ba n) n RMB16.02 ar / h ar ar ar l (ar / j ba n), ah ar l h _ n b h 3.24 ar / .
Th na _ ah / n ng n / ba n ah n _/ ah ar / n ar l h gr n . n	N l

E ar na ar gn ar _ / ah ar / / ng / rn ha -b ar ba n ar _ ll

	For the Period from 1 January to 30 June 2017	F / ah aP / _/ rn 1 J n / 30 J ah 2016
E ar ak ha -b ar ba n	**9,583**	19,889

IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment

(1) Information on equity-settled share-based payment of Eric

Eric, the Company's first share option plan (the "Plan I"), which was approved by the shareholders' resolution on 11 November 2009. The purpose of the Plan, among other things, is to attract and retain the best available personnel for the Eric Group and to provide additional incentives to the employees of the Eric Group. The maximum 50% of the total number of shares granted under the Plan and maximum 100% of the total number of shares granted under the Plan. Each option gives the holder the right to subscribe for one ordinary share in the Eric. The total number of shares granted is 43,750,000, with an exercise price of HKD4 per share.

Eric's second share option plan (the "Plan II"), which was approved by the shareholders' resolution on 28 October 2011. The purpose of Plan II, the Company's first share option plan, is to attract and retain the best available personnel for the Eric Group and to provide additional incentives to the employees of the Eric Group. The maximum 40% of the total number of shares granted under the Plan, 70% of the total number of shares granted under the 2nd tranche of the Plan, and maximum 100% of the total number of shares granted under the 3rd tranche of the Plan. Each option gives the holder the right to subscribe for one ordinary share in the Eric. The total number of shares granted is 38,200,000, with an exercise price of HKD2.48 per share.

Eric, the Company's third share option plan (the "Plan III"), which was approved by the shareholders' resolution on 5 June 2014. The purpose of the Plan, among other things, is to attract and retain the best available personnel for the Eric Group and to provide additional incentives to the employees of the Eric Group. The maximum 40% of the total number of shares granted under the 1st tranche of the Plan, 70% of the 2nd tranche of the Plan and maximum 100% of the total number of shares granted under the 3rd tranche of the Plan. Each option gives the holder the right to subscribe for one ordinary share in the Eric. The total number of shares granted is 38,420,000, with an exercise price of HKD11.24 per share.

Movements in the number of share options in Eric:

	30 June 2017 '000	31 December 2016 '000
Beginning balance	**83,572**	86,599
Granted during the year	**–**	
Exercised during the year	**(1,676)**	(1,211)
Cancelled during the year	**(162)**	(1,776)
Forfeited during the year	**(132)**	(40)
Ending balance	**81,602**	83,572

Notes to the Financial Statements

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IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment (Continued)

(2) Information on equity-settled share-based payment of the Company

A h n (h 'S h ') h ng h C n l n 28 2010. ng h S h , h b h C n h g n h n h n g n l n h C n . Th h S h n h n 25% h 24 n h h g n h l n h n 48 n h h g n . Th n g 75% h 48 n h h g n h l n h S h . E h n g h h h gh h n, h h n l ll h n n ll :

( ) Th h h l h n.

(b) Th h h C n ng n ng l h l n l h n 6% n h g n n h g n ng n ng l h l n l h n 10% h .

( ) D ng h ng , h h h C n n h h h C n ng n ng l h l n l h n h g g h h g n g .

Th l n h 60,000,000, 54,000,000 ng h h l g n h 12.39 h n g h h n 6,000,000 n .

Th C n h n 0.35 h , 0.46 h , 0.23 h , 0.27, 0.31 h , 0.22 h n 0.06 h 31 M 2011, 21 J 2012, 28 J 2013, 27 J 2014, 29 J l 2015, 20 J l 2016 n 20 J l 2017 h h l n h h h . In h S h , n h n h n n l n h n l n 2010, 2011, 2012, 2013, 2014, 2015 n 2016, h B D j h n 54,000,000 h n g n 28 2010. A h j n, h 10.49 h .

ng h l n h b h h h ng n 22 2011, h n h n 6,000,000 h n h n n h S h n 28 2010 g n h h 17.57 h . Wh h n n l n h b n l n 2011, 2012, 2013, 2014,2015 n 2016 h n h h h h h n 0.46, 0.23, 0.27, 0.31,0.22 n 0.06 l, h h n j 16.02 h .

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)

Movements during the year:

	30 June 2017 '000	31 December 2016 '000
Beginning balance	**25,229**	25,986
Exercised during the year	**(1,776)**	(757)
Granted during the year	**–**	–
Forfeited during the year	**–**	–
Ending balance	**23,453**	25,229

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

According to the latest changes in the number of employees of the Company and other subsidiaries, the number of employees who are entitled to the above benefits in subsequent periods is revised. On the balance sheet date, the number of employees who are entitled to the above benefits is consistent with the revised estimate.

The accumulated amount recognized in capital reserve for share-based payment:

As at 30 June 2017, the accumulated amount recognized in capital reserve for equity-settled share-based payment	**414,679**
Total expenses recognized for equity-settled share-based payment for the following year:	
Year ended 31 December 2017	**–**
Year ended 31 December 2016	**9,583**
	9,583

X. CONTINGENCIES (CONTINUED)

3. Notes payable issued but not accounted for, outstanding letter of credit issued but undue and outstanding performance guarantees

The Group entered into agreements with banks to issue bills to suppliers in the ordinary course of business. According to the agreements, the Group is required to deposit cash with the banks as security for the bills issued. As at 31 December 2017, the Group had bills issued but not yet due in aggregate of RMB330,227,000 for which deposits of RMB88,443,000, including RMB418,670,000 (31 December 2016: RMB1,143,013,000).

As at 31 December 2017, the Company had bank facilities for guarantees in relation to performance bonds of RMB915,000,000 and USD20,000,000 (equivalent to RMB135,501,000) which were unused, including RMB1,050,501,000.

As at 31 December 2017, CMIC Ropeway had bank facilities for guarantees in relation to performance bonds and bid bonds including USD53,753,000 (equivalent to RMB364,183,000), of which the bank facilities for guarantees in relation to performance bonds, including USD32,000,000 (equivalent to RMB216,802,000), USD21,753,000 (equivalent to RMB147,381,000) were unused (31 December 2016: RMB905,730,000).

As at 31 December 2017, CIMC Enric had bank facilities for guarantees in relation to performance bonds and bid bonds including RMB698,752,000, of which the bank facilities for guarantees in relation to performance bonds of RMB342,096,000, the bank facilities for guarantees in relation to bid bonds of RMB356,656,000 (31 December 2016: RMB779,018,000,).

As at 31 December 2017, TLC, the subsidiary of the Group, had bank facilities for guarantees in relation to performance bonds including USD115,000 (equivalent to RMB799, 000). (31 December 2016: RMB2, 844,000).

As at 31 December 2017, QDCRC, the subsidiary of the Group, had bank facilities for guarantees in relation to performance bonds including RMB32,537,000 (31 December 2016: RMB10,478,000).

As at 31 December 2017, TAS had bank facilities for guarantees in relation to performance bonds including 684,748,000, of which the bank facilities for guarantees in relation to performance bonds of RMB375,133,000, RMB20,540,000, RMB32,669,000 and RMB256,406,000 were unused (31 December 2016: RMB682,818,000).

As at 31 December 2017, CIMC Finance Company, the subsidiary of the Group, had bank facilities for guarantees in relation to performance bonds, of which the bank facilities for guarantees in relation to performance bonds of RMB23,493,000, RMB1,593,000, RMB5,600,000 and RMB9,000,000 were unused, including RMB39,916,000 (31 December 2016: RMB28,396,000).

As at 31 December 2017, Zhanhai Logistics, the subsidiary of the Group, had bank facilities for guarantees in relation to performance bonds including RMB12,970,000 (31 December 2016: RMB42,125,000).

X. CONTINGENCIES (CONTINUED)

3. Notes payable issued but not accounted for, outstanding letter of credit issued but undue and outstanding performance guarantees (Continued)

Notes to the Financial Statements

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Notes to the Financial Statements

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(Engl h Tr n l n . r Rr n On)

XII. EVENTS AFTER THE BALANCE SHEET DATE

1. On 5 J l 2017, EIHL (Sh n h n) n h n SOE n SOE B n r n L n T m (南通太平洋破產清算組) r h r h m i r . SOE h gh r ng h n n n SOE. On 4 A g 2017, SOE R r ng Pl n r h r ' ng . SOE n r b h r . On 16 A g 2017, SOE h n n h ll - b r . CIMC En n n n n- h ll - b r . G r . SOE h n ! 南通中集太平洋海洋工程有限公司 (N n ng CIMC S n P O . h & Eng ng C ., L .). F n n, m n, r h nn n 6 J l 2017, 4 A g 2017 n 16 A g 2017 l n Ch n J n l, Sh ngh N , T , Cn n b (n n: m: n), h C m n ' b (: m: m) (N N : CIMC]2017-036, CIMC]2017-047 n CIMC]2017-054) n h b h H ng K ng S E h ng (.h h .h).

2. On 17 J l 2017, CIMC S h) R h E h / C C R 0 6 T n<0 CC0BB7 1 23 AD7 C 2 D 9B 2C 4033 B033B> B11CC10Aj/B h CGRE n m n RMB926,322,300 n h l CIMC S R l E n h gh CIMC Sh n . F n n, m n, r h nn n 17 J l 2017 l n Ch n J n l, Sh ngh N , T , Cn n b (n n: n), h C m n ' b (: m: m) (N N : CIMC] 2017-040) n h b . h H ng K m: m h ng (

XIII. SEGMENT REPORTING

In accordance with the Group's internal organisation structure, management activities and internal reporting system, the Group manages its business by business lines. Business lines are established based on products and services provided, which reflect the risk-return profiles of different segments. The Group's business segments are Corporate Banking, Personal Banking, Treasury Business, Asset Management, Interbank Business and Head Office. Revenue, expenses, assets and liabilities that are directly attributable to a segment and the relevant items that can be allocated to a segment on a reasonable basis are included in the segment. Inter-segment transfer pricing is determined with reference to the prevailing market rates.

1. Segment profits, losses, assets and liabilities

In order to assess the performance of each segment and allocate resources to it, the Group's management regularly reviews the operating results of each segment. The information disclosed is prepared in accordance with the relevant requirements of the Accounting Standards for Business Enterprises. The segment information is presented as follows:

Corporate banking business includes corporate deposits, corporate loans, settlement and cash management services provided to corporate customers, trade finance, and corporate deposits and loans with the nature of non-performing assets.

Treasury business includes interbank money market transactions, repurchase transactions, investment in debt securities, and foreign currency trading business on behalf of customers and for the Group's own account.

Personal banking business includes personal deposits, personal loans, bank card business, personal wealth management services and personal deposits and loans with the nature of non-performing assets.

Notes to the Financial Statements

F [illegible] 1 J n [illegible] 30 J [illegible] 2017
(All [illegible] n RMB'000 [illegible])
(Engl h Tr nl [illegible] Op)

XIII. SEGMENT REPORTING (CONTINUED)

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

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Notes to the Financial Statements

XIII. SEGMENT REPORTING (CONTINUED)

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

Information about reportable segments of the Group's consolidated financial statements (including amounts included in the measure of segment profit or loss and amounts regularly provided to the chief operating decision maker, but not included in the measure of segment profit or loss):

Notes to the Financial Statements

F ɾ aR ɑ ɾ ɾ ɾ ɾ ɾ m 1 J n ɾ n ɑ n 30 J aR 2017
(All m n n RMB'000 aR aR ɾ ɑ ɾ ɑ)
(Engl h Tr n l n ɾ ɾ ɑ n Op)

XIII. SEGMENT REPORTING (CONTINUED)

2. Geographic information

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

1. Credit risk

Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group's customer base, including the default risk of the industry and country in which customers operate, has an influence on credit risk, but to a lesser extent.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval from the head of credit control. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Group and existing relationships. Trade receivables and contract assets relate to wholesale customers and end-user customers that have a good credit quality. Trade receivables are due within 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers, although extended payment terms are sometimes negotiated and, in some cases, bank guarantees or letters of credit are required.

Notes to the Financial Statements

F r h r r r 1 J n r n 30 J 2017
(All n n RMB'000 h r r)
(Engl h Tr n l n r R Op)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk

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XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

	31 December 2016 Undiscounted cash flow					
	Within 1 year	1 – 2 years	2 – 5 years	Over 5 years	Total	Carrying amount
Financial assets						
Cash and cash equivalents	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
Interest receivable and other receivables	24,619,828	–	–	–	24,619,828	24,619,828
Current income tax assets	5,513,253	–	–	–	5,513,253	3,941,689
Available-for-sale financial assets	–	–	36,803	412,240	449,043	442,726
Interest receivable	9,250	–	–	–	9,250	9,250
Derivatives	41,959	–	–	–	41,959	41,959
Loans and advances	–	3,997,923	5,268,322	12,907,684	22,173,929	13,220,242
Sub-total	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 borrowings	15,729,787	–	–	–	15,729,787	15,729,787
Notes payable	1,551,582	–	–	–	1,551,582	1,551,582
Debentures payable	189,000	189,000	8,175,500	–	8,553,500	7,986,500
Interest payable and other payables	15,315,024	–	–	–	15,315,024	15,315,024
Interest payable	303,375	–	–	–	303,375	303,375
Derivatives	16,746	–	–	–	16,746	16,746
Current income tax liabilities	3,667,872	–	–	–	3,667,872	3,667,872
Other financial liabilities	1,666,966	–	–	–	1,666,966	1,687,762
Long-term borrowings	1,056,608	10,819,611	16,387,132	3,464,214	31,727,565	27,023,222
Long-term debts	–	520,988	4,767	23,220	548,975	529,372
Other non-financial liabilities	314,210	314,210	314,210	1,685,812	2,628,442	2,037,458
Sub-total	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 borrowings and other borrowings are analyzed 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 – 2 years	**4,773,878**	**–**	9,763,003	–
2 – 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 year ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Translation for Reference Only)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

3. Interest rate risk

For long-term borrowings with floating interest rates, the Group is exposed to cash flow interest rate risk. The Group's policy is to maintain its borrowings at floating rates. The Group's borrowings at floating rates are denominated in RMB. The Group monitors the interest rate exposure and will consider refinancing, renewal of existing positions and alternative financing when necessary.

(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 rate borrowings and lending				
Financial asset				
Long-term bank deposits	2.58%-17.53%	13,499,327	2.58%-17.53%	13,220,242
Current portion of long-term deposits	2.58%-17.53%	4,118,028	2.58%-17.53%	3,941,689
Financial liabilities				
Short-term bank borrowings	1.30%~6.09%	8,103,587	0.65%-16.41%	6,280,953
Debentures payable	3.07%-3.89%	7,986,500	3.07%-3.89%	7,986,500
Current portion of long-term borrowings	2.38%~3.35%	995,408	2.65%-2.90%	800,000
Long-term bank borrowings	1.20%~6.37%	1,936,946	1.45%-6.37%	1,043,007
Other payables	0.01%-1.00%	2,583,959	0.01%-1.00%	1,666,966
Other long-term 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 rate borrowings and lending				
Financial asset				
Cash at banks and on hand	0.30%-2.75%	5,737,102	0.30%-2.75%	6,325,998
Financial liabilities				
Current portion of long-term bank borrowings	3M Libor+165bps~ 3MLibor+240bps	3,896,006	1.15%+1M Libor~ 3M Libor+240bps	2,725,710
Long-term bank borrowings	1.15%+1M Libor~ 6M Libor+195bps	21,728,143	1.15%+1M Libor~ 6M Libor+310bps	25,980,215
Short-term bank borrowings	1M Libor+150bps~ 6M Libor+70bps	9,842,161	1M Libor+180bps~ 6M Libor+230bps	9,448,834
Long-term bonds	8.02%~12.86%	504,909	8.02%~12.86%	529,372
Current portion of long-term bonds	8.02%~12.86%	124,087	8.02%~12.86%	138,312
Total		(30,358,204)		(32,496,445)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

3. Interest rate risk (Continued)

(2) Sensitivity analysis

As at 30 June 2017, if interest rates had been 25 basis points higher (31 December 2016: 25 basis points) with all other variables held constant, the Group's profit before tax for the year would have decreased by 56,922,000 (2016: 60,931,000) (2016: 60,931,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The stress was applied to all floating rate financial instruments held by the Group at the end of the reporting period. The analysis is performed on the same basis for 2016.

4. Foreign exchange risk

The majority of the Group's business is denominated in RMB. In addition, the Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group's foreign currency risk arises mainly from USD, HKD, EUR and JPY.

(1) The following table details the Group's exposure at the end of the reporting period to foreign currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For the purpose of this disclosure, the amounts of the exposure are shown in RMB, translated using the spot rate at the end of the reporting period. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	30 June 2017			
	USD	EUR	HKD	JPY

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 For the Period from 1 January to 30 June		Benchmark average exchange rate	
	2017	2016	**2017**	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

A ng ll 1 , 2.80%, 2.80%, 2.70% n 1.90% n RMB g n USD, EUR, HKD n JPY 30 J 2017 (2.80%, 2.80%, 2.70% n 1.90% n RMB g n USD, EUR, HKD, n JPY 31 2016) l h ( ) n ; h n RMB n l ng :

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

(3) Sensitivity analysis (Continued)

The Group's net profit before tax would increase/decrease by RMB nil (2016: RMB nil) and the Group's other comprehensive income would increase/decrease by RMB nil (2016: RMB nil) as a result of the Group's exposure to foreign exchange risk arising from the translation of the Group's net investments in foreign operations.

The Group's sensitivity to foreign exchange rates has increased during the current period mainly due to the increase in the Group's net investments in foreign operations as mentioned in Note IV.2 and Note IV.26 to the financial statements. The sensitivity analysis above has been determined assuming that the reasonably possible change in foreign exchange rates had occurred at the beginning of the financial year and had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at that date.

5. Other price risks

Other price risks arise from financial instruments such as equity investments. As at 30 June 2017, the Group's available-for-sale equity investments included 40,414,000 shares of Qingdao Port International Co., Ltd., 2,996,500 shares of Sinotrans Shipping Limited.

As at 30 June 2017, the Group's investments in wealth management products and trust schemes with expected annual yield rates ranging from 5.00% (31 December 2016: 5.00%), which will be due within one year, amounted to RMB 9,158,000 (31 December 2016: 6,651,000).

The Group's investments in equity instruments and wealth management products and trust schemes are measured at fair value at the end of the reporting period. Therefore, the Group is directly exposed to the risk of changes in the prices of these equity instruments and wealth management products and trust schemes.

Notes to the Financial Statements

F r th r ye r ended 31 D ce mber 2017
(All m n n RMB'000 unless th rwise st ted)
(Engl h Tr nsl t on of Statutory Fin nci l Stat ments Originally Issued in Chinese)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates

The fol owing t ble nalyses financi l instruments c rried t f ir v lue, by l v l in the f ir v lue hier rchy th t reflects the significance of the inputs used in m king the me sur ments:

Level 1: Quoted price (unadjusted) in active m rkets for identic l ssets or li bilities;

Level 2: Inputs other than quoted prices included within Level 1 th t re observable for the asset or li bility, either directly (th t is, s prices) or indirectly (th t is, der ived from prices);

Level 3: Inputs for the asset or li bility th t re not b sed on observable m rket d t (th t is, unobservable inputs).

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

The following t bles present the Group's financi l ssets nd li bilities th t re me sured t f ir v lue t 31 December 2017:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Investment in wealth management products	IV.2	180,357	–	–	180,357
Derivative financial assets	IV.2	–	251,402	–	251,402
Hedging instrument	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					
Investment properties	IV.14	–	–	1,722,065	1,722,065
Total		182,118	306,880	1,722,065	2,211,063

Liabilities	Note	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)

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 tables present the Group's financial instruments that are measured at fair value at 31 December 2016:

Assets	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Listed equity investments	IV.2	138,072	-	-	138,072
Debt investments	IV.2	-	326,969	-	326,969
Trading derivatives	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 properties	IV.14	-	-	1,752,608	1,752,608
Total		140,513	359,078	1,752,608	2,252,199

Liabilities	Notes	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Debt investments	IV.26	-	(15,838)	-	(15,838)
Trading derivatives	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 maintains policies and procedures to value instruments using the latest market information and valuation techniques. As at 31 December 2016, there were no changes in valuation techniques from Level 1 to Level 2 and Level 3.

For financial instruments traded in active markets, the fair value is determined by reference to quoted market prices; for financial instruments traded in inactive markets, the fair value is determined by using valuation techniques. The Group uses a variety of valuation techniques and makes assumptions based on market conditions existing at each balance sheet date. In addition, the Group uses quoted market prices or dealer quotes for similar instruments. For investments in unlisted equity instruments, the Group uses valuation techniques, such as EBITDA multiple, to determine their fair value.

Notes to the Financial Statements

F 1 J n 30 J 2017
(All n n RMB'000)
(Engl h Tr n l n Op)

XIV.

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 tables present the Group's assets that are measured at fair value at 30 June 2017:

	Fair value as at 30 June 2017	Valuation techniques	Significant unobservable inputs	Significant unobservable inputs range	Relationship of unobservable inputs to fair value
Available-for-sale financial assets	**1,126,654**		Rate of return	6%-8%	
Convertible bonds issued by the Group		Binomial model	Volatility (RMB/ exchange rate)	7-95	Note (1)
		Cost approach	Book value of the investee (RMB/ per share)	650-4,600	
			Annual growth rate	9%-12%	Note (2)
Long-term receivables	**595,411**	Discounted cash flow	Market rate (RMB/ [illegible])	[illegible]	[illegible]

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

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

			Significant unobservable input		
	Fair value at 31 December 2016	Valuation techniques	Notes	Sensitivity	Relationship of unobservable inputs to fair value
Investment properties -	1,139,285		Rental growth rate	6%-8%	
Commercial properties in		Income approach	Market rent (RMB/ per /month)	7-95	( ) Unobservable
		Comparable	Benchmark market unit price (RMB/ per)	650-4,600	
			Adjustment factor	9%-12%	( ) Unobservable
Land rights	613,323	Direct comparison	Market price (RMB/ per)	450-2200	( ) Unobservable

(2) Assets measured at fair value on a non-recurring basis

The n n- n l r t th t r n h l r r h b n n r t . A 30 J 2017, th Gr ' l r t l b r t n l RMB26,401,000, RMB92,269,000 n ng bl RMB85,177,000, r t r t (N IV.8). Th r t r n b n n- n r h l (RMB26,401,000, RMB115,743,000 n RMB97,563,000), h h l ng th h r l.

(3) Assets and liabilities not measured at fair value but for which the fair value is disclosed

F n l n l b l n th g r t b th r h r ng: n , h r r b ng , n bl , l ng r b ng , n bl , l ng r bl .

A 30 J 2017, ll n l n r t n r r n n r ll n r th r r .

Th n r r b n bl n r n r r b th n n th r , h h l ng th r . F r r l ng r b ng , l ng r bl n n n bl h n r r b th r r h l r n n h h n r h l n r th n n , h h l ng th h r l.

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(4) Estimation and assumption of fair values

The following methods and assumptions are used to estimate the fair value of each type of financial instrument:

( )

For financial instruments with standard terms and conditions and traded on active liquid markets, fair value is determined with reference to quoted market prices (unadjusted), mainly including debt securities, equity securities and derivatives.

( )

The fair value of financial instruments other than those mentioned above is determined using valuation techniques. Valuation techniques include discounted cash flow method, comparable company analysis, option pricing models and so on, and make as much use of observable inputs as possible and rely as little as possible on entity-specific inputs.

( )

The fair value of loans and advances to customers is estimated using discounted cash flow model, based on the contractual interest rate and expected repayment period. For loans with floating interest rates, the carrying amount is adjusted for the impact of interest rate changes between repricing dates.

( )

The fair value of debt securities investments is determined based on quoted market prices or dealer quotes provided by China Central Depository & Clearing Co., Ltd. and China Securities Depository and Clearing Corporation Limited. For debt securities investments without quoted market prices, the fair value is determined using valuation techniques, including discounted cash flow method and comparable company analysis.

( )

The fair value of equity investments is determined based on quoted market prices or dealer quotes provided by China Central Depository & Clearing Co., Ltd. and China Securities Depository and Clearing Corporation Limited. For equity investments without quoted market prices, the fair value is determined using valuation techniques, including discounted cash flow method, comparable company analysis and net asset value method.

XV. CAPITAL MANAGEMENT

Th Gr ' b r g ng l g h gr ' bl n bl l n n h r ' n h h r n m n n m l r l h .

In h r m n n j h l h , h Gr m j h m n h h r , h ll h .

T l h gr h h r h n n h n l b l h . Th gr n b r n l m n h n , n b r h r m n l.

Th Gr m n l n h b D b -A r . Th l l b l b l .

In 2017, h Gr m ng l b n r ll ng h D b -A r n 70% (2016: n G .

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

2. Dividends receivable

	30 June 2017	31 December 2016
CIMC Hong Kong	**3,333,084**	3,435,198
SCIMC	**592,706**	592,706
SCIMCEL	**462,372**	462,372
SCRC	**216,000**	
TJCIMCLE	**48,915**	48,915
SCIMCEL	**19,263**	19,263
Mingde Leasing	**29,146**	29,146
CIMC W	**–**	874
CIMCVL	**–**	149,577
QDSV	**2,468**	17,356
Tianjin Kingda Leasing Equipment 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
Deposits and margins	**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

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 2016
Wh n 1 (n l)	**9,525,395**	9,642,304
1 2 (n l)	**1,528,555**	1,530,022
2 3 (n l)	**587,541**	574,631
O 3	**1,331,663**	1,389,039
S b- l	**12,973,154**	13,135,996
: n , b	**(4,580)**	(4,580)
T l	**12,968,574**	13,131,416

Th g ng l ng , n h gn .

A 30 J 2017 n 31 2016, C n n h ! h l n n .

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

	N	30 June 2017				31 2016			
		Ending balance		Provision for doubtful debts		En ng b l		P n , b , l b	
		Amount	% of total balance	Amount	% of total balance	Am n	% l b l	Am n	% l b l
O h h n h n l gn n	(4)	**12,873,563**	**99.23%**	**–**	**–**	13,066,919	99.47%		
O h h n h n n l gn n	(5)	**99,591**	**0.77%**	**4,580**	**4.60%**	69,077	0.53%	4,580	6.63%
T l		**12,973,154**	**100.00%**	**4,580**	**0.04%**	13,135,996	100.00%	4,580	0.03%

Th n ll l h C n h l , h l n .

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 had no other receivables which were individually significant and for which provision for doubtful debts was individually assessed.

(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 had no other receivables which were not individually significant and for which provision for doubtful debts was individually assessed.

(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

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 H ng K ng	n r n , l r n	3,612,395	W h n 1 r	27.85%	
C&C T	n r n	1,421,641	W h n 1 r, 1 2 r, 2 3 r	10.96%	
H ng n B rg	n r n	1,098,758	W h n 1 r	8.47%	
CIMCVL n b	n r n	849,639	W h n 1 r	6.55%	
T njn H ng n B rg	n r n	591,447	W h n 1 r	4.56%	
		7,573,880		58.39%	

Th C n ' l g h 31 n b r 2016 n 7,609,722,000 n n g r 57.93% h l h .

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

A 30 J 2017, n n r h h h l ng n h n 5% (l ng 5%) h ng gh h C n l n h b b l h .

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

Notes to the Financial Statements

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:

	31 December 2016	Impairment losses	Disposals	30 June 2017	Shareholding (%)	Change
Available-for-sale equity investments						
BOCM-SI Fund Management	8,125			**8,125**	5.00%	

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

5. Long-term equity investments (Continued)

(2) Subsidiaries:

Investee	31 December 2016	Current movements	30 June 2017	Shareholding (%)	Voting rights (%)	Provision for impairment	Impairment provision for the period	Cash dividends 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 Hong Kong	1,690	-	**1,690**	100%	100%	-	-	-
CIMC SD	162,686	-	**162,686**	100%	100%	-	-	-
HI	606,912	-	**606,912**	80%	80%	-	-	98,789
CIMC[illegible]h	41,526	-	**41,526**	100%	100%	-	-	-
CIMCWD	54,817	-	**54,817**	100%	100%	-	-	-
CIMC Tianning	48,102	-	**48,102**	100%	100%	-	-	-
DLZH	182,136	-	**182,136**	100%	100%	-	-	-
MEA	111,703	-	**111,703**	100%	100%	-	-	-
CIMC W	3,472	-	**3,472**	100%	100%	-	-	-

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

5. Long-term equity investments (Continued)

(2) Subsidiaries: (Continued)

	31 2016	C n	30 June 2017	Sh h ng (%)	V ng gh (%)	P n		C h
SZ n H ng	72,401		**72,401**	100%	100%			
F n C n	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 n	140,000		**140,000**	100%	100%			
SESKYC	90,000		**90,000**	100%	100%			
DLCIMCS	69,806		**69,806**	100%	100%			
C n H ng	4,104,227		**4,104,227**	100%	100%			
COOP	205,022		**205,022**	99%	99%			
CIMC M n L g D n C ., L .	803,904		**803,904**	100%	100%			
C&C T	898,977	81,616	**980,593**	70%	70%			
O h H ng	35,000		**35,000**	100%	100%			
h ng	13,160		**13,160**	100%	100%			
G ng ng P n C n	30,000		**30,000**	100%	100%			
ng S l E n		73,873	**73,873**	100%	100%			
S b- l	9,375,276	115,259	**9,490,535**					348,431

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

6.

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

9. Interest payable

	30 June 2017	31 December 2016
Interest on corporate bonds	**218,242**	70,249
Interest on short-term debentures payable	**5,957**	3,522
Interest on long-term debentures payable	**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 with subsidiaries	**2,162,672**	2,948,279
Employee benefits payable	**10,459**	16,735
Quality guarantee deposits	**429**	429
Dividends payable	**–**	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, amounts due to subsidiaries aged over one year

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:

	Note	30 June 2017	31 December 2016
Current portion of long-term borrowings	(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

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 2016	
	Deductible/ (taxable) Temporary differences	**Deferred tax assets/ (liabilities)**	( )	/ ( )
:				
Em l r l	**196,808**	**49,202**	205,760	51,440
M n , r h n	**1,738**	**434**	3,360	840
S b- l	**198,546**	**49,636**	209,120	52,280
O ng m n	**–**	**–**		
Offsetting balances	**198,546**	**49,636**	209,120	52,280
ng:				
Am n m r h n 1 r (l r)		**49,636**		52,280

Notes to the Financial Statements

(All amounts in RMB'000 unless otherwise stated)

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

15. Capital surplus

	31 December 2016	Increase in this period	Decrease in this period	30 June 2017
Share premium	3,601,855	29,311		**3,631,166**
Other capital reserves:				
Exchange differences on translation of foreign currency financial statements	687			**687**
Donations received	87			**87**
Equity settled share-based payments	253,012		(12,104)	**240,908**
Others	(568,492)			**(568,492)**
Total	3,287,149	29,311	(12,104)	**3,304,356**

	1 January 2016	Increase in prior period	Decrease in prior period	31 December 2016
Share premium	3,589,082	12,773		3,601,855
Other capital reserves:				
Exchange differences on translation of foreign currency financial statements	687			687
Donations received	87			87
Equity settled share-based payments	258,211		(5,199)	253,012
Others	(568,492)			(568,492)
Total	3,279,575	12,773	(5,199)	3,287,149

Notes to the Financial Statements

F 1 J n 30 J 2017
(All n n RMB'000)
(Engl h Tr n l n)

XVI.

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

18. Profit/(loss) from changes in fair value

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

22. Non-operating expenses

	For the period from 1 January to 30 June 2017	F r h r r 1 J n 30 J 2016
Abn r l	**396**	
L n l	**586**	1
O h r	**764**	248
T l	**1,746**	249

23. Income tax expenses

	For the period from 1 January to 30 June 2017	F r h r r 1 J n 30 J 2016
Ch g n	**2,644**	27,968

Th n b n h b j n b n l r , h l n n :

	For the period from 1 January to 30 June 2017	F r h r r 1 J n 30 J 2016
T l r , b	**31,304**	153,333
n r l b	**7,826**	38,333
E n n b r	**803**	1,878
Th r b n l n	**82,123**	17,498
n n b	**(88,108)**	(29,741)
n r	**2,644**	27,968

Supplementary Information

[illegible] 30 June 2017
(All [illegible] RMB'000 [illegible])
(English Translation [illegible] Only)

I. STATEMENT OF NON-RECURRING PROFIT OR LOSS

	For the Period from 1 January to 30 June 2017	[illegible] 1 January [illegible] 30 June 2016
[illegible]	13,739	(3,332)
[illegible]	91,032	135,375
[illegible]	–	[illegible]
[illegible]	(20,332)	12,264
[illegible]	–	[illegible]
[illegible]	(25,460)	23,712
[illegible]	–	[illegible]
[illegible]	38,201	21,101
[illegible]	(105,549)	[illegible]
[illegible]	(8,369)	189,120
[illegible]	(30,200)	(30,604)
[illegible]	(29,616)	(34,350)
[illegible]	(68,185)	124,166

[illegible]

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

[illegible] 2008] [illegible] CSRC, [illegible]

II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with the Preparation Rules for Information Disclosure of Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revised) issued by the China Securities Regulatory Commission, the Group's return on net assets and earnings per share for the reporting period are as follows:

	Weighted average return on net assets(%)		Earnings per share			
			Basic earnings per share		Diluted earnings per share	
	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016

Chapter X Documents Available for Inspection

I. Th gn C n 2017 gn b C n' g

II. Th gn n n C 30 J 2017 CASBE l gn n C n, n-n

China International Marine Containers (Group) Co., Ltd.
CIMC R&D Center, No.2 Gangwan Avenuc ,
Nanshan Distri