

Hong Kong Exchange Limited (the “Hong Kong Stock Exchange”)



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

**中國國際海運集裝箱（集團）股份有限公司**

(Incorporated in the People's Republic of China)

(Stock Code: 2039)

## **First Quarterly Report of 2017**

This announcement is published by China International Marine Containers (Group) Co., Ltd. (the “Company”) in the Mainland of China pursuant to the Rules Governing Listing of Stocks on The Shenzhen Stock Exchange and in Hong Kong pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the inside information provisions (as defined under the listing Rules) set out in Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **1 IMPORTANT NOTICE**

- 1.1 The board of directors of the Company, the supervisory committee and the directors, supervisors and senior management of the Company warrant that the information contained in this first quarterly report of 2017 (the “Report”) is true, accurate and complete and there are no misrepresentation, misleading statements or material omissions, and jointly and severally accept responsibility.
- 1.2 The Report was approved at the third meeting of the eighth session of the board of directors of the Company (the “Board”) in 2017. All directors attended the meeting.
- 1.3 The financial statements of the Company and its subsidiaries (the “Group”) were prepared in accordance with China Accounting Standards for Business Enterprises (“CASBE”). The financial statements in the Report are unaudited.
- 1.4 Mr. Wang Hong, Chairman of the Board, and Mr. Mai Boliang, CEO and President, and Mr. Zeng Han, the person in charge of accounting affairs, the head of accounting department and the general manager of the financial department of the Company, warrant the truthfulness, accuracy and completeness of the financial statements in the Report.
- 1.5 In the Report, RMB ordinary shares (A Shares) refer to the domestic ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Shenzhen Stock Exchange and traded in RMB, and overseas-listed foreign shares (H Shares) refer to the overseas-listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars.

- 1.6 The Reporting Period means the three months started from 1 January 2017 and ended on 31 March 2017.
- 1.7 The Report is published in English and Chinese. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

## 2 KEY FINANCIAL DATA AND CHANGES IN SHAREHOLDERS

### 2.1 Key accounting information and financial indicators

During the Reporting Period, whether the Company made retrospective adjustments to or restated the accounting data of previous years due to changes in accounting policies and correction of accounting errors

☐ Yes ☐ No

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	The Reporting Period (from January to March 2017)	Corresponding period of last year (from January to March 2016)	Changes from the corresponding period of last year of the Reporting Period (%)
Revenue	14,675,987	10,412,416	40.95%
Net profit attributable to shareholders and other equity holders of the parent company	509,681	410,444	24.18%
Net profit attributable to shareholders and other equity holders of the parent company after deducting non-recurring profit/loss	452,699	303,836	48.99%
Net cash flows from operating activities	95,458	219,500	(56.51%)
Basic earnings per share (MB/ )	0.1624	0.1291	25.79%
Diluted earnings per share (MB/ )	0.1620	0.1286	25.97%
Weighted average return on net assets (%)	1.76%	1.44%	0.32%
	As at the end of the Reporting Period (31 March 2017)	As at the end of last year (31 December 2016)	Changes from the end of last year to the end of the Reporting Period (%)
Total assets	129,357,960	124,614,748	3.81%
Net assets attributable to shareholders and other equity holders of the parent company	29,893,910	29,285,970	2.08%

## Non-recurring profit/loss items and amount

Unit: MB

Item	Amount from the beginning of this year to the end of the Reporting Period
Gain/(loss) from disposal of non-current assets	579
Government grants recognized in profit or loss for the current period	29,520
Gains or losses from changes in fair value arising from holding of financial assets held for trading and financial liabilities held for trading, and investment gains arising from disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets, except for the effective hedging activities relating to the Group's ordinary activities	37,652
Other non-operating income and expenses other than the above items	16,303
Less: Effect of income tax	17,309
Effect of minority interests (after tax)	9,763
Total	<u>56,982</u>

Reasons and explanations on the Company's non-recurring profit/loss items as defined under the Explanatory Announcement No.1 on Information Disclosure by Companies Offering Securities to the Public – Non-Recurring Profit or Loss (the “Explanatory Announcement No.1”) and the recurring profit/loss items which are listed as non-recurring profit/loss items under the requirements of the Explanatory Announcement No.1 should be given

☐ Applicable    ☒ Not applicable

There are no non-recurring profit/loss items as defined or listed under the Explanatory Announcement No.1 being defined as recurring profit/loss items by the Company during the Reporting Period.

## 2.2 Total number of shareholders and the shareholdings of the open shareholders as at the end of the Reporting Period

### (1) Total number of ordinary shareholders and shareholders of preference shares with restored voting rights and shareholdings of open shareholders

Total number of ordinary shareholders as at the end of the Reporting Period	69,708, including 69,696 holders of A Shares and 12 holders of H Shares	Total number of shareholders of preference shares with restored voting rights as at the end of the Reporting Period (if any)	Nil
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#### Shareholdings of open shareholders as at the end of the Reporting Period

Name of shareholders	Name of shareholders	Percentage of shareholding	Number of shares held (Shares)	Number of shares with selling restrictions held	Pledged or frozen shares	
					Shares	Number
HKSCC Nominees Limited (Note)	Foreign legal person	57.61%	1,716,412,609	-	-	-
COSCO Container Industries Limited	Foreign legal person	14.51%	432,171,843	-	-	-
China Securities Finance Corporation Limited	State-owned legal person	2.70%	80,414,863	-	-	-
Central Huijin Asset Management Ltd.	State-owned legal person	1.28%	37,993,800	-	-	-
Taiping Life Insurance Co., Ltd. - Traditional - Ordinary Insurance Product - 022L-CT001 Shen	Domestic non-state-owned legal person	0.33%	9,817,889	-	-	-
ICBC Credit Suisse Fund - Agricultural Bank - ICBC Credit Suisse China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.32%	9,566,600	-	-	-
Zhong Ou Fund - Agricultural Bank - Zhong Ou China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.32%	9,566,600	-	-	-
Bosera Funds - Agricultural Bank - Bosera China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.32%	9,566,600	-	-	-
Dacheng Fund - Agricultural Bank - Dacheng China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.32%	9,566,600	-	-	-
Harvest Fund - Agricultural Bank - Harvest China Securities and Financial Assets Management Program	Domestic non-state-owned legal person	0.32%	9,566,600	-	-	-

**Shareholdings of top ten shareholders of shares in Hong Kong selling restrictions as at the end of the Reporting Period**

Name of shareholders	Number of shares in Hong Kong selling restrictions held	Types of shares	Number
HKSCC Nominees Limited (Note)	1,716,412,609	Overseas-listed foreign shares	1,716,412,609
COSCO Container Industries Limited	432,171,843	RMB ordinary shares	432,171,843
China Securities Finance Corporation Limited	80,414,863	RMB ordinary shares	80,414,863
Central Huijin Asset Management Ltd.	37,993,800	RMB ordinary shares	37,993,800
Taiping Life Insurance Co., Ltd. - Traditional - Ordinary Insurance Product - 022L-CT001 Shen	9,817,889	RMB ordinary shares	9,817,889
ICBC Credit Suisse Fund - Agricultural Bank - ICBC Credit Suisse China Securities and Financial Assets Management Program	9,566,600	RMB ordinary shares	9,566,600
Zhong Ou Fund - Agricultural Bank - Zhong Ou China Securities and Financial Assets Management Program	9,566,600	RMB ordinary shares	9,566,600
Bosera Funds - Agricultural Bank - Bosera China Securities and Financial Assets Management Program	9,566,600	RMB ordinary shares	9,566,600
Dacheng Fund - Agricultural Bank - Dacheng China Securities and Financial Assets Management Program	9,566,600	RMB ordinary shares	9,566,600
Harvest Fund - Agricultural Bank - Harvest China Securities and Financial Assets Management Program	9,566,600	RMB ordinary shares	9,566,600
Explanation on the relationship or concerted action of the above mentioned shareholders	Unknown		
Description of top ten ordinary shareholders participating in financing securities business (if any)	None		

Notes: As at 31 March 2017, HKCCN Limited held 1,716,412,609 H shares, C shares 730,557,217 H shares, C shares 245,842,181 H shares, COCO shares 215,203,846 H shares, B shares 1,716,412,609 H shares, COCO shares 730,557,217 H shares, C shares 245,842,181 H shares, COCO shares 215,203,846 H shares, B shares 1,716,412,609 H shares.

During the Reporting Period, whether any top ten ordinary shareholders or top ten ordinary shareholders without selling restrictions have conducted any agreed repurchase transactions

☐ Yes    ☐ No

None of the top ten ordinary shareholders and the top ten ordinary shareholders without selling restrictions conducted any agreed repurchase transactions during the Reporting Period.

**(2) To all number of shareholders of preference shares of the Company and shareholding of open shareholders of preference shares**

☐ Applicable    ☐ Not applicable

### **3    SIGNIFICANT EVENTS**

**3.1    Material changes in major accounting items and financial indicators during the Reporting Period and the reasons**

In the first quarter of 2017, the global economy recovered with improved economic and trading activities in developed economies such as the Europe and the U.S. The Chinese government continued the implementation of the supply side structural reform and the economy developed in a stable and favourable momentum, achieving a good start. By virtue of the stabilization and recovery of global and China's economy, during the Reporting Period, the Group recorded revenue of RMB14,676 million (the same period of last year:

In the first quarter of 2017, the road transportation vehicle business of the Group got off to a good start in the domestic market. The growth of the domestic heavy truck market significantly promoted the growth in construction vehicles and logistics vehicles in China. The North American market continued to maintain its stable growth and the demand from some regional markets in the emerging market recovered. The European market grew steadily and Retlan Manufacturing Ltd., the newly acquired company in the U.K., facilitated the growth in revenue. During the Reporting Period, the sales revenue of the road transportation vehicle business of the Group was RMB4,130 million (the same period of last year: RMB2,959 million), representing a year-on-year increase of 39.57%, and the total sales were 35,000 units (sets) (the same period of last year: 23,500 units (sets)), representing a year-on-year increase of 48.94%.

In the first quarter of 2017, the market demand of the energy, chemical and liquid food equipment business of the Group improved by virtue of the increase in the international oil prices and the gradual market improvement upon cutting overcapacity in the industry with a year-on-year increase in number of orders. During the Reporting Period, the sales revenue of the energy, chemical and liquid food equipment business of the Group was RMB2,244 million (the same period of last year: RMB2,010 million), representing a year-on-year increase of 11.65%.

In the first quarter of 2017, due to the severe conditions of the global offshore engineering industry, the revenue of the offshore engineering business of the Group was RMB483 million (the same period of last year: RMB1,874 million), representing a year-on-year decrease of 74.20%. During the Reporting Period, CIMC Raffles Offshore Limited successfully completed the naming and delivery of the D90 ultra-deep-water semi-submersible drilling platform – BLUEWHALE I. The platform was delivered to the working area in South China Sea and commenced the national hydrate lease. CIMC Raffles made on-time delivery of the HYSY 162 Platform for CNOOC Energy Technology & Services Limited. For the new orders, CIMC Raffles acquired two orders for vessel repair and two orders for sightseeing vessels during the Reporting Period.

In the first quarter of 2017, both the volume and price of domestic logistic industry experienced a decline to a certain extent due to, among other things, the seasonal factors including Lunar New Year holiday and the decline in volume of import and export logistics business. The logistics service business of the Group proactively continued to improve its quality and create benefits in response to the development of the industry. During the Reporting Period, it recorded revenue of RMB1,655 million (the same period of last year: RMB1,615 million), representing a year-on-year increase of 2.50%.

In the first quarter of 2017, the logistics markets for logistics, ports, steel and iron and coal all started to recover and the domestic heavy truck market continued to turn around due to the commencement of a huge number of infrastructure projects for real estate, subways and high-speed railways and the support of a series of domestic economic policies. In particular, the natural gas heavy trucks enjoyed faster growth by virtue of favourable policies and cost advantages. During the Reporting Period, the heavy truck products of the Group recorded sales of 1,727 units, representing an increase of 68% as compared to the same period of last year, where the natural gas heavy trucks recorded sales of 434 units, representing a year-on-year increase of 151%. The heavy truck business of the Group achieved revenue of RMB506 million (the same period of last year: RMB304 million), representing a significant year-on-year increase of 66.55%.



In the first quarter of 2017, the boarding bridge business of the airport facilities equipment business of the Group continued to grow steadily. Significant benefits were brought about by Albert Ziegler GmbH, which established a new warehouse of spare parts for better development in the European market. The automated logistics systems business had acquired the automated sorting technology and accelerated its integration. The stereo parking business gained development momentum with its focus on the domestic market in Shenzhen in the future. During the Reporting Period, the sales revenue of the airport facilities equipment business of the Group was RMB491 million (the same period of last year: RMB471 million), representing a year-on-year increase of 4.23%.

In the first quarter of 2017, the real estate business of the Group recorded revenue of RMB111 million (the same period of last year: RMB138 million), representing a year-on-year decrease of 19.77%. During the Reporting Period, an investment agreement was entered into between the Group and Shougang Fund to cooperate and develop an industry park project in the New Shougang High-End Comprehensive Services Zone in Shijingshan District, Beijing. Yangzhou CIMC•Wenchang Center project (揚州中集•文昌中心項目) had fully commenced construction. Construction progressed smoothly. The stage III of phase V of Yangjiang Project made quick progress. The Group pushed the Shenzhen Qianhai Project and the Prince Bay Project forward in a proactive manner.

In the first quarter of 2017, the financial business of the Group recorded revenue of RMB544 million (the same period of last year: RMB525 million), representing a year-on-year increase of 3.73%. During the Reporting Period, CIMC Financial Leasing Co., Ltd. adhered to the strategic positioning of “the coordination of operation and finance” and further enhanced its professional capability to encourage the upward shift of customer groups. The investment in the new business basically reached the budgetary target, generally achieving a sound beginning. CIMC Finance Co., Ltd. continuously strengthened the centralized management of global funds of the Group and the management on capital liquidity. During the Reporting Period, it became a member of the commercial paper exchange as approved by Shanghai Commercial Paper Exchange and connected to an unified commercial paper exchange platform in China, improving the operation capacity of the Group with respect to commercial paper and facilitating the integration of industry and finance for the Group.

#### Material changes and the reasons

Unit: MB

Income statement items	From January to March 2017	From January to March 2016	Percentage change	Reasons for the material changes
Financial expenses	279,251	119,436	133.81%	Mainly due to the increase in interest expenses in the financial expenses during the Reporting Period.
Profit from changes in fair value	31,047	133,985	(76.83%)	Mainly due to the greater profit from changes in fair value of derivative financial instruments for the same period of last year.
Investment income	13,765	(42,412)	132.46%	Mainly due to the loss recognized in the settlement of forward foreign exchange contracts for the same period of last year.



Cash flow items	From January to March 2017	From January to March 2016	Percentage change	Reasons for the material changes
Cash received relating to other operating activities	618,266	79,260	680.05%	Mainly due to the partial demolition compensation received by Shanghai CIMC Reefer Containers Co., Ltd., a subsidiary of the Group, during the Reporting Period.
Cash received from capital contributions	15,000	1,530,991	(99.02%)	Mainly due to the greater basis for comparison formed by the capital increment from strategic investors received by a subsidiary of the Group in the same period of last year.

### 3.2 Progress and impacts of significant events and the analysis of solutions

#### (1) Progress in establishment of internal control of the Group during the Reporting Period

In the first quarter of 2017, the Group made good progress in various important tasks in the area of internal control: (1) The Group further promoted the full coverage and upgrading of the establishment of internal control as well as the full coverage of internal control systems of the newly acquired and newly established companies. (2) The Group proactively promoted the standard certification of internal controls of the companies under the Group. It completed the standard certification of “qualified” internal controls of three companies, namely Shenzhen South CIMC Logistics Co., LTD, Shanghai Xinzhitu Logistics and Dalian CIMC Logistics Equipment Co., Ltd., during the Reporting Period. (3) The Group issued the Notice on the Commencement of the Preparation of Internal Control Manual at All Levels for 2017 to provide a rather comprehensive foundation of institutional process system for managing enterprises according to law. (4) The Group focused on the implementation of specific audit to further prevent risks. (5) The Group propelled improvement and implementation of systems to contribute for the legal system construction of the Group. (6) The Group developed internal control and audit personnel through various methods and facilitated team establishment. (7) The Group chaired the standing council meeting of China Enterprise Anti-Fraud Alliance to make deployment in respect of the communication and cooperation of the enterprises participating the alliance on strengthening risk control and the mutual development of the business of the enterprises belonging to the alliance.

#### (2) Implementation of A Share(s) share option scheme during the Reporting Period

In order to establish and improve the incentive-constraint mechanism, and effectively combine the interests of the shareholders, the Company and its employees, an A Share(s) Share Option Incentive Scheme was considered and approved at the extraordinary general meeting of the Company on 17 September 2010. According to the scheme, the registration for the grant of the first tranche of 54,000,000 share options (the “First Tranche of Share Options”) and the second tranche of reservation of 6,000,000 share options (the “Second Tranche of Share Options”) was completed on 26 January 2011 and 17 November 2011, respectively by the Company.

On 12 May 2015, upon the consideration and approval at the eighth meeting of the seventh session of the Board in 2015, the options of the second exercisable period for the First Tranche of Share Options met the exercise conditions and were actually exercisable starting from 2 June 2015 to 27 September 2020 with the total exercisable options amounting to 39,660,000. On 9 October 2015, upon the consideration and approval at the fourteenth meeting of the seventh session of the Board in 2015, the options of the second exercisable period for the Second Tranche of Share Options met the exercise conditions and were actually exercisable starting from 24 October 2015 to 27 September 2020 with the total exercisable options amounting to 4,132,500. On 26 July 2016, after the completion of the implementation of the 2015 dividend distribution proposal of the Company, the exercise price of the First Tranche of Share Options was adjusted to RMB10.55, and that of the Second Tranche of Share Options was adjusted to RMB16.08. For relevant information about the participants, the number of options and the price of options, please refer to the announcements of the Company (Announcement No.: [CIMC]2015-026, [CIMC]2015-027, [CIMC]2015-058, [CIMC]2015-059 and [CIMC]2016-043) published on China Securities Journal, Securities Times, Shanghai Securities News, the Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 13 May 2015, 10 October 2015 and 27 July 2016, as well as the relevant announcements published on the website of the Hong Kong Stock Exchange.

During the Reporting Period, a total of 691,200 options were exercised under the A Share(s) Share Option Incentive Scheme, representing 1.18% of the total of share option incentive scheme (adjusted), among which, a total of 651,200 options were exercised for the First Tranche of Share Options, and a total of 40,000 options were exercised for the Second Tranche of Share Options. The implementation of A Share(s) Share Option Incentive Scheme has no material impact on the Company's financial conditions and results of operation during the Reporting Period and in the future.

### (3) Significant Events

- (a) On 7 April 2017, the Company received a notice from its first largest shareholder China Merchants Port Holdings Company Limited ("China Merchants Port") that, China Merchants Port and China Merchants Industry Holdings Company Limited ("China Merchants Industry Holdings") entered into the share transfer agreement on the same date in relation to the transfer of the entire issued share capital of Soares Limited, pursuant to which China Merchants Port shall transfer the entire share capital of its wholly-owned subsidiary Soares Limited together with the outstanding shareholders' loans to China Merchants Industry Holdings. After completion of the share transfer, China Merchants Industry Holdings will become the shareholder of Soares Limited. It will indirectly hold 730,557,217 H shares in the Company, or 24.53% of the issued share capital of the Company, and therefore become the first largest shareholder of the Company. China Merchants Port will not be a shareholder of the Company. Soares Limited will hold the same number and percentage of shares in the Company after completion of the transfer. China Merchants Group Limited ("China Merchants Group"), as the ultimate controlling shareholder of China Merchants Port and China Merchants Industry Holdings, will hold the same number and percentage of shares in the Company indirectly and remain as the indirect first largest shareholder of the Company after the transfer of the shares of Soares Limited. The share transfer of Soares Limited is subject to approval of China Merchants Group and consideration and approval at general meeting of China Merchants Port. For details, please refer to the announcements disclosed by the Company in China Securities Journal, Shanghai Securities News, Securities Times, CNINFO website (www.cninfo.com.cn) and the Company's website (www.cimc.com) ([CIMC]2017-020) and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 8 April 2017 and 12 April 2017.

- (b) As considered and approved at the 2015 annual general meeting, the first 2016 A shareholders' class meeting and the first 2016 H shareholders' class meeting of the Company on 31 May 2016, the Company proposed to issue not more than 386,263,593 new A Shares to not more than 10 qualified investors including domestic institutional investors and individual investors who meet the relevant requirements and conditions at the issuance price of no less than RMB13.86 per Share to raise gross proceeds not exceeding RMB6.0 billion (the "Non-public Issuance of A Shares"). The Non-public Issuance of A Shares was accepted by the CSRC, but the validity period for the relevant resolutions of general meeting will expire on 30 May 2017. In order to ensure a successful implementation of the Non-public Issuance of A Shares, as considered and approved at the second meeting of the eighth session of the Board in 2017 on 21 April 2017, the Company proposed that the number of A shares to be issued will be adjusted to 391,900,718 shares (inclusive), the issue price will be adjusted to RMB15.31 per Share, and the price determination date will be changed to 21 April 2017. It is also proposed to extend the validity period of the resolution of the general meeting and the validity period of the authorization to the Board. The aforementioned adjustments are subject to the consideration and approval at the general meeting of the Company as well as the approval of the CSRC. For relevant information, please refer to the announcement (Notice No.: [CIMC]2017-024) disclosed by the Company in China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 21 April 2017.

Summary of significant events	Date of disclosure	Search index of the announcement disclosure
Change in shareholding of shareholders	8 April 2017 12 April 2017	www.cninfo.com.cn www.hkexnews.hk www.cimc.com
Adjustments in the plan of the Non-public Issuance of A Shares and extension of the validity period of the resolution of the general meeting and the validity period of the authorization to the Board	21 April 2017	

### 3.3 Order and outstanding undertakings made by the undertaking parties including the de facto controller of the Company, shareholders, connected parties, bidders and the Company during the Reporting Period

☐Applicable    ☒Not applicable

There was no overdue and outstanding undertakings made by the undertaking parties including the de facto controller of the Company, shareholders, connected parties, bidders and the Company during the Reporting Period.

3.4 Estimated operating results for the period from January to June 2017

Warnings and explanations of any forecasted losses or significant changes to accumulated net profit made during the period from the beginning of the year to the end of next reporting period compared to the same period of last year

☐Applicable    ☒Not applicable

3.5 Securities in existence

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Type of securities	Stock code	Abbreviation of stock name	Initial income	Number of shares held at the beginning of the reporting period		Number of shares held at the end of the reporting period		Shareholding at the end of the reporting period	Book value at the end of the reporting period	Profit or loss during the reporting period	Classification in accounts	Source of shareholding
				Fair value	Shareholding at the beginning of the reporting period	Fair value	Shareholding at the end of the reporting period					
H Share	6198	Qingdao Port	128,589	Fair value	0.85%	40,414,000	0.85%	155,714	23,282		Financial assets at fair value through profit or loss	Self-owned funds
H Share	368	Sinotrans Ship H	20,742	Fair value	0.08%	2,996,500	0.08%	5,001	1,169		Financial assets at fair value through profit or loss	Self-owned funds
Other securities investments held at the end of the Reporting Period				-	-	-	-	19,025	1,098			
Total				149,331	-	-	-	179,740	25,549		-	-
Disclosure date of announcement in relation to the consideration and approval of securities investments by the Board				-								
Disclosure date of announcement in relation to the consideration and approval of securities investments by the shareholders' general meeting (if any)				-								

3.6 In es men in deri a i es

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Name of deri a i es in es men opera or	Affilia ed rela tions	Rela ed par ransac ion or no	T pe of deri a i es in es men	Ini ial in es men amo n of deri a i es in es men	Da e of commencement	Da e of termina ion	In es men amo n a he beginning of he Repor ing Period				Sales d ring Repor ing Period				Pro vision for impairmen (if an )				In es men amo n a he end of he Repor ing Period				Propor ion of in es men amo n a he end of he Repor ing Period o he ne asse s of he Compan a he end of he Repor ing Period				Ac al profi or loss d ring he Repor ing Period			
HSBC, Standard Chartered and other banks	Nil	No	Foreign exchange forward contract	-	2015/1/29	2018/1/29	219,820	-	-	-	-	-	-	-	-	-	-	-	242,686	0.81%	2,844									
China Construction Bank, Standard Chartered and other banks	Nil	No	Interest rate swap contract	-	2010/1/20	2021/6/28	10,302,060	-	-	-	-	-	-	-	-	-	-	-	10,239,135	34.25%	5,765									
Total				-	-	-	10,521,880	-	-	-	-	-	-	-	-	-	-	-	10,481,821	35.06%	8,609									

Source of funds for derivatives investments Litigation case (if applicable) Disclosure date of announcement in relation to the consideration and approval of derivative investments by the Board (if any) Disclosure date of announcement in relation to the consideration and approval of derivative investments by the shareholders' general meeting (if any) Risk analysis and positions in derivatives during the Reporting Period and explanations of risk control measures (including but not limited to market risk, liquidity risk, credit risk, operation risk and law risk etc.)	Self-owned funds  Not applicable 28 March 2017  Nil	As of 31 March 2017, the derivative financial instruments held by the Group were mainly foreign exchange forwards and interest rate swap contracts. The risks of interest rate swap contracts were closely related to the fluctuations of interest rate. The risks carried by foreign exchange forwards were connected with the market risks relating to exchange rates and the Group's cash flow certainty of foreign currency revenues in the future. The Group's control on the derivative financial instruments was mainly reflected in: making prudent selection and determination on the type and quantity of newly-added derivative financial instruments; as to derivatives transactions, the Group developed rigorous internal approval systems and operational processes, and clarified the approval and authorisation procedures for all levels involved, so as to control the associated risks.
Changes in market prices or product fair values of derivatives invested during the Reporting Period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of fair values of derivatives		From January to March 2017, the Group's profit or loss arising from changes in fair values of the derivative financial instruments was RMB8.609 million. Fair values of the derivative financial instruments of the Group were determined based on market prices of external financial institutions.
Explanations of any significant changes in the Company's accounting policies and specific accounting principles on derivatives between the Reporting Period and the last reporting period Specific opinions of independent directors on the derivatives investments and risk controls of the Company	No	The Company invested in exchange rate derivatives and interest rate derivatives for the purpose of the day-to-day international business operations of the Company in order to smooth the fluctuation of the operations of the Company due to the change in exchange rates and interest rates. The effect of exchange rates and interest rates on the operations of the Company was reduced to such extent that it is acceptable and under control so the operations stabilised and improved, which ensured the long-term operating or strategic objectives were to be achieved. The Company had developed rigorous internal approval systems and operational processes. The related decision-making procedures were optimised with risks under control in compliance with the requirements of the laws and regulations and without prejudice to the interests of the Company and the shareholders, in particular, the minority shareholders.



### 3.7 Register of reception of research, communications and interviews during the Reporting Period

Date of reception	Mode of reception	Type of parties received	Search index of the basic information researched
9 January 2017	Telephone conference	Waterland Securities in Taiwan	Principal business conditions, investment progress, recent industrial developments and industry outlook
11 January 2017	Strategies Conference of Industrial Securities	Industrial Securities and other organizations	Same as above
13 February 2017	Field research	Perseverance Asset, China Merchants Securities and China Southern Fund	Same as above
13 February 2017	TF Securities Telephone Conference on Shipping and Container Manufacturing	TF Securities and other organizations	Same as above
14 February 2017	Bank of China Macro & Machinery Telephone Conference	Bank of China Securities and other organizations	Same as above
15 February 2017	Field research	GF Securities, Shenyin & Wanguo Securities, Jiushi Capital (玖石資本), Ping An Securities, Zhongrong Fund, Shen Zhou Mu Investment, China Merchants Securities, Penghua Fund, Yinhua Fund, Hongtu Innovation (紅土創新), Pacific Securities, Hanming Asset, Orient Securities, Yunsong Capital (雲嵩資本) and Huaizhen Asset (懷真資產)	Same as above
16 February 2017	Field research	Bosera Funds	Same as above



<b>Date of reception</b>	<b>Mode of reception</b>	<b>Type of partner received</b>	<b>Search index of the basic information researched</b>
17 February 2017	Luncheon and others	Alphalex Capital Management, Insight Capital Management, Deutsche Asset Management (HK), Templeton Asset Management, LBN Advisers and Value Partners	Same as above
20 February 2017	Telephone conference	Funds Capital	Same as above
20 February 2017	Haitong Securities Machinery Strategies Telephone Conference	Haitong Securities	Same as above
21 February 2017	Field research	Zheshang Fund	Same as above
22 February 2017	Field research	Morgan Stanley	Same as above
24 February 2017	Field research	GF Securities	Same as above
24 February 2017	Field research	Essence Securities	Same as above

### **3.8 Non-compliance external guarantees**

☐Applicable    Not applicable

The Company did not make any non-compliant external guarantees during the Reporting Period.

### **3.9 Utilization of the funds of the listed Company for non-operating purposes by the controlling shareholder and its related parties**

☐Applicable    Not applicable

There was no utilization of the funds of the listed Company for non-operating purposes by the controlling shareholder and its related parties during the Reporting Period.

## 4 FINANCIAL STATEMENTS

### 4.1 Financial statements

#### 4.1.1 Consolidated Balance Sheet (unaudited)

Prepared by: China International Marine Containers (Group) Co., Ltd.

	Unit: MB	
Item	Closing balance (As at 31 March 2017)	Opening balance (As at 31 December 2016)
<b>Current assets:</b>		
Cash at bank and on hand	6,786,387	6,325,998
Financial assets at fair value through profit or loss	179,662	141,160
Notes receivable	1,418,463	1,536,191
Accounts receivable	14,154,592	11,526,075
Advances to suppliers	2,527,252	2,165,982
Interests receivable	8,881	9,250
Dividend receivable	41,055	41,959
Other receivables	9,447,522	9,347,887
Inventories	17,683,618	17,409,515
Assets classified as held for sale	203,847	203,847
Current portion of non-current assets	4,320,709	3,941,689
Other current assets	695,863	702,478
<b>Total current assets</b>	<b>57,467,851</b>	<b>53,352,031</b>
<b>Non-current assets:</b>		
Financial assets at fair value through profit or loss	329,823	325,187
Available-for-sale financial assets	441,528	442,726
Long-term receivables	13,296,859	13,220,242
Long-term equity investments	2,177,730	2,162,217
Investment properties	1,758,274	1,752,608
Fixed assets	21,906,549	22,037,261
Construction in progress	23,576,333	22,769,189
Disposal of fixed assets	129,766	130,050
Intangible assets	4,537,742	4,654,757
Development expenditure	53,091	49,990
Goodwill	2,121,131	2,127,893
Long-term prepaid expenses	269,686	246,574
Deferred tax assets	1,262,497	1,257,670
Other non-current assets	29,100	86,353
<b>Total non-current assets</b>	<b>71,890,109</b>	<b>71,262,717</b>
<b>TOTAL ASSETS</b>	<b>129,357,960</b>	<b>124,614,748</b>

#### 4.1.1 Consolidated Balance Sheet (unaudited) (continued)

...: MB ...

Item	Closing balance (As at 31 March 2017)	Opening balance (As at 31 December 2016)
<b>Current liabilities:</b>		
Short-term borrowings	17,103,977	15,729,787
Financial liabilities at fair value through profit or loss	135,597	141,806
Notes payable	1,596,021	1,551,582
Accounts payable	10,939,401	10,160,951
Advances from customers	4,451,401	3,780,694
Employee benefits payable	1,919,535	2,115,108
Taxes payable	1,106,661	1,092,030
Interest payable	432,181	303,375
Dividends payable	58,396	16,746
Other payables	6,011,773	5,154,073
Provisions	820,772	847,429
Current portion of non-current liabilities	3,642,750	3,667,872
Other current liabilities	2,131,229	1,687,762
<b>Total current liabilities</b>	<b>50,349,644</b>	<b>46,249,215</b>
<b>Non-current liabilities:</b>		
Financial liabilities at fair value through profit or loss	59,900	61,235
Long-term borrowings	26,810,046	27,023,222
Debentures payable	7,986,500	7,986,500
Long-term payables	508,761	529,372
Payables for specific projects	13,112	9,704
Deferred income	840,590	839,738
Deferred tax liabilities	644,025	657,414
Other non-current liabilities	2,293,765	2,123,556
<b>Total non-current liabilities</b>	<b>39,156,699</b>	<b>39,230,741</b>
<b>Total liabilities</b>	<b>89,506,343</b>	<b>85,479,956</b>

#### 4.1.1 Consolidated Balance Sheet (unaudited) (continued)

		Unit: MB	
Item	Closing balance (As at 31 March 2017)	Opening balance (As at 31 December 2016)	
<b>Shareholders' equity:</b>			
Share capital	2,979,268	2,978,577	
Other equity instruments	2,058,993	2,049,035	
Including: Perpetual debt	2,058,993	2,049,035	
Capital surplus	3,137,669	3,126,585	
Other comprehensive income	443,825	357,341	
Surplus reserve	3,279,379	3,279,379	
Undistributed profits	17,994,776	17,495,053	
<b>Total equity attributable to shareholders and other equity holders of the parent company</b>	<b>29,893,910</b>	<b>29,285,970</b>	
<b>Minority interests</b>	<b>9,957,707</b>	<b>9,848,822</b>	
<b>Total shareholders' equity</b>	<b>39,851,617</b>	<b>39,134,792</b>	
<b>Total liabilities and shareholders' equity</b>	<b>129,357,960</b>	<b>124,614,748</b>	
<b>Legal representatives:</b>			
Wang Hong	Zeng Han	Zeng Han	

#### 4.1.2 Balance Sheet of the Parent Company (unaudited)

Prepared by: China International Marine Containers (Group) Co., Ltd.

Unit: MB		
Item	Closing balance (As at 31 March 2017)	Opening balance (As at 31 December 2016)
<b>Current assets:</b>		
Cash at bank and on hand	1,945,326	2,660,222
Dividends receivables	4,788,672	4,755,818
Other receivables	13,838,858	13,131,416
Other current assets	6,583	9,272
<b>Total current assets</b>	<b>20,579,439</b>	<b>20,556,728</b>
<b>Non-current assets:</b>		
Available-for-sale financial assets	388,905	388,905
Long-term equity investments	9,375,276	9,375,276
Fixed assets	103,782	102,372
Construction in progress	1,379	844
Disposal of fixed assets	207	—
Intangible assets	14,401	14,466
Long-term prepaid expenses	37,922	40,730
Deferred tax assets	51,958	52,280
<b>Total non-current assets</b>	<b>9,973,830</b>	<b>9,974,873</b>
<b>TOTAL ASSETS</b>	<b>30,553,269</b>	<b>30,531,601</b>
<b>Current liabilities:</b>		
Short-term borrowings	3,120,000	2,710,000
Financial liabilities at fair value through profit or loss	3	65
Accounts payable	1,452	—
Employee benefits payable	205,464	205,760
Taxes payable	3,261	3,646
Interest payable	178,154	75,755
Other payable	2,399,627	2,990,804
Provisions	79,104	79,104
Current portion of non-current liabilities	895,000	800,000
<b>Total current liabilities</b>	<b>6,882,065</b>	<b>6,865,134</b>

#### 4.1.2 Balance Sheet of the Parent Company (unaudited) (continued)

MB		
Item	Closing balance (As at 31 March 2017)	Opening balance (As at 31 December 2016)
<b>Non-current liabilities:</b>		
Financial liabilities at fair value through profit or loss	2,366	3,296
Long-term borrowings	1,526,000	1,621,000
Debentures payable	7,986,500	7,986,500
Including: Perpetual debt	1,986,500	1,986,500
Deferred income	36,902	37,429
<b>Total non-current liabilities</b>	<b>9,551,768</b>	<b>9,648,225</b>
<b>Total liabilities</b>	<b>16,433,833</b>	<b>16,513,359</b>
<b>Shareholders' equity:</b>		
Share capital	2,979,268	2,978,577
Other equity instruments	2,058,993	2,049,035
Including: Perpetual debt	2,058,993	2,049,035
Capital surplus	3,293,970	3,287,149
Other comprehensive income	43,754	43,754
Surplus reserves	3,279,379	3,279,379
Undistributed profits	2,464,072	2,380,348
<b>Total equity of shareholders and other equity holders</b>	<b>14,119,436</b>	<b>14,018,242</b>
<b>Total liabilities and shareholders' equity</b>	<b>30,553,269</b>	<b>30,531,601</b>
<b>Liabilities:</b>		
<b>Wang Hong</b>	<b>Zeng Han</b>	<b>Zeng Han</b>

### 4.1.3 Consolidated Income Statement (Unaudited)

Prepared by: China International Marine Containers (Group) Co., Ltd.

		Unit: MB	
Item		Current amount (January to March 2017)	Previous amount (January to March 2016)
<b>I.</b>	<b>Total Revenue</b>	<b>14,675,987</b>	<b>10,412,416</b>
	Including: Revenue	14,675,987	10,412,416
<b>II.</b>	<b>Total cost of sales</b>	<b>13,885,149</b>	<b>9,915,393</b>
	Including: Cost of sales	11,985,518	8,335,368
	Taxes and surcharges	90,390	70,003
	Selling and distribution expenses	555,580	446,256
	General and administrative expenses	966,224	944,840
	Financial expenses	279,251	119,436
	Asset impairment losses	8,186	(510)
	Add: Profit from changes in fair value	31,047	133,985
	Investment income	13,765	(42,412)
	Including: Share of profit of investment in associates and joint ventures	7,161	5,218
<b>III.</b>	<b>Operating profit</b>	<b>835,650</b>	<b>588,596</b>
	Add: Non-operating revenue	49,944	73,254
	Including: Gains on disposal of non-current assets	3,641	5,204
	Less: Non-operating expense	3,542	13,172
	Including: Loss on disposal of non-current assets	3,062	5,076
<b>IV.</b>	<b>Total profit</b>	<b>882,052</b>	<b>648,678</b>
	Less: Income tax expenses	263,589	165,958
<b>V.</b>	<b>Net profit</b>	<b>618,463</b>	<b>482,720</b>
	Net profit attributable to shareholders and other equity holders of the Company	509,681	410,444
	Minority interests	108,782	72,276



Item	Current amount (January to March 2017)	Previous amount (January to March 2016)
VI. Other comprehensive income, net of tax, attributable to	95,687	211,729

#### 4.1.4 Income Statement of the Parent Company (unaudited)

Prepared by: China International Marine Containers (Group) Co., Ltd.

		Unit: MB	
Item		Current amount (January to March 2017)	Current amount (January to March 2017)
I.	Revenue	52,367	44,120
	Less: Cost of sales	1,452	24,006

#### 4.1.5 Consolidated Cash Flow Statement (unaudited)

Prepared by: China International Marine Containers (Group) Co., Ltd.

Unit: MB		
Item	Current amount (January to March 2017)	Previous amount (January to March 2016)
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	14,450,079	13,540,714
Refund of taxes and surcharges	391,644	301,255
Cash received relating to other operating activities	618,266	79,260
<b>Sub-total of cash inflows from operating activities</b>	<b>15,459,989</b>	<b>13,921,229</b>
Cash paid for goods and services	13,047,907	11,308,450
Cash paid to and on behalf of employees	1,583,768	1,406,222
Payments of taxes and surcharges	477,708	462,956
Cash paid relating to other operating activities	255,148	524,101
<b>Sub-total of cash outflows from operating activities</b>	<b>15,364,531</b>	<b>13,701,729</b>
<b>Net cash flows from operating activities</b>	<b>95,458</b>	<b>219,500</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments	600	102,074
Cash received from returns on investments	12,925	12,997
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	11,783	2,530
<b>Sub-total of cash inflows from investing activities</b>	<b>25,308</b>	<b>117,601</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	737,877	1,969,077
Cash paid to acquire investments	751,732	611,484
Net cash paid to acquire subsidiaries		3,000
<b>Sub-total of cash outflows from investing activities</b>	<b>1,489,609</b>	<b>2,583,561</b>
<b>Net cash flows from investing activities</b>	<b>(1,464,301)</b>	<b>(2,465,960)</b>

#### 4.1.5 Consolidated Cash Flow Statement (unaudited) (continued)

Unit: MB		
Item	Current amount (January to March 2017)	Previous amount (January to March 2016)
III. Cash flows from financing activities:		
Cash received from capital contributions	15,000	1,530,991
Including: Cash received from capital contributions by minority shareholders of subsidiaries	15,000	1,512,689
Cash received from borrowings	14,981,820	24,687,837
Cash received relating to other financing activities	2,743	1,437
Subtotal of cash inflows from financing activities	14,999,563	26,220,265
Cash repayments of borrowings	12,545,816	19,696,107
Cash payments for interest expenses or distribution of dividends or profits	279,685	263,494
Subtotal of cash outflows from financing activities	12,825,501	19,959,601
Net cash flows from financing activities	2,174,062	6,260,664
IV. Effect of exchange rate changes on cash and cash equivalents	(35,154)	(11,114)
V. Net increase in cash and cash equivalents	770,065	4,003,090
Add: Opening balance of cash and cash equivalents	6,338,668	3,259,123
VI. Closing balance of cash and cash equivalents	7,108,733	7,262,213
Legal Representative:		
Wang Hong	Zeng Han	Zeng Han

#### 4.1.6 Cash Flow Statement of the Parent Company (unaudited)

Prepared by: China International Marine Containers (Group) Co., Ltd.

Unit: MB		
Item	Current amount (January to March 2017)	Previous amount (January to March 2016)
<b>I. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	92,944	68,519
Cash received relating to other operating activities	2,330,971	1,517,714
<b>Sub-total of cash inflows from operating activities</b>	<b>2,423,915</b>	<b>1,586,233</b>
Cash paid for goods and services		35,809
Cash paid to and on behalf of employees	23,594	27,762
Payments of taxes and surcharges	3,614	14,205
Cash paid relating to other operating activities	2,956,569	1,642,720
<b>Sub-total of cash outflows from operating activities</b>	<b>2,983,777</b>	<b>1,720,496</b>
<b>Net cash flows from operating activities</b>	<b>(559,862)</b>	<b>(134,263)</b>
<b>II. Cash flows from investing activities:</b>		
Cash received from disposal of investments	4,500,000	—
Cash received from returns on investments	160,739	—
Net cash received from disposal of fixed assets intangible assets and other long-term assets		3
<b>Sub-total of cash inflows from investing activities</b>	<b>4,660,739</b>	<b>3</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	6,024	1,762
Cash paid to acquire investments	5,200,000	—
Cash paid relating to other investing activities	300,000	—
<b>Sub-total of cash outflows from investing activities</b>	<b>5,506,024</b>	<b>1,762</b>
<b>Net cash flows from investing activities</b>	<b>(845,285)</b>	<b>(1,759)</b>

#### 4.1.6 Cash Flow Statement of the Parent Company (unaudited) (continued)

Unit: MB		
Item	Current amount (January to March 2017)	Previous amount (January to March 2016)
<b>III. Cash flows from financing activities:</b>		
Cash received from capital contributions		18,303
Cash received from borrowings	2,470,000	206,000
<b>Sub-total of cash inflows from financing activities</b>	<b>2,470,000</b>	<b>224,303</b>
Cash repayments of borrowings	2,060,000	61,000
Cash payments for interest expenses or distribution of dividends or profits	19,737	15,996
<b>Sub-total of cash outflows from financing activities</b>	<b>2,079,737</b>	<b>76,996</b>
<b>Net cash flows from financing activities</b>	<b>390,263</b>	<b>147,307</b>
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	<b>1</b>	<b>18</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>(1,014,883)</b>	<b>11,303</b>
Add: Opening balance of cash and cash equivalents	1,715,470	652,865
<b>VI. Closing balance of cash and cash equivalents</b>	<b>700,587</b>	<b>664,168</b>
<i>Legal Representative:</i> Wang Hong		
<i>Accountant:</i> Zeng Han		
<i>Accountant:</i> Zeng Han		

## 4.2 Auditor's report

Whether the first quarterly report has been audited

☐ Yes ☐ No

The first quarterly financial report of the Company for 2017 has not been audited.

By order of the Board  
**China International Marine Containers (Group) Co., Ltd.**  
**Y Y q n**  
**C.**

Hong Kong, 27 April 2017

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