



Important Notice

The Board of Directors of the Company, the Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant that there are no material omissions from, or misrepresentation or misleading statements contained in this interim report (this "Report"), and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this Report.

This Report has been reviewed and approved at the 13th meeting of the seventh session of the Board in 2015. All of the eight Directors of the Company have attended the Meeting.

The financial statements of the Group have been prepared in accordance with China Accounting Standards for Business Enterprises ("CASBE"). The interim financial statements and notes (the "Interim Financial Report") of the Group for the six months ended 30 June 2015 prepared in accordance with CASBE have not been audited.

Neither any controlling shareholder (including its subsidiaries) nor substantial shareholder (including its subsidiaries) of the Company has utilised the non-operating funds of the Company.

The Company proposes not to distribute any cash dividend, issue bonus shares or convert shares from reserves into share capital for the six months ended 30 June 2015 (the same period of 2014: Nil).

Mr. Li Jianhong, Chairman of the Board, Mr. Mai Boliang, President of the Company and Mr. Jin Jianlong, person-in-charge of accounting affairs and head of the accounting department (the financial controller), hereby warrant the truthfulness, accuracy and completeness of the Interim Financial Report contained in this Report.

This Report contains certain forward-looking statements made on the basis of subjective assumptions and judgments on future policy and economy, which are subject to risks, uncertainties and assumptions. The actual outcome may differ materially from such forwardlooking statements. Investors should be aware that undue reliance on or use of such information may lead to risks of investment.

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



CONTENTS

Definitions		02
Glossary		05
Chapter I	Corporate Profile	06
Chapter II	Summary of Accounting Data and Financial Indicators	09
Chapter III	Report of the Board	12
Chapter IV	Management Discussion and Analysis	36
Chapter V	Significant Events	41
Chapter VI	Changes in Share Capital and Information on Substantial Shareholders	58
Chapter VII	Information on Directors, Supervisors and Senior Management	65
Chapter VIII	Interim Financial Report (Unaudited)	68
Chapter IX	Documents Available for Inspection	276

Definitions

For the purpose of this Report, unless the context otherwise requires, the following terms shall have the meanings set out below:

Items	Definitions
"A Share(s)" (or "RMB-denominated Ordinary Share(s)")	ordinary share(s) issued by the Company in the PRC with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi;
"A Share(s) Share Option Incentive Scheme"	share option incentive scheme of China International Marine Containers (Group) Co., Ltd. considered and approved at the Extraordinary General Meeting of the Company on 17 September 2010;
"Board"	the Board of the Company;
"CASBE"	Accounting Standards for Business Enterprises – Basic Standard and 38 Specific Accounting Standards issued by the Ministry of Finance of the People's Republic of China on 15 February 2006, and application guidance and interpretations to Accounting Standards for Business Enterprises and other related regulations subsequently issued;
"CFSE"	China Fire Safety Enterprise Group Limited, a company listed on the main board of the Hong Kong Stock Exchange (stock code: 445) and an associated company of the Company;
"CIMC" or "Company"	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司), a joint stock company incorporated in the PRC with limited liability, the A Shares of which are listed on the Shenzhen Stock Exchange and the H shares of which are listed on the Hong Kong Stock Exchange;
"CIMC Enric"	CIMC Enric Holdings Limited (中集安瑞科控股有限公司), a company incorporated in the Cayman Islands with limited liability on 28 September 2004 and listed on the main board of the Hong Kong Stock Exchange (Hong Kong stock code: 3899) on 20 July 2006 and a subsidiary of the Company;
"CIMC Finance Company"	CIMC Finance Co., Ltd., a company incorporated in the PRC with limited liability on 9 February 2010 and a subsidiary of the Company;
"CIMC Financial Leasing Company"	CIMC Financial Leasing Co., Ltd., a company incorporated in the PRC with limited liability on 30 July 2007 and a 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 Raffles"	CIMC Raffles Offshore (Singapore) Limited, a company incorporated in Singapore with limited liability on 7 March 1994 and a subsidiary of the Company;
"CIMC Tianda"	Shenzhen CIMC-Tianda Airport Support Co., Ltd. (深圳中集天達空港設備有限公司), a company incorporated in the PRC with limited liability on 18 July 1992 and a subsidiary of the Company;

Definitions

"CIMC Vehicle"	CIMC Vehicle (Group) Co., Ltd. (中集車輛(集團)有限公司), a company incorporated in the PRC with limited liability on 29 August 1996 and a subsidiary of the Company;
"Corporate Governance Code"	the Corporate Governance Code contained in Appendix 14 of the Hong Kong Listing Rules;
"CSRC"	China Securities Regulatory Commission;
"C&C Trucks"	C&C Trucks Co., Ltd. (集瑞聯合重工有限公司), a company incorporated in the PRC with limited liability on 12 March 2009 and a subsidiary of the Company;
"Director(s)"	the director(s) of the Company;
"Group", "we", "our" and "us"	the Company and its subsidiaries;
"H Share(s)" (or Overseas-listed Foreign Share(s))	overseas-listed foreign share(s) issued by the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars;
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC;
"Hong Kong Listing Rules"	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Hong Kong Listing Rules;
"PRC or China"	the People's Republic of China;
"Pteris"	Pteris Global Limited, a company incorporated in 1979, listed on the main board of Singapore Stock Exchange in 1991, and then listed on Catalist in 2014 (stock code: UD3), and a subsidiary of the Company;
"Reporting Period"	the six months started from 1 January 2015 and ended on 30 June 2015;
"RMB"	Renminbi, the lawful currency of the PRC;
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
"Shareholder(s)"	the shareholder(s) of the Company;
"Shenzhen Listing Rules"	Rules Governing the Listing of Securities on the Shenzhen Stock Exchange;

Definitions

"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange;
"Supervisor(s)"	the member(s) of the Supervisory Committee of the Company;
"Supervisory Committee"	the Supervisory Committee of the Company;
"US\$, or U.S. dollars"	United States dollars, the lawful currency of the United States of America;and
"Ziegler"	Albert Ziegler GmbH, a company incorporated in Germany with limited liability and a subsidiary of the Company.

Glossary

This glossary contains certain definitions of technical terms used in this Report in connection with the Group. Some of these definitions may not correspond to standard industry definitions or usage.

Items	Definitions
CNG	Compressed Natural Gas;
GSE	Ground Support Equipment, refers to airport equipment used to ensure flight safety. To meet the requirements for aircraft maintenance and flights, airports are equipped with a variety of modern ground support equipment, including but not limited to mechanical, electric, hydraulic and special gas equipment;
IBC	Intermediate Bulk Container and specialised logistic equipment;
Jack-up Drilling Platform	A jack-up drilling platform is a mobile oil rig commonly used for shallow water operation. Most jack-up rigs operate in water depths ranging from 250 to 400 feet. This oil drilling equipment is generally used for mounting machinery, power supply, equipment and accommodation facilities for drilling and certain liftable spud legs on a platform floating on the water;
LNG	Liquefied Natural Gas;
Modular Building	the building that manufactured in a factory environment and transported to a prepared project site to install;
ONE Model	Optimization Never Ending, the lean management system of CIMC;
Semi-submersible Drilling Platform	A semi-submersible drilling platform is a mobile oil rig, the upper part of the hull structure is the working deck and the lower part comprises two lower hulls, with the parts connected by support columns. When in operation, the lower hulls are submerged into the water. A semi-submersible platform is generally used in deep seas with water depths ranging from 600-3,600m. The platform typically uses a dynamic positioning system for positioning;and
TEU	Twenty-foot equivalent unit, also known as a standard unit (a container with a length of 20 feet, a height of 8 feet 6 inches and a width of 8 feet), being used to measure the volume of a container.

Chapter I Corporate Profile

I. COMPANY INFORMATION

Legal Chinese Name:	中國國際海運集裝箱(集團)股份有限公司
Abbreviated Chinese Name:	中集集團
English Name:	China International Marine Containers (Group) Co., Ltd.
Abbreviated English Name:	CIMC
Legal Representative:	Li Jianhong
Authorised representatives:	Mai Boliang, Yu Yuqun

II. CONTACT PERSONS AND MEANS OF COMMUNICATION

Secretary to the Board, Company Secretary:	Yu Yuqun
Contact Address:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)
Contact Telephone:	(86) 755 – 2669 1130
Facsimile:	(86) 755 – 2682 6579
Email Address:	shareholder@cimc.com
Representative of Securities Affairs:	Wang Xinjiu
Contact Address:	CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)
Contact Telephone:	(86) 755 – 2680 2706
Facsimile:	(86) 755 – 2681 3950
Email Address:	shareholder@cimc.com
Assistant Company Secretary:	Shen Yang
Contact Address:	3101-2 Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong
Contact Telephone:	(852) 2232 7318
Facsimile:	(852) 2805 1835
Email Address:	shareholder@cimc.com

Chapter I Corporate Profile

III. BASIC INFORMATION

Registered Address and Address of Head Office:	8th Floor, CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC
Postal Code:	518067
Company Website:	http://www.cimc.com
Email Address:	shareholder@cimc.com
Principal Place of Business in Hong Kong:	3101-2 Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong
Enterprise Legal Business Licence Registration Number:	440301501119369
Taxation Registration Number:	440300618869509
Organisation Code:	61886950-9
First Registration Date of the Company:	14 January 1980
First Registration Place of the Company:	Shenzhen Administration of Industry and Commerce

IV. INFORMATION DISCLOSURE AND LOCATIONS FOR DOCUMENTS FOR INSPECTION

Designated Newspapers for Information Disclosure:	A Shares: "China Securities Journal", "Securities Times", and "Shanghai Securities News"
Authorized websites on which this Report is made available:	A Shares: http://www.cninfo.com.cn H Shares: http://www.hkexnews.hk
Legal Website:	www.cimc.com
Places at which this Report is Available:	Office of the Secretary to the Board, Financial Management Department, CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067)

Chapter II Summary of Accounting Data and Financial Indicators

I. KEY ACCOUNTING DATA

During the Reporting Period, the Company did not make retrospective adjustments to or restate the accounting data of previous years due to changes in accounting policies and correction of accounting errors.

Unit: RMB thousand

	人民币千元 (2015年1-6月)	The same period of previous year (January – June 2014) (unaudited)	Changes from the same period of previous year to the Reporting Period (%)
Revenue	32,637,289	32,046,128	1.84%
Operating profit	2,026,744	1,254,810	61.52%
Profit before income tax expense	2,077,478	1,268,227	63.81%
Income tax expense	425,068	(17,892)	2,475.74%
Net profit for the current period	1,652,410	1,286,119	28.48%
Attributable to:			
Shareholders of the parent company	1,518,195	1,035,029	46.68%
Minority profit/(losses)	134,215	251,090	(46.55)%
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	1,134,506	946,692	19.84%

Chapter II Summary of Accounting Data and Financial Indicators

Unit: RMB thousand

	2015 (RMB thousand)	The same period of previous year (January – June 2014) (unaudited)	Changes from the same period of previous year to the Reporting Period (%)
Net cash flows from/(used in) operating activities	(625,453)	(3,169,073)	80.26%
Net cash flows from/(used in) investing activities	(4,915,427)	(4,160,208)	(18.15)%
Net cash flows from financing activities	6,180,113	5,887,153	4.98%

	2015 (30 June 2015) (RMB thousand)	As at the end of previous year (31 December 2014) (audited)	Changes from the end of previous year to the end of the Reporting Period (%)
Balance of cash and cash equivalents at the end of the period	3,380,034	2,935,251	15.15%

II. KEY FINANCIAL INDICATORS

	2015 (RMB/share)	The same period of previous year (January – June 2014) (unaudited)	Changes from the same period of previous year to the Reporting Period (%)
Basic earnings per share attributable to shareholders of the Company (RMB/share)	0.5681	0.3885	46.23%
Diluted earnings per share attributable to shareholders of the Company (RMB/share)	0.5627	0.3845	46.35%
Weighted average return on net assets (%)	6.59%	4.89%	1.70%
Weighted average return on net assets after deducting non-recurring profit or loss (%)	4.92%	4.47%	0.45%
Net cash flows from/(used in) operating activities per share (RMB/share)	(0.23)	(1.19)	80.67%

	2015 (30 June 2015) (RMB/share)	As at the end of previous year (31 December 2014) (audited)	Changes from the end of previous year to the end of the Reporting Period (%)
Net assets per share attributable to shareholders of the Company (RMB/share)	9.34	8.34	11.99%

Chapter II Summary of Accounting Data and Financial Indicators

III. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

Unit: RMB thousand

	A () 2015 ()
Loss on disposal of non-current assets	(18,377)
Government grants recognised in profit or loss for the current period	49,571
Gains or losses from changes in fair value arising from holding financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, and investment gains arising from disposal of financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets, except for the effective hedging activities relating to the Group's ordinary activities	396,253
Other non-operating income and expenses other than the above items	19,540
Effect of income tax	(40,249)
Effect of minority interests (after tax)	(23,049)
Total	383,689

Reasons and explanations on the Company's non-recurring profit or 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 or loss items which are listed as non-recurring profit or loss items under the requirements of the Explanatory Announcement No.1

Applicable ☒ Not applicable

Chapter III Report of the Board

I. OVERVIEW

In the first half of 2015, the global economy maintained low growth, and its recovery was slow with differentiation. Affected by the factors such as low oil prices, strong U.S. dollars and the implementation of quantitative easing monetary policies by the European central bank, the U.S. economy achieved good growth; the economy in the Eurozone held stable; the economy in Japan rallied slightly amidst the recession, and the growth of emerging countries continued to slow down. The economy in China stepped into a “new normal” with restructuring. The real economy faced downside pressure. In the first half of this year, both the revenue and net profit of the Group rose as compared with the same period of previous year. Among its principal businesses, the profit of the container manufacturing business and the road transportation vehicle business increased significantly; the logistics service

business maintained constant growth; the profit of the energy, chemical and liquid food equipment business and the offshore engineering business declined. During the Reporting Period, the Group’s revenue amounted to RMB32,637.289 million (same period in 2014: RMB32,046.128 million), and its net profit attributable to shareholders of the parent company amounted to RMB1,518.195 million (same period in 2014: RMB1,035.029 million), representing a year-on-year increase of 1.84% and 46.68% respectively.

II. REVIEW OF PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

The Group is principally engaged in the manufacture of modern transportation equipment, energy, chemical, liquid food equipment, offshore engineering equipment and airport facilities, as well as the provision of relevant services,



Chapter III Report of the Board



including the design, manufacture and service of international standard dry containers, reefer containers, regional special containers, tank containers, wooden container floorboards, road tank trucks, natural gas equipment and static tanks, road transportation vehicles, heavy trucks, Jack-up Drilling Platforms, Semi-submersible Drilling Platforms, special vessels and airport facilities. In addition, the Group is also engaged in logistics service, real estate development, finance and other businesses. Currently, the Group ranks No. 1 in the world in terms of output and sales of standard dry containers, reefer containers and tank containers and the Group is China's largest manufacturer of road transportation vehicles as well as one of the leading high-end offshore engineering equipment enterprises in China.

During the Reporting Period, the products contributing 10% or more to the Group's revenue or operating profit included containers, road transportation vehicles, energy, chemical and liquid food equipment and logistics services.

Container manufacturing business

The Group's container business mainly deals with standard dry containers, reefer containers, special reefers and Modular Building. The Group has the capacity to produce a full series of container products with independent intellectual property rights. Special reefers and Modular Building include 53-foot inland North American containers, European wide containers, bulk containers, special reefer containers, foldable containers and Modular Building products.

In the first half of 2015, under the influence of optimistic expectations for steady growth in the global container trade and launching of new ships at the beginning of this year, the market demand for containers maintained the favourable trend of previous year. The overall capacity across the industry remained stable, while the overall capacity utilisation rate was close to 60%. Since the fourth quarter of previous year, the market demand for all types of containers of the Group maintained positive. Under the impact of ongoing decline in costs of steel and other raw materials, selling prices of containers of the Group also went down, but the gross profit margin remained stable as compared with the same period of previous year.

During the Reporting Period, the total sales of the Group's ordinary dry containers were 736,100 TEUs (same period in 2014: 625,300 TEUs), representing a year-on-year increase of 17.72%. The total sales of reefer containers were 86,900 TEUs (same period in 2014: 70,700 TEUs), representing a year-on-year increase of 22.91%. The container segment recorded revenue of RMB12,478.632 million (same period in 2014: RMB11,505.248 million), representing a year-on-year increase of 8.46%, and the net profit was RMB710.009 million (same period in 2014: RMB322.720 million), representing a year-on-year increase of 120.01%. The substantial increase in the net profit as compared with the same period of previous year was mainly attributable to the substantial increase in profit from changes in fair value of derivative financial instruments in the current period as compared with the same period of previous year.

Chapter III Report of the Board

In the first half of this year, the Group seized the favourable opportunity brought by a recovery in the market and continued to increase the production efficiency to meet the market demand through exploring internal potentials. Meanwhile, it implemented the entire upgrade of the container business by adjusting and optimising the composition of the existing production capacity. The container project in Dongguan Fenggang was progressing well on schedule, and the production line in the first phase of the project was expected to commence operation next year. When expanding into the overseas markets, the Modular Building business also actively explored opportunities in the domestic market. The Group has won the bidding for the largest modularised office building project in China – Shenzhen Qianhai Business Innovation Centre.

In the first half of this year, the Group finally won the anti-dumping and countervailing investigation case filed by the U.S. against its containers after one year's efforts. In May 2014, the U.S. Department of Commerce initiated anti-dumping and anti-subsidy investigations (the "AD and CVD Investigations") on 53-foot dry cargo containers (the "53-foot Containers") imported from China. Under the Group's active responding and multilateral efforts, the U.S. International Trade Commission concluded that the products exported to the U.S. from China have not resulted in significant retard or substantial damage on the establishment of the U.S. domestic industry in the final judgement of industrial damage of 53-foot Containers imported from China (including from the Group) on 19 May

Chapter III Report of the Board

In the Chinese market, the Group actively explored the weak market and energetically enhanced the market share. The Group enjoyed an increase of 3.3 percentage points to 23.5% in the market share of logistics semi-trailers and an increase of 4.2 percentage points to 16.1% in the market share of construction vehicles. However, as affected by the general decline in the Chinese market, both the sales and profits of the domestic business of the Group decreased during the Reporting Period.

In the overseas markets, the Group's road transportation vehicle business operated well overall in the first half of this year. In the North American market, the Group continued to optimise the business structure to focus on maritime dry cargo van trucks and skeleton trucks and explored incremental businesses through the expansion strategies such as construction of new factories. In the emerging markets, the Group made utmost efforts to expand markets in South America, Russia, the Middle East, Southeast Asia and Africa, and recorded significant year-on-year increases in the sales and profits of these two overseas businesses during the Reporting Period.

Energy, chemical and liquid food equipment business

Chapter III Report of the Board

Offshore engineering business

The Group is one of the leading contractors of high-end offshore engineering equipment in China and has been participating in the competition of the international market of offshore engineering business all the time. The Group's offshore engineering business is mainly operated by CIMC Raffles and its subsidiaries. Our main products include Jack-up Drilling Platforms, Semi-submersible Drilling Platforms, and auxiliary vessels for offshore engineering projects.

Since 2015, as the global oil price has been traded at a low level and major oil companies internationally have cut investments in exploration and development and have postponed the development of some large projects due to increasing costs and strained cash flows, new orders on offshore drilling platforms globally in the first half of this year dropped sharply; there was no new order on the Semi-submersible Drilling Platforms; and there were only three orders on the Jack-up Drilling Platforms, representing a year-on-year decrease of approximately 90%. Domestically, policies were beneficial to the Group's development in respect of the offshore engineering business: the strategic concept of "One Belt and One Road" has brought opportunities for the high-end marine engineering equipment in China in the development of offshore oil and gas alongside. The Guidance on the Finance Industry Providing Support for the Transformation and Upgrading of the Shipbuilding Industry was approved by the State Council in April. As one of the first offshore engineering "whitelist" members, CIMC Raffles will get more support in terms of credit financing and other respects. In May, the State Council issued the strategy of "Made in China 2025", according to which the offshore engineering equipment industry became one of the ten areas with key development. In May, Mr. Li Keqiang, Premier of the State Council visited the world's sole D90 project model of the 7th-generation ultra-deepwater Semi-submersible Drilling Platform developed by CIMC Raffles during his visit to the "Chinese Equipment Manufacturing Exhibition" in Brazil, and further proposed the idea of upgrading "Made in China" with "Chinese Equipment" in June.

During the Reporting Period, the offshore engineering business of the Group recorded sales revenue of RMB5,043.275 million (same period in 2014: RMB5,665.789 million), representing a year-on-year decrease of 10.99%. Besides, the Group achieved net profit of RMB18.658

million (same period in 2014: RMB49.467 million), representing a year-on-year decrease of 62.28%. The decrease in revenue and net profit was mainly due to the decrease in business volume of the offshore engineering segment as the offshore engineering market, affected by the sharp fall of the international oil price since September previous year, entered into a stage of adjustment.

In the first half of this year, CIMC Raffles continued to focus on Semi-submersible Drilling Platforms and Jack-up Drilling Platforms. In January, the upper and lower parts of the Semi-submersible Drilling Platform – "North Dragon" built for the NSR (a Norwegian company) were successfully assembled in the base of Yantai; in April, "COSL Prospector", the fourth Semi-submersible Drilling Platform constructed for China Oilfield Services Limited, was driven to South China Sea and was completed for its first drilling in July; in May, the Jack-up Drilling Platform "CPOE 15" was delivered to CNPC Offshore Engineering Company Limited; in June, a deepwater semi-submersible living platform – CR600, 100% independently designed by CIMC Raffles, commenced operation. In addition, two D90s under construction of the world's first 7th-generation ultra-deepwater Semi-submersible Drilling Platform progressed well since the operation commencement, and one of them held a ceremony of assembly in May this year. Since October 2010, CIMC Raffles has successfully delivered 8 Semi-submersible Drilling Platforms and 10 Jack-up Drilling Platforms, operating in North Sea of Europe, Brazil, West Africa, South China Sea and other mainstream offshore engineering markets globally with sound performances, winning recognition of mainstream markets and mainstream customers. So far, both the number of Semi-submersible Drilling Platforms and the number of Semi-submersible Drilling Platforms under construction delivered by CIMC Raffles occupied over 60% of the domestic market. CIMC Raffles has become the largest construction base of Semi-submersible Drilling Platforms in China, and is also the only domestic offshore engineering business which is capable of design and construction for mass Semi-submersible Drilling Platforms.

As for R&D and design, CIMC Offshore Research Institute, which is wholly owned by the Group and functions as the "technology innovation platform", integrated the key enterprises in the industry, including U.S. ABS, Norway DNV and China CCS etc., educational and research institutions such as Ocean University of China, as well as design teams and core equipment vendors, to form a projectbased collaborative R&D platform.

Chapter III Report of the Board

Logistics service business

The Group is committed to offering logistics solutions for customers in different industries by utilising a series of logistics equipment and technologies to continuously improve the logistics in the industries. The Group's logistics services business segment completed the deep integration of business lines at the beginning of this year, and currently there are five business lines: container services, integrated logistics, project logistics, supply chain logistics and equipment logistics.

In the first half of 2015, the domestic logistics service industry maintained the overall trend of steady development. The growth of the scale of logistics demands declined, and the total social logistics costs grew slowly. The logistics industry entered into the stage of restructuring and gradually transformed from traditional logistics to integrated logistics. Amidst the slight decline in growth of logistics demands, the total logistics amount of units and individuals maintained rapid growth, and the growth rate of the logistics demand of high-tech industries was faster than that of traditional industries. The logistics of high-tech industries with high value addition and low logistics volumes, such as medicine, communications equipment and electronic component manufacturing, developed rapidly.

During the Reporting Period, the Group's logistics service business achieved sales revenue of RMB4,267.810 million (same period in 2014: RMB3,424.920 million), representing a year-on-year increase of 24.61%, and net profit of RMB57.474 million (same period in 2014: RMB41.406 million), representing a year-on-year increase of 38.81%. The increase in net profit was mainly attributable to the increase in revenue as compared with the same period of previous year.

In the first half of this year, the business lines proactively expanded new businesses underpinned by strengthening internal integration and reinforcing existing businesses to create a CIMC logistics ecosystem: (1) In respect of the container services business: including the container ship freight agency business for containers and the full-life cycle business for containers. In the first half of this year, such business line strengthened internal integration. Meanwhile, following the national strategy of the "Yangtze River Economic Belt", it carried out the route operations along the coasts and the rivers, and developed the cross-border logistics service capability based on the Yangtze River water transportation, water-railway collaborated transportation, and river-railway collaborated transportation; under the

concept of "Internet plus", it actively explored the transformation of its business model, and aimed to create a cloud platform of business services through relying on the Group's strength and customer resources. (2) In respect of the integrated logistics business: it took advantage of the port logistics resources, focused on the industries with large scales and broad developmen(d).6(o)0.5(d)13.4()13.4()13

Chapter III Report of the Board

Heavy truck business

The Group operates the heavy truck business through C&C Trucks. In 2014, the Group increased its shareholding interest in C&C Trucks to 66.24% and took the controlling stake of C&C Trucks by increasing capital and acquiring equity interests from other shareholders. C&C Trucks positions its products in the mid-end to high-end heavy truck market in the international market and the high-end heavy truck market in the domestic market. It has established the product development strategy of “leading domestic techniques and following foreign techniques” and the development strategy of “making high-end products, providing quality services, and creating first-class brands”. Its key products include tractors, mixer trucks, dump trucks, granule tank trucks and LNG trucks.

In the first half of 2015, the domestic economy in China remained in adjustment. The real estate industry continued its depression. The infrastructure construction projects in numerous areas were operating under capacities. And there was a serious shortage of demand for heavy trucks. On 1 January 2015, the national IV standard emission regulation was implemented nationally. A large stock of national III standard trucks was registered in advance at the end of previous year. And the prices of national IV standard trucks were higher than those of the national III standard trucks. The users’ acceptance in some areas was not high. In addition, there was a downturn in the logistics market and users remained cautious. Affected by these, the overall sales of the domestic heavy truck market (including finished vehicles, non-complete vehicles and semi-trailer tractors) in the first half of this year was 295,500 (same period in 2014: 429,100), falling by 31% year on year. In respect of products, high-end and high-horsepower tractors became the mainstream of the industry, with the horsepower expanded above 400 horsepower. Capitalising on development of the logistics and transport industry and implementation of the phase-out policy for yellow-labelled vehicles, the number of orders for artery logistics tractors, hazardous chemical transport vehicles, and port tractors increased significantly year on year. Narrowed price differences between oil and gas and short-time loss of the advantage of natural gas costs led to a considerable reduction in the sales volume of natural gas heavy trucks.

Chapter III Report of the Board

In the first half of this year, the Group's boarding bridges business strived to expand into the U.S. market apart from maintaining the absolute advantage in the domestic market; the automated logistics systems business made efforts to record breakthrough in large and rapid sorting projects to enhance its competitiveness and its position in the globe; the fire and rescue vehicles business continued to accelerate its distribution and integration in the European industries. During the Reporting Period, the Group's airport facilities equipment business recorded sales revenue of RMB883.084 million (same period in 2014: RMB750.752 million), representing a year-on-year increase of 17.63%. It incurred the loss of RMB47.245 million (same period in 2014: loss of RMB46.091 million), representing a year-on-year increase of 2.50%. The increase in revenue and loss in the first half of 2015 was mainly attributable to the effect of incorporating Pteris into the scope of consolidation during the Reporting Period.

The Group's airport facilities equipment business has experienced sales teams, and has established a standardised and organised marketing management system. At the same time, the good customer relations and market network resources of the airport field can well assist and promote the expansion of the Group's air cargo handling systems, GSE and airport fire vehicle businesses in this field. The marketing team of the fire vehicle business has also been initially established in China, which has reversed the weak position in the Chinese market.

On 27 February 2015, the Group entered into an agreement for assets transfer with CFSE (Hong Kong stock code: 445). Pursuant to the agreement, the Group agreed to transfer 40% shares of Ziegler to CFSE, and obtained 30% shares of CFSE as enlarged as the consideration. On 10 July 2015, the agreement was completed and Ziegler became an associated company of CFSE and also an indirect non-wholly-owned subsidiary of the Group. The Group became the single largest shareholder of CFSE and owned its 30% shares. CFSE became an associated company of the Group. Following completion of the acquisition, the superior resources of Ziegler and CFSE will achieve mutual coordination and sharing under the unified deployment of the Group's airport facilities equipment business segment, thus forming stronger market competitiveness and laying a good foundation for fire rescue services to further expand in the Chinese market.

Real estate development business

In the first half of 2015, the domestic property policy continued the easing tone of 2014. Under the background of stabilising growth, adjusting structure, and promoting consumption, the central bank has conducted a continuous cut of reserve and interest rates, and has lowered the credit threshold. As corresponding to the "New Policy on 30 March", the down payment ratio of each city has shown a reduction in different degrees. The local governments have also put forward housing fund relax, financial subsidies and other policies to promote housing destocking, and provide more supports for the housing improvement demand. With the positive impact of multiple policies, the gradual recovery trend of the property market has been basically established.

During the Reporting Period, the Group had a total of 327,000 square metres of real estate projects under construction, 70,000 square metres of which were new construction projects, and 37,000 square metres of projects were completed. During the Reporting Period, the Group's real estate business recorded revenue of RMB238.713 million (same period in 2014: RMB221.042 million), representing a year-on-year increase of 7.99% and net profit of RMB139.116 million (same period in 2014: RMB67.733 million), representing a year-on-year increase of 105.39%. The net profit increase was mainly attributable to the increase in the profit of the associated company, Shanghai Fengyang.

In the first half of this year, the first industrial estate project of the Group – Dongguan CIMC Intelligence Valley has begun its investment invitation. As of 30 June 2015, the total contract area of the CIMC Intelligence Valley amounted to 21,061 square metres (including the Group's container headquarters building), and the total contract amount reached RMB242 million, which has laid a good foundation for the park zone's investment invitation.

Chapter III Report of the Board

On 23 July 2015, Qianhai & Shekou Area (Shenzhen) (the "Qianhai Area") of China (Guangdong) Pilot Free Trade Zone announced the Implementation Plan for the Construction of Qianhai & Shekou Area (Shenzhen) of China (Guangdong) Pilot Free Trade Zone, determining that centring around the overall objective which is to build the Qianhai Area into a demonstration area for in-depth cooperation among Guangdong, Hong Kong and Macao, a key hub for the 21st Century Maritime Silk Road, and a first mover of the new round of nationwide reform and opening-up, the Qianhai Area focuses on finance, modern logistics, information services, technology services and other strategically emerging services, to be established as a pilot and demonstration window for the opening-up of the Chinese financial industry, an important world base for trade in services and an international hub port. The Group is aiming to build the land parcel owned in the Qianhai Area into a demonstration area for maritime finance and high-end services. At present, the Group is in close negotiation with the relevant national ministries and commissions and Shenzhen Municipal Government with regard to concrete proposals on the development of the land parcel.

Financial business

The Group's financial business is devoted to establish a financial service system which matches the Group's strategic role as a leading manufacturer in the world, to enhance the efficiency and effectiveness of the Group's internal capital utilisation, and to provide various financial measures for the Group's strategy extension, business model innovation, industrial structure optimisation and overall competitiveness enhancement. The main operating subsidiaries consist of CIMC Financial Leasing Company and CIMC Finance Company.

During the Reporting Period, in respect of the financial business, the Group achieved revenue of RMB825.057 million (same period in 2014: RMB729.338 million), representing a year-on-year increase of 13.12%, and net profit of RMB590.304 million (same period in 2014: RMB62.986 million), representing a year-on-year increase of 837.20%. The increase in the net profit was mainly attributable to the income from additional profit from assets for leasing vessels of CIMC Financial Leasing Company.

In the first half of 2015, CIMC Financial Leasing Company strived to achieve role transformation in respect of early involvement and joint participation in industrial projects on the basis of deepening the connotation of integration of industry and finance, so as to provide the one-stop system solution of "equipment + finance" featuring with characteristics of CIMC for customers. Through diversified financial services, CIMC Financial Leasing Company

expanded sales of the Group's products and improved its bargaining power, therefore helping the Group to upgrade the business models and improve the overall competitiveness. CIMC Financial Leasing Company paid high concerns to the orderly progress and implementation of the Group's strategic industries and projects while vigorously promoting the sustained growth of the vehicle, energy and other fundamental businesses. In terms of the shipping finance business, Ten CMA 9200TEU container ships were delivered successfully and were put into operation, while three MSC 8800TEU container ships were delivered successfully, marking successful achievements in the integration of internal and external resources of CIMC and the innovation of the vessels contracting business model. As for the offshore engineering finance business, two SSCV semi-submersible drilling rigs maintained an average operating efficiency of more than 90%, ranking top in the platforms leased by Petrobras. The Semi-submersible Drilling Platform project under construction was in an orderly progress in accordance with the plan. As in the Modular Building finance business, the Holiday Inn Express project of CIMC Financial Leasing Company located at the Excel Exhibition Centre in East London has been successfully completed and opened for operation. The student apartment project in Newcastle, U.K. has been successfully signed and put into construction. The Group's first self-invested modular hotel project – Hampton Inn by Hilton, Bristol Airport has finished the first phase of preparation and kicked off the second phase of construction.

In the first half of 2015, with the domestic economy entering into a new normal period and China implementing a moderately easing monetary policy, CIMC Finance Company has carried out solid implementations of its functions as a "manager of centralised operation of the Group's funds, provider of comprehensive financial services, collaborator of asset-liability management, and creator of value from integration of industry and finance" and maintained stable development. During the Reporting Period, CIMC Finance Company not only further deepened centralised management of the Group's funds to achieve the Group's worldwide capital centralisation, but also coordinated the domestic and foreign funds to improve the capital operating efficiency and effectiveness, and hence reduced the Group's financial costs and liquidity risks as well as promoted the Group's asset-liability management levels. Meanwhile, CIMC Finance Company was working to seek a new value-added point of "finance + service", so as to further enrich the variety of financial services, improve the supply chain of the financial product system and successfully launch the export factoring finance business, and thus finally enhance the Group's industrial comprehensive competitiveness by providing high-value and personalised financial services.

Chapter III Report of the Board

III. FINANCIAL DISCUSSION AND ANALYSIS DISCLOSED ACCORDING TO THE REQUIREMENTS OF DOMESTIC SECURITIES REGULATORY AUTHORITIES

1. Year-on-year Changes in Key Financial Data

Unit: RMB thousand

	As at the end of the previous year (31 December 2014) (audited)	Year-on-year change	Reasons for the items with year-on-year change exceeding 30%	
(30 June 2015) (unaudited)				
Financial assets at fair value through profit or loss	242,877	427,669	(43)%	Mainly due to the disposal of equity instruments for trading during the Reporting Period.
Advances to suppliers	3,389,329	5,223,351	(35)%	Mainly due to the carry-forward of advances to suppliers for equipment purchases in the previous period upon receipt of relevant equipment purchased in the current period.
Long-term receivables	5,563,364	3,449,542	61%	Mainly due to the increase in the scale of finance leases in the current period.
Development costs	90,249	41,705	116%	Mainly due to the increase in development costs in the current period.
Short-term borrowings	16,658,876	11,239,527	48%	Mainly due to the increase in demand for financing to meet the requirement of working capital.
Interest payable	68,255	185,780	(63)%	Mainly due to interest of debentures payable settled in the current period.
Dividends payable	878,901	47,973	1,732%	Mainly due to dividends of ordinary shares declared but not paid in the current period.
Other current liabilities	3,670,297	2,452,511	50%	Mainly due to the commercial papers newly issued by the Group in the current period.
Debentures payable	458,520	4,455,080	(90)%	Mainly due to the reclassification to non-current liabilities due within one year.
Other equity instruments	1,981,143	—	—	Mainly due to the issuance of RMB medium-term notes in the current period.

Chapter III Report of the Board

Unit: RMB thousand

	2015 (RMB thousand)	Same period in 2014 (January to June 2014) (unaudited)	Year-on-year change	Reasons for the items with year-on-year change exceeding 30%
Asset impairment losses	135,530	3,282	4,029%	Mainly due to increase in provision for bad debts made for receivables in the current period.
Investment income/(losses)	744,983	38,128	1,854%	Mainly due to disposal of the leasing business and increase in investment income recognised of joint ventures and associates via the equity method in the current period.
Income tax expenses	425,068	(17,892)	2,476%	Mainly due to the reversal of withholding tax of the overseas enterprises which have been identified as Chinese resident enterprises for the previous period.

There was a material change in profit composition or profit source of the Company during the Reporting Period

Applicable ☒ Not applicable

Status of future developments and plans disclosed in publicly disclosed documents such as the prospectus, the offering memorandum and the assets reorganisation report of the Company that continued into the Reporting Period

Applicable ☒ Not applicable

Chapter III Report of the Board

2. Composition of Principal Businesses during the Reporting Period

Unit: RMB thousand

	2015 1-6 months	2014 1-6 months	2015 1-6 months	2014 1-6 months	2015 1-6 months	2014 1-6 months
(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)
By industry						
Containers	12,478,632	10,492,465	15.92%	8.46%	6.06%	1.90%
Road transportation vehicles	6,682,115	5,450,520	18.43%	(6.48)%	(9.09)%	2.34%
Energy, chemical and liquid food equipment	4,774,432	3,936,992	17.54%	(18.07)%	(16.71)%	(1.34)%
Offshore engineering	5,043,275	4,963,780	1.58%	(10.99)%	(5.41)%	(5.80)%
Airport facilities equipment	883,084	726,250	17.76%	17.63%	13.78%	2.78%
Logistic services	4,267,810	3,926,775	7.99%	24.61%	33.43%	(6.08)%
Financial business	825,057	263,627	68.05%	13.12%	(52.01)%	43.36%
Real estate	238,713	140,211	41.26%	7.99%	31.30%	(10.43)%
Heavy trucks	396,090	364,327	8.02%	—	—	—
Others	692,692	461,811	33.33%	167.95%	404.62%	(31.27)%
Combined offset	(3,644,611)	(3,207,478)	—	—	—	—
Total	32,637,289	27,519,280	15.68%	1.84%	2.42%	(0.48)%
By product						
Containers	12,478,632	10,492,465	15.92%	8.46%	6.06%	1.90%
Road transportation vehicles	6,682,115	5,450,520	18.43%	(6.48)%	(9.09)%	2.34%
Energy, chemical and liquid food equipment	4,774,432	3,936,992	17.54%	(18.07)%	(16.71)%	(1.34)%
Offshore engineering	5,043,275	4,963,780	1.58%	(10.99)%	(5.41)%	(5.80)%
Airport facilities equipment	883,084	726,250	17.76%	17.63%	13.78%	2.78%
Logistic services	4,267,810	3,926,775	7.99%	24.61%	33.43%	(6.08)%
Financial business	825,057	263,627	68.05%	13.12%	(52.01)%	43.36%
Real estate	238,713	140,211	41.26%	7.99%	31.30%	(10.43)%
Heavy trucks	396,090	364,327	8.02%	—	—	—
Others	692,692	461,811	33.33%	167.95%	404.62%	(31.27)%
Combined offset	(3,644,611)	(3,207,478)	—	—	—	—
Total	32,637,289	27,519,280	15.68%	1.84%	2.42%	(0.48)%
By region						
China	12,516,030	—	—	(2.14)%	—	—
Asia (excluding China)	6,105,303	—	—	2.94%	—	—
America	6,891,033	—	—	4.84%	—	—
Europe	6,445,230	—	—	10.97%	—	—
Others	679,693	—	—	(28.03)%	—	—
Total	32,637,289	—	—	1.84%	—	—

During the Reporting Period, the gross profit margin of the financial business of the Group increased significantly, which was mainly attributable to the income from additional profit from assets for leasing vessels of CIMC Financial Leasing Company.

Chapter III Report of the Board

3. Analysis of Core Competitive Advantages

A development strategy focusing on core businesses to accelerate industrial upgrades

The Group has been focusing on core businesses for a long term to step up the paces of industrial upgrades, so as to enhance its industrial competitiveness. While focusing on emerging strategic businesses such as natural gas equipment and offshore engineering equipment, the Group set foot in financial, logistics services and other modern services. At present, the Group has possessed a diversified business portfolio, with an industrial ecosystem of “manufacture + service” formed. The container business continued to take the lead in the industry, as well as offshore engineering, road transportation vehicles, energy, chemical and liquid food equipment businesses with strong competitive edges in the PRC.

An enterprise framework and management system for continuous improvement and sustainability

The Group has developed a set of effective management models covering business philosophy, governance structure and management mechanism, thus establishing the competitive advantages over its rivals. A standardised and effective corporate governance structure is the institutional safeguards of the Company’s sustainable and healthy development. In recent years, the Group launched the strategic upgrade campaign of “building an empowering platform for sustainable healthy development of CIMC”. According to the organisational transformation direction of “layering management”, the Company has established a three-tier management model comprising the executive committee, special committees and the Board as well as a 5S core management process. By introducing the lean management concept and promoting the ONE Model to meet the goal of continuous improvements, the Company has established an innovative and forward-looking management system to ensure sustainable and healthy development of its businesses.

Manufacturing management capabilities ensuring high quality at low costs

With the accumulation of large-scale, serialised and standardised management experience and capabilities in the area of container manufacturing

over the years and its continuous improvements and upgrades, the Group brings into full play of its manufacturing technologies and process management with high efficiency and competitive costs as well as the core capabilities in lean production management across its business segments.

Integrated resources and collaborative development capabilities

In several business sectors, the Group has completed industrial consolidation through a series of mergers and acquisitions, and fully integrated supply chain, production and manufacturing, services and other processes to secure its leading cost advantage and leadership in the industry. Hence, on the basis of the existing resources and manufacturing and operating strengths, the Group is able to cultivate new businesses and industry chains for resource sharing and development synergy. The Group is aiming to capitalise on local strengths and integrate global resources to establish a new business ecosystem.

Technological research and development capabilities

The Group always attaches great importance to technological research and development capabilities through: developing mid-to-long term development strategies to optimise R&D systems and platforms and accelerate development of products and technologies as well as evolution of existing products; adhering to the core value of “unlimited innovations” to promote R&D of new products, technologies, processes and equipment, while constantly improving the mechanism for identifying, inspiring and promoting innovations to speed up the commercialisation of technological achievements; and strengthening protection of intellectual property rights including the construction of an intellectual property rights system covering technical secrets and copyrights, and establishing and improving an all-round effective mechanism for protecting, operating, safeguarding and preventing infringement of intellectual property rights. In addition to a national enterprise technology centre, the Group has 26

Chapter III Report of the Board

4. Analysis of Investments during the Reporting Period

(1) External equity investments

(a) External investments

✓ Applicable Not applicable

Sino-Worlink (Beijing) Investment Co., Ltd.		
Investment amount (RMB million)	Investment amount (USD million)	Investment amount (USD million)
105,000	182,500	(42.47)%

Sino-Worlink (Hong Kong) International Logistics Co., Ltd.		
Investment amount (RMB million)	Investment amount (USD million)	Investment amount (USD million)
105,000	182,500	(42.47)%
Sino-Worlink (Beijing) Investment Co., Ltd.	Mainly engaged in investment management, assets management, investment consultation and other businesses	50%
Sino-Worlink (Hong Kong) International Logistics Co., Ltd.	Mainly engaged in international cargo transport agency, warehouse services and other businesses	50%

(b) Equity investments in financial institutions

Sino-Worlink (Beijing) Investment Co., Ltd.									
Investment amount (RMB million)	Investment amount (USD million)	Investment amount (RMB million)	Investment amount (USD million)	Investment amount (RMB million)	Investment amount (USD million)	Investment amount (RMB million)	Investment amount (USD million)	Investment amount (RMB million)	Investment amount (USD million)
8,125	-	5%	-	5%	8,125	-	Available-for-sale financial assets	Corporate shares	
Bank of Communications Schroder	Non-listed financial enterprises								
Total	8,125	-	-	-	-	8,125	-		

A shares	002768	Gon Technology	9	500	0.001%	500	0.001%	13	4	Financial assets at fair value through profit or loss	Buy in the secondary market	
A shares	002770	Kedi Dairy	3	500	0.000%	500	0.000%	5	2	Financial assets at fair value through profit or loss	Buy in the secondary market	
A shares	002776	Bobaolon	12	500	0.001%	500	0.001%	20	8	Financial assets at fair value through profit or loss	Buy in the secondary market	
A shares	300482	Wondfo Biotech	8	500	0.001%	500	0.001%	12	4	Financial assets at fair value through profit or loss	Buy in the secondary market	
H shares	06198	Qingdao Port	121,041	61,851,000	1.294%	40,414,000	0.846%	145,648	38,563	Financial assets at fair value through profit or loss	Buy in the secondary market	
H shares	00368	Siontrans Ship	19,525	2,996,500	0.075%	2,996,500	0.075%	4,490	117	Financial assets at fair value through profit or loss	Buy in the secondary market	
Other securities investments held at the end of the Reporting Period			-	-	-	-	-	676	-	-	-	
Profit or loss from securities investments sold during the Reporting period			-	-	-	-	-	-	72,692	-	-	
Total			140,598	64,849,500	-	43,412,500	-	150,864	111,390	-	-	

As of the end of the Reporting Period, the Group's equity interests in other listed companies are as follows:

		عدد الأسهم المشتراة	القيمة الاسمية للسهم (دولار أمريكي)	السعر الحالي للسهم (دولار أمريكي)	عدد الأسهم المشتراة	القيمة الاسمية للسهم (دولار أمريكي)	السعر الحالي للسهم (دولار أمريكي)	نوع الاستثمار	الغرض من الشراء
Australian Stock Exchange: OEL	Otto Energy	13,480	14,000,000	1.19	4,320	-	(2,183)	Available-for-sale financial assets	Stock acquisition
Hong Kong Stock Exchange: 206	TSC Offshore Group Limited	167,591	92,800,000	13.43	186,822	-	(71)	Long-term equity investments	Stock acquisition

Chapter III Report of the Board

(2) Entrusted wealth management, derivatives investments and entrusted loans

(a) Entrusted wealth management

Applicable ☐ Not applicable ☒

(b) Derivatives investments

Unit: RMB thousand

Counterparty		Contract type		Contract period		Contract amount		Contract value		Contract value as a percentage of the Group's capital	
Counterparty	Contract type	Contract period	Contract amount	Contract value	Contract value as a percentage of the Group's capital	Contract value as a percentage of the Group's capital	Contract value as a percentage of the Group's capital	Contract value as a percentage of the Group's capital	Contract value as a percentage of the Group's capital	Contract value as a percentage of the Group's capital	Contract value as a percentage of the Group's capital
HSBC, Standard Chartered and other banks	Forward exchange contract	2015/7/1 - 2016/12/12	15,811,059	10,227,989	40.75%	265,725					
HSBC, Standard Chartered and other banks	Currency accumulator contract	2015/7/1 - 2016/11/28	2,803,346	3,396,410	13.53%	12,674					
China Construction Bank	Interest rate swap contract	2009/12/28 - 2020/3/1	668,957	788,297	3.14%	2,315					
HSBC	Currency swap contract	2015/4/1 - 2019/9/1	-	55,265	0.22%	4,149					
Total				-	-	19,283,362	-	14,467,961	57.64%	284,863	

Source of funds for derivatives investments

self-owned funds

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.)

As of 30 June 2015, the derivative financial instruments held by the Group were mainly foreign exchange forwards, foreign currency options, interest rate swap and currency swap contracts. The risks of interest rate swap contracts

Chapter III Report of the Board

(c) Entered loans

Unit: RMB thousand

借款对象	是否关联方	借款金额	利率	担保方式	借款用途
Hongxin Logistics Group Co., Ltd. (弘信物流集團有限公司)	Yes	10,986	8.75%	Corporate guarantee	Payment of logistics fees
Shenzhen Pengsangpu Energy Services Co., Ltd.	No	6,060	9.00%	Equipment mortgage/corporate guarantee	Procurement of solar equipment
Xiamen Yingzhong Fuhai Automobiles Limited	No	16,902	7.70%	corporate guarantee	Procurement of vehicles
Xiamen Xinshuangrong Automobile Driving Training Limited	No	3,618	21.00%	Pledge of share options/pledge of house property/corporate guarantee	Driver training site construction and purchase of training vehicles
Quanzhou Jincheng Maritime Transport Co., Ltd.	No	46,081	14.17%-15.3%	Ship mortgage/corporate guarantee	Payment of ship lease accounts, cargo agency fees and freight etc.
Shishi Jiahua Shipping Limited	No	26,571	16.19%	Ship mortgage/corporate guarantee	Procurement of fuel oil and other daily operating turnover
Fujian Tianlong Steamship Limited	No	52,946	10.56%	Ship mortgage/corporate guarantee	Procurement of ship and fuel oil etc.
Xiamen Zhiyuan Automobile Limited	No	37,500	7.80%	Corporate guarantee	Procurement of vehicles
Lingbao Guoshi Mining Limited Liability Company	No	36,000	9.78%	pledge of house property/corporate guarantee	Procurement of ores
Xiamen Xiangyu Free Trade Zone Fengyi Logistics Co., Ltd. (廈門象嶼保稅區豐億物流有限公司)	No	35,000	12.26%	Pledge of share options/corporate guarantee	Payment of freights
Total	-	271,664	-	-	-

(3) Use of raised proceeds

Applicable ☐ Not applicable ☒

Chapter III Report of the Board

(4) Principal subsidiaries and associates

Please refer to the relevant information contained in “II. Review of Principal Businesses during the Reporting Period” under this chapter of this Report for the details of operations of principal subsidiaries and associates. The details on the subsidiaries that began and ceased to be consolidated into the accounts of the Group during the Reporting Period are set out in note V of “Chapter VIII Interim Financial Report (Unaudited)” in this Report.

Acquiring and disposing subsidiaries during the Reporting Period

Subsidiary Name	Business Description	Acquisition Method	Impact on Performance
Sino-Worlink (Beijing) Investment Co., Ltd.	Promoting the logistics segment to energetically develop the business of highway-railway collaborated transportation and sea-railway collaborated transportation and boosting the development of the modern logistics business by capitalising on the opportunity from the state's strategic development of “One Belt and One Road”.	Cash acquisition not under the common control	No significant impact on the performance of the Reporting Period.
Sino-Worlink (Hong Kong) International Logistics Co., Ltd.	Promoting the logistics segment to energetically develop the business of highway-railway collaborated transportation and sea-railway collaborated transportation and boosting the development of the modern logistics business by capitalising on the opportunity from the state's strategic development of “One Belt and One Road”.	Cash acquisition not under the common control	No significant impact on the performance of the Reporting Period.

(5) Major projects invested by non-raised proceeds

Applicable ☒ Not applicable

5. Forecast on the Operating Results for the Period from January to September 2015

Warning and explanation in the forecast of the possible aggregate net profits from the beginning of the year to the end of the next reporting period becoming a loss or a significant change compared to the same period of the previous year

Applicable ☒ Not applicable

Chapter III Report of the Board

6. Statements of the Board and the Supervisory Committee on the “Non-Standard Auditing Report” Issued by the Accountant during the Reporting Period

Applicable ☐ Not applicable ☒

7. Explanation of the Board on the Affairs Relating to “Non-standard Auditing Report” for the Previous Year

Applicable ☐ Not applicable ☒

8. Implementation of Profit Distribution of the Company during the Reporting Period

During the Reporting Period, the proposed profit distribution plan for 2014 was passed at the 2014 annual general meeting of the Company on 8 June 2015 in accordance with the relevant requirements of the Articles of Association: the Company to pay a cash dividend of RMB0.31 (inclusive of tax) for every share (2013: RMB0.27 for every share) to Shareholders, which is calculated based on the total share capital of the Company as at the book closure date of dividend distribution for 2014. During the Reporting Period, the Company was expected to pay a dividend of RMB833.030 million, which was calculated based on the total share capital on 30 June 2015. The Company completed the payment of the final dividend for 2014 on 22 July 2015, and the actual dividend paid by the Company was RMB838.748 million.

Was it in compliance with the requirements of the Company's articles of association and the resolution of the general meeting:		Yes
Was the dividend distribution criteria and proportion well-defined and clear:		Yes
Was the related decision making process and mechanism in place:		Yes
Did independent Directors fulfil their duties and play their roles:		Yes
Were the minority Shareholders given opportunities to sufficiently voice their opinions and make requests and were their legal interests fully protected:		Yes
Were conditions and procedures legal and transparent in respect of the cash dividend policy with adjustments or changes:		Yes

9. Proposal of Profit Distribution and Share Capital Increase by way of Transfer from Capital Reserves during the Reporting Period

The Board recommended the Company not to distribute any cash dividend, bonus shares or increase share capital by way of transfer from capital reserves for the six months ended 30 June 2015 (for the six months ended 30 June 2014: Nil).

Chapter III Report of the Board

10. Register of Reception of Research, Communications and Interviews during the Reporting Period

Date	Location	Activity	Organisation	Participants	Content
13 January 2015	Company	Field research	Organisation	SinoPac Securities	Principal business conditions, business structure, investment progress, recent industrial developments and industry outlook in 2015
22 January 2015	Yantai	Field research	Organisation	Morgan Stanley and other organisations	Recent development of the marine engineering business, principal business conditions, investment progress and industry outlook in 2015
23 January 2015	Company	Field research	Organisation	Nomura and Sumitomo Mitsui Asset Management	Principal business conditions, business structure, investment progress, recent industrial developments and industry outlook in 2015
26 January 2015	Company	Field research	Organisation	QFII customers of CITIC Securities	Same as above
16 February 2015	Company	Field research	Organisation	TUFTON OCEANIC	Same as above
25 March 2015	Hong Kong	Others	Organisation	Securities analysts and fund managers	2014 annual report results announcement
2 April 2015	Company	Field research	Organisation	Sinolink Securities, China Investment Securities, SWS MU Fund Management, Lighthouse Asset Management and Dongguan Securities	Principal business conditions, business structure, investment progress, recent industrial developments and industry outlook in 2015
8 April 2015	Company	Field research	Organisation	Galaxy Securities, Fullgoal Fund and other organisations	Same as above
15 April 2015	Company	Field research	Organisation	Guosen Securities and The New Idea of Investment (新思路投資)	Same as above
29 April 2015	Hong Kong	Others	Organisation	Company day activities of Shenzhen-Hong Kong stock connect of UBS Securities and fund managers	Same as above
5 May 2015	Ningbo	Others	Organisation	2015 Spring Forum of Listed Companies of Haitong Securities	Same as above
13 May 2015	Kunming	Others	Organisation	Interim strategy meeting of China Securities	Same as above
5 June 2015	Company	Field research	Organisation	Macquarie Securities	Same as above
26 June 2015	Hong Kong	Others	Organisation	Company day activities of Daiwa Securities and fund managers	Same as above

Chapter III Report of the Board

IV. PROSPECTS AND INITIATIVES

1. Industry Development Trends and Market Outlook in the Second Half of This Year

Looking ahead to the second half of 2015, the global economy will still maintain low growth with sluggish growth of international trades. Affected by policies for stabilising growth, moderately easing monetary policies and reforms in the first half of this year, the positive factors in the Chinese economy will be gradually increased. It is expected that the Chinese economy would steadily increase in the second half of this year and the full-year GDP growth would likely maintain at around 7%.

In view of the forecast of International Monetary Fund (IMF) and World Bank that the global economy would show a slower growth comparing with the beginning of the year, the global authoritative institutions relating to shipping industry decreased the estimates for growth in global container trade for 2015. Currently, the overseas demand for containers still remains slumping, while the exports by China continues to slow down. Therefore, the shipping industry is troubled by the circumstance that the growth in capacity deployment is much higher than that in cargo volume and the freight rates of the eastward and westward lines repeatedly set a new low. Also, the shipping industry is not as prosperous as expected this year, which led to a high container inventory at present, so the inventory pressure will have a great effect on the demand for containers in the second half of this year. It is expected that the demand for containers in the second half of this year will be weaker than that in the first half of this year.

In the first half of this year. In the PRC market, the government will continue to proactively stabilise the growth. It is expected that the year-on-year decrease in the special vehicles market of the PRC would be narrowed in the second half of the year. In the overseas market, given the impact from expectations on U.S. dollar rate increases, the U.S. imports are expected to continue to rise, and the manufacturing industry is likely to see a sustained moderate growth, while the demand for major products such as semi-trailers will remain stable. The emerging markets will witness a relatively stable demand. New growth force is predicted to focus on ASEAN members, "BRIC countries" and Saudi Arabia in the Western Asia.

the recession in respect of natural gas equipment is expected to sustain in the second half of this year affected by the factors such as constantly low oil prices. The Group's energy equipment business will suffer pressure in respect of short-term operation due to effects of the weak performance of the industry as a whole and intensified competitions from existing competitors and new market players, but its long-term prospects are substantially positive. The cyclical volatility trend is expected to sustain in the chemical market where the chemical equipment business is operated in the second half of this year. The overall market trend of the liquid food business is expected to remain stable in the second half of this year.

in the second half of 2015, the international oil prices are expected to continue to remain low. The businesses of oil service companies will be affected, leading to an industry reshuffle. The global offshore equipment industry will continue the downturn in the first half of this year. In addition, after the peak of new orders for Jack-up Drilling Platforms several

Chapter III Report of the Board

in the second half of this year, as China accelerates the building of "One Belt And One Road", investment in infrastructure construction and transport and logistics are expected to recover growth. In consideration of the current destocking speed of real estate developers and the realisation of affordable housing's annual target, the real estate investment demand may also appear signs of improvement at the end of the third quarter. The domestic heavy truck market is expected to turn for the better in the second half of this year with a strong increase in sales of engineering vehicles as compared with the first half of this year. Artery logistics tractor and hazardous chemical transport vehicle will continue the growing trend and the growth will be expanded with steady sales of natural gas heavy truck.

in the second half of this year, it is expected that the airport ground equipment business would continue to grow steadily, and main market opportunities arise from new demands in emerging markets. The peripheral facilities of the boarding bridge business will be the new direction for future business expansion. The automated processes of various industries and the rapidly growing e-commerce in China have become a vital driving force for the growth of automated logistics business. The fire and rescue equipment business has seen a basically stable competition landscape globally and will enter into a fast-developing stage in respect of the Chinese market, with huge market room and opportunities for industry integration.

under the favourable atmosphere resulting from the state policies and the stable and yet loose monetary environment, the real estate market in the PRC will maintain its recovering momentum as a whole in the second half of this year. Although its new construction projects will still see a year-on-year decrease, the degree of decrease will be narrowed, with accelerating investment and increasing sales. However, the economic environments in the PRC and abroad are still complicated and the differences among cities become more significant. The centralisation of the domestic real estate market will be further enhanced. With increasing cooperation between the finance industry and the real estate industry, the integration and innovation of the industrial chains will become a new model of development and profit-making.

in the second half of this year, it is expected that the domestic finance lease industry would keep forging ahead. Due to the intensifying competition of the industry, its level of profitability will decrease. In

the meantime, the real economy of the PRC may remain sluggish and CIMCVL will be exposed to the increasing credit risk of its customers. For the international market, it is expected that the U.S. Federal Reserve would raise interest rates, which will bring relatively significant effects to the large financing projects denominated in US dollars. Also, the exchange rate reform of RMB will keep moving towards market oriented approach, and thus the risk of exchange rate fluctuation of RMB will increase.

2. Major Risk Factors of the Group

In the second half of 2015, the Group will still be exposed to the following macroeconomic and policy adjustment risks against its business environment:

- (1) The global economy will still suffer slow recovery with slow growth and low trade flow. China's economy has entered into a stage of "new normal" which requires restructuring. The demand growth has slowed down while exports are also in a stage of slowing growth and structural transformation with relatively short demands. Meanwhile, certain industries will suffer over-capacities with low utilisation rates, imposing large pressure on competitions and facing risks in respect of declines of profit margins.
- (2) Costs will continue to rise sharply due to mid-to-long term challenges including a decreasing demographic dividend and the requirements on low carbon, environmental protection, energy conservation and emission reduction. Costs of various resources such as land and warehouse and distribution facilities will also rise constantly. The costs together will further squeeze profit margins of the real economy. In the future, the automation with robots as the representative is becoming a key aspect of upgrade of the manufacturing industry in the future, therefore, the Chinese manufacturing industry is generally confronted with adjustments and changes in the employment structure.
- (3) RMB exchange rate will be exposed to great fluctuation risks due to various changing factors and great volatility in the global financial market.
- (4) The offshore engineering equipment industry has investment risks as it calls for large investments and long development cycles. New orders placed by major customers may decrease dramatically as international oil prices may remain low for a long period of time.

Chapter III Report of the Board

3. Overall Operation Targets for Business Development and Initiatives of the Group in the Second Half of 2015

Adapting to the global and domestic economic restructuring in the second half of this year, the Group will continue to deepen its industrial restructuring and strategic upgrades, carry out systematic upgrades in terms of development strategies, business models, organisational culture, operational management and other areas, and continue to implement multi-tiered management and refined management so as to establish an “accumulative and continuous improvement mechanism”, laying a new foundation for the sustainable and healthy development of the Group.

In the second half of this year, for mature products like dry containers, reefer containers and special reefers, the Group will give priority to organic growth, continue to focus on internal optimisation, practically exert the scale advantages, and fully implement the cost leadership strategy. Meanwhile, the Group will also put into resources for acquisition growth to continue to explore new business opportunities in terms of new special reefer products, Modular Building, cold chain operations, as well as laser processing technology business.

In the second half of this year, the Group will continue to strive for comprehensively improving the core competencies of global operations: improving the modular core product platform to fully enhance the cross-border design capacity; bringing Made-in-China advantages into full play to increase the transatlantic manufacturing capacity; re-creating the new business development plan of “One Belt and One Road”; building the globally financial service support system. The Group will also develop new businesses: expanding weak markets in China to support the rapid growth of incremental products; deploying new factories in the North American market to expand markets for dry cargo van trucks and maritime skeleton trucks; emphasising the regional market layout in emerging markets following China’s “One Road and One Belt” strategy.

In the second half of this year, the energy equipment business will continue to increase the market share of its core products in the Chinese market to provide one-stop solutions for its customers. Amidst a weak oil price environment, by capturing the business opportunities in LPG trailers and tanks, the Group will expand more overseas businesses opportunities, and will also intensify its effort to develop more engineering, procurement, and construction (EPC) businesses for unconventional natural gas sources. Under the stagnant conditions in the industry, the energy equipment business will consider appropriate acquisition opportunities, to lay a solid foundation for its future development. In respect of the chemical equipment business, the Group will maintain its leading position in terms of the tank container manufacturing industry, optimise product design and production processes, reinforce cost advantages and enhance the research and development of its special and high-end tank containers. In respect of the liquid food business, the Group will continue to increase the brand image of Ziemann Holvrieka and continue to implement the marketing strategy so as to enhance its market position. The Group will also introduce the advanced technologies and knowledge from Europe into its businesses in China to carry out process innovation and improve its existing products.

In the second half of this year, the Group will continue to promote the management topic of “risk prevention, delivery guarantee, cost reduction and structure adjustment” and carry forward the “business plan-based, strong project-based and profit-centric” management routes to proactively cope with changes in the industrial environment with the implementation of the strategies including: developing risk prevention plans to prevent systematic risks; advancing the winter market strategy to ensure the realisation of annual sales and orders targets of delivered projects; insisting on the focus strategy, promoting design fixing, and striving for high-quality orders; strengthening pre-production preparations and enhancing the production efficiency; establishing the guarantee and management support system for resources featuring on-time delivery; achieving breakthrough-based improvement in terms of cost reduction for engineering, procurement, and construction (EPC); ensuring steady financial capital to respond to exchange risks.

Chapter III Report of the Board

the overall business objective is to achieve high-quality growth. Main measures in the second half of this year include: to implement the division management mechanism with unified marketing and management, so as to form an efficient and compliant business platform, and to achieve

Chapter IV Management Discussion and Analysis

The following contents are the financial resource reviews prepared in accordance with the relevant provisions of the Hong Kong Listing Rules. The following discussion and analysis shall be read together with other chapters and the unaudited interim financial statements and notes thereto prepared in accordance with CASBE set out in this Report.

REVENUE AND PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

During the Reporting Period, the Group recorded revenue of RMB32,637.289 million (same period in

Chapter IV Management Discussion and Analysis

BANK LOANS AND OTHER BORROWINGS

As at 30 June 2015, the Group's bank borrowings, debentures payable, other current liabilities (issuance of commercial papers) and other equity instruments in aggregate amounted to RMB39,969.584 million (31 December 2014: RMB33,310.268 million). Details of bank loans and other borrowings of the Group as at 30 June 2015 are set out in notes IV. 23, IV. 34, IV. 35, IV. 36, IV. 37 and IV. 42 of "Chapter VIII Interim Financial Report (Unaudited)" in this Report.

Unit: RMB thousand

	As at 30 June 2015 (unaudited)	As at 31 December 2014 (audited)
Short-term borrowings	16,658,876	11,239,527
Long-term borrowings due within one year	1,061,187	2,052,854
Debentures payable due within one year	3,997,452	2,000,000
Long-term borrowings	12,142,109	11,110,296
Debentures payable	458,520	4,455,080
Other current liabilities (issuance of commercial papers)	3,670,297	2,452,511
Other equity instruments	1,981,143	—
Total	39,969,584	33,310,268

In the first half of 2015, the net bank loans appropriated by the Group amounted to RMB5,008.519 million (same period in 2014: RMB6,624.900 million), a year-on-year decrease of 24.40%.

The Group's bank borrowings are mainly denominated in U.S. dollars, with the interest payments computed using fixed rates and floating rates. As at 30 June 2015, the Group's bank borrowings included fixed-rate borrowings of approximately RMB8,378.690 million (31 December 2014: RMB4,792.023 million), representing an increase of 74.85% as compared with the end of the previous year, which was mainly attributable to the financing arrangement entered into by the Group to meet its requirement for working capital, and floating-rate borrowings of RMB21,483.482 million (31 December 2014: RMB19,608.678 million), representing an increase of 9.56% as compared with the end of the previous year. The long-term borrowings were due within five years. For details, please refer to note XIV. 3 of "Chapter VIII Interim Financial Report (Unaudited)" in this Report.

The Group's issued bonds are mainly denominated in RMB, with the interest payments computed using fixed rates. As at 30 June 2015, the remaining fixed-rate bonds issued by the Group amounted to RMB4,455.972 million (31 December 2014: RMB6,455.080 million). For details, please refer to notes IV. 34 and IV. 37 of "Chapter VIII Interim Financial Report (Unaudited)" in this Report.

On 16 June 2015, the issue of the first tranche of RMB perpetual medium term note for 2015 ("Medium Term Note") of the Group was completed. The Medium Term Note, with a size of RMB2.0 billion and a coupon rate of 5.19% for the preceding three years of interest calculation. The tranche I Medium Term Note shall be redeemed by the issuer at maturity as agreed under the issue terms. The proceeds from the issue of the Medium Term Note will be used for equipment upgrade and project construction of the Company and its subsidiaries and for settlement of bank borrowings of the Company and its subsidiaries. The net amount of RMB1,981.143 million, after deducting issuance costs, was recorded in shareholders' equity under "Other equity instruments".

Chapter IV Management Discussion and Analysis

CAPITAL COMMITMENTS

As at 30 June 2015, the Group had capital commitments of approximately RMB671.010 million (31 December 2014: RMB696.316 million), which were mainly used for manufacturing vessels for sale or rent and performing outward investment contracts. For details, please refer to note XI. 1. (1) of "Chapter VIII Interim Financial Report (Unaudited)" in this Report.

CONTINGENT LIABILITY

As at 30 June 2015, the Group had contingent liabilities of approximately RMB54.656 million (31 December 2014: RMB54.704 million), mainly representing the amount of the compensation for delivery postponement from contracted delivery date to future estimated actual delivery date that CIMC Raffles may need to assume under the vessel construction contracts and vessel leasing contracts entered into by CIMC Raffles and relevant purchasers. For details, please refer to note X. 1 of "Chapter VIII Interim Financial Report (Unaudited)" in this Report.

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

During the Reporting Period, the Group completed the acquisition of respective 50% shares of Sino-Worlink (Beijing) Investment Co., Ltd. and Sino-Worlink (Hong Kong) International Logistics Co., Ltd., at a total consideration of RMB105 million. For details, please refer to "4. Analysis of Investments during the Reporting Period" of "III. Financial Discussion and Analysis Disclosed According to the Requirements of Domestic Securities Regulatory Authorities" under "Chapter III Report of the Board".

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND EXPECTED SOURCE OF FUNDING

The operating and capital expenditures of the Group are mainly financed by our own fund and external financing. The Group will take a prudent attitude to enhance its operating cash flow. The Group has sufficient resources of funding to meet the requirements of capital expenditure and working capital during the year.

CAPITAL EXPENDITURE AND FINANCING PLAN

Based on changes in the economic situation and operating environment, as well as the requirements of the Group's strategic upgrade and business development, the capital expenditure of the Group in 2015 was approximately RMB6,000 million, among which approximately RMB3,584 million was actually expensed in the first half of this year, which was mainly used for purchase and construction of fixed assets, intangible assets and other long-term assets. Various forms of financing arrangements will be considered in the second half of this year.

The Company entered into subscription agreements with COSCO Container Industries Limited, Broad Ride Limited and Promotor Holdings Limited pursuant to a general mandate on 23 December 2013 and entered into amendment agreements on 23 June 2014 and 26 March 2015 for equity financing through proposed issue of additional H shares. The Company received the Approval of the Issue of Additional Overseas Listed Foreign Shares by China International Marine Containers (Group) Co., Ltd. (Zheng Jian Xu Ke [2015] No. 1749) (《關於核准中國國際海運集裝箱(集團)股份有限公司增發境外上市外資股的批復》(證監許可[2015]1749號)) from China Securities Regulatory Commission on 22 July 2015 pursuant to which, the China Securities Regulatory Commission approved the Company to issue up to 286,096,100 additional overseas listed foreign shares. The total proceeds from the issue of such new H shares were estimated to be approximately HK\$3.857 billion, which would be used for the Group's working capital. As of the end of the Reporting Period, the issue of such additional H shares has not yet been completed.

Chapter IV Management Discussion and Analysis

EMPLOYEES, TRAINING AND DEVELOPMENT

As at 30 June 2015, the Group had 61,723 employees in total (same period in 2014: 61,074). The total staff cost during the Reporting Period, including Directors' remuneration, contribution to the retirement benefit schemes and share option schemes, amounted to RMB2,515.447 million (same period in 2014: RMB2,606.387 million).

The Group provides salary and bonus payment to its employees based on their performance, qualification, experience and market conditions. The share option scheme aims to recognise the previous contribution of Directors and core employees to the Group and reward them for their long-term services. For details of the A Share(s) Share Option Incentive Scheme adopted by the Company, please refer to "VII. Implementation and Effect of the Company's Share Option Incentive Scheme" under "Chapter V Significant Events" in this Report. Other benefits include contribution to the governmental pension schemes and insurance plans for employees in mainland China. The Group regularly reviews its remuneration policies, including Directors' remuneration payable, and strives to formulate an improved incentive and assessment mechanism based on the operating results of the Group and market conditions.

SHARE CAPITAL

As at 30 June 2015, the Company's share capital is as follows:

		Number of Shares	Percentage
		(Million)	(%)
A Shares	RMB1.00	1,256,604,507	46.76%
H Shares	RMB1.00	1,430,480,509	53.24%
Total		2,687,085,016	100.00%

EVENTS AFTER THE BALANCE SHEET DATE

For details about the events after the balance sheet date of the Reporting Period, please refer to note XII of "Chapter VIII Interim Financial Report (Unaudited)" in this Report.

DISCLOSURE UNDER THE HONG KONG LISTING RULES

In accordance with paragraph 40 of Appendix 16 of the Hong Kong Listing Rules, the Company confirms that, save as disclosed herein, there has been no material change in the current information regarding the Company from the information disclosed in the 2014 annual report of the Company.

Chapter V Significant Events

I. CORPORATE GOVERNANCE

During the Reporting Period, the Group continued to promote governance in compliance with laws and constantly improved corporate governance and maintained normal operation strictly in accordance with the relevant provisions of the state and the regulations and documents issued by regulatory authorities including the China Securities Regulatory Commission, CSRC Shenzhen Bureau, Shenzhen Stock Exchange, SFC and Hong Kong Stock Exchange.

In the first half of 2015, the Group continued to realise the full coverage of its internal control system, and completed the construction of internal control systems for 12 newly joined enterprises including Zhenhua Logistics and Ziegler. The Group continued to thoroughly propel the four key tasks in respect of internal controls: first, to construct the internal controls compliance programme. It has completed the onsite audit on 8 enterprises; second, to finalise the plan for preparation of an internal control manual for 2015. It has fully commenced the preparation of internal control manuals for 9 enterprises; third, to develop internal control personnel, select candidates of supervisors for internal controls and provide them with further trainings and improve the Measures for Assessment of Internal Control Personnel; fourth, to advance the optimisation of the internal control information system. During the Reporting Period, by enriching its risk control for its strategic planning, management mechanism formulating and significant event planning, the Group has provided trainings in respect of internal controls and anti-fraud measures to its members in the fields of containers, vehicles, logistics, real estate and etc. In addition, by joining hands with well-known domestic enterprises including Alibaba, Vanke and Fosun, the Group set up the first anti-fraud alliance within enterprises in China, which has facilitated the communication and cooperation for anti-fraud tasks, initiated compliance management and performed its social responsibilities. Meanwhile, the Group also participated in the research activities concerning preparation of the ISO International Anti-bribery Standard, and carried out investigation and survey within its members. In the first half of this year, the Group was awarded the “Five-star Enterprise for Social Responsibilities (社會責任五星級企業)” and the Golden Prize for Quality Prize of Shenzhen Mayor (深圳市長質量獎金獎), for which the system of the internal audit of internal controls played an important role and provided professional opinions and services in relation to the risk controls for the development of the Group.

II. CORPORATE GOVERNANCE

1. Compliance with the Principles and Code Provisions under the Corporate Governance Code by the Company during the Reporting Period

The Board is committed to raising the standard of corporate governance within the Group and believes that good corporate governance helps the Group to safeguard the interests of the Shareholders and improve its business performance. The Company has complied with the code provisions under the Corporate Governance Code set out in Appendix 14 of the Hong Kong Listing Rules during the Reporting Period, except for slight deviation from the code provisions A.2.7. Deviations from relevant code provisions as set out in 2014 annual report of the Company have been partly improved. Deviations and their improvements have been disclosed in relevant paragraphs below.

(1) The Board and its operation

During the Reporting Period, 10 meetings of the Board were held by the seventh session of the Board of the Company, of which 2 meetings were held on-site, 8 meetings were held in a way of written review resolutions with 44 resolutions reviewed. Of the 10 Board meetings above, 2 were regular meetings and 8 were interim meetings. Save for regular meetings, in the course of the management and supervision of the Group's business operations, the Company's executive Directors have brought major business or management matters to the attention of the Board to hold an interim Board meeting from time to time, and relevant Board decisions were made in the form of written resolutions by all Directors. 11 meetings were held by each special Board committee with 16 letters of opinions from Board committees passed.

(2) Operation of the Supervisory Committee

During the Reporting Period, 3 meetings of the seventh session of the Supervisory Committee of the Company were held with 7 resolutions reviewed and 1 event considered. The Supervisors were in attendance at 10 meetings of the Board on a non-voting basis and attended 2 Shareholders' general meetings.

Chapter V Significant Events

(3) Shareholders' general meeting

During the Reporting Period, 2 general meetings were held by the Company, including the 2015 first extraordinary general meeting held in Shenzhen on 3 March 2015 ("2015 First Extraordinary General Meeting") and the 2014 annual general meeting held in Shenzhen on 8 June 2015 ("2014 Annual General Meeting"). The notice, convening, holding and voting procedures were in compliance with the relevant requirements of the PRC Company Law, the Articles of Association and the Hong Kong Listing Rules. The announcements on the related resolutions of the meetings were published in China Securities Journal, Shanghai Securities News and Securities Times and on Cninfo website (<http://www.cninfo.com.cn>) on 4 March 2015 and 9 June 2015, and on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cimc.com>) on 3 March 2015 and 8 June 2015.

The Company's non-executive Director Mr. Wang Hong attended the 2015 First Extraordinary General Meeting. Non-executive Directors Mr. Li Jianhong, Mr. Zhang Liang and Mr. Wu Shuxiong, executive Director Mr. Mai Boliang and independent non-executive Directors Mr. Li Kejun, Mr. Pan Chengwei and Mr. Wong Kwai Huen failed to attend this general meeting due to other important affairs.

The Company's Directors (except non-executive Director Mr. Wang Hong) all attended the 2014 Annual General Meeting. Non-executive Director Mr. Wang Hong failed to attend this general meeting due to other important affairs.

(4) Updates regarding to deviations from code provisions as set out in 2014 annual report of the Group

The code provision A.2.7 requires that "The chairman shall convene at least one meeting every year with the non-executive Directors (including independent non-executive Directors) without the executive Directors present". The Company has only one executive Director Mr. Mai Boliang and the Company's business operation is managed and monitored by the executive Director. The Directors consider that during the Reporting Period there is no meeting in which the executive Director shall not take part. Therefore, during the Reporting Period, the Company has not held a Board meeting without the executive Director present.

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

The Company has adopted the standards prescribed in the Model Code contained in Appendix 10 of the Hong Kong Listing Rules as the code of conduct in dealing in securities of the Company by Directors and Supervisors. After inquiries to all the Directors and Supervisors, all the Directors and Supervisors confirmed that they had complied with the requirements in the Model Code during the Reporting Period.

3. Audit Committee

The Company has appointed three independent non-executive Directors and established the audit committee pursuant to the requirements of the Hong Kong Listing Rules. At the end of the Reporting Period, the members of the audit committee under the Board consisted of Mr. Pan Chengwei (chairman of the audit committee with professional qualifications and experience in relation to financial management such as accounting), Mr. Li Kejun and Mr. Wong Kwai Huen, Albert. On 26 August 2015, the audit committee reviewed the interim financial report of the Group for the six months ended 30 June 2015, and agreed to present the same to the Board.

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

For the changes in information of Directors, Supervisors and chief executive officer of the Company to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules during the Reporting Period, please refer to the chapter headed "IV. Changes in Information of Directors and Supervisors" under "Chapter VII Information on Directors, Supervisors and Senior Management". Except for such disclosure, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

Chapter V Significant Events

III. LITIGATIONS

Material litigation and arbitration events

事項類別 (事項類別)	金額 (金額)	是否重大 (是否重大)	事項描述 (事項描述)	事項進展 (事項進展)	事項狀態 (事項狀態)	事項日期 (事項日期)	事項網址 (事項網址)
The deepwater semi-submersible drilling platforms SSPantanal and SSAmazonia constructed by CIMC Raffles and its subsidiaries for subsidiaries of Brazil Schahin Holding S.A. were delivered in November 2010 and April 2011, respectively. CIMC Raffles and its subsidiaries also offered advance payments for the construction of such drilling platforms for Schahin Holding S.A. and its six affiliates.	1,300,000	No	The deepwater semi-submersible drilling platforms SSPantanal and SSAmazonia constructed by CIMC Raffles and its subsidiaries for subsidiaries of Brazil Schahin Holding S.A. were delivered in November 2010 and April 2011, respectively. But, the gross proceeds from sales of US\$142.3 million were failed to be recovered; at the same time, CIMC Raffles also offered advance payments for the construction of such drilling platforms for Schahin Holding S.A. and its six affiliates, with the total amount of US\$66.13 million also not recovered.	As of the end of the Reporting Period, the above litigation and arbitration have been settled. The settlement of the litigation and arbitration against Schahin and the recovery of the above arrears are expected to have a positive impact on the financial position of the Company under the current year.	Concluded	2015-3-6 2015-3-7	http://www.hkexnews.hk http://www.cninfo.com.cn
As Schahin Holding S.A. and its six affiliates failed to pay the above funds according to the contract, CIMC Raffles and its subsidiaries filed a lawsuit and arbitration application for the gross proceeds from sales and advance payments against Schahin Holding S.A. and its six affiliates in December 2011 and May 2012, respectively. According to the pre-arbitration rules, CIMC Raffles has recovered a part of account receivables. As at 31 December 2013, all the advances had been recovered, while an account receivable of US\$126.32 million (equivalent to approximately RMB770 million) was to be collected. During 2014, CIMC Raffles recovered an account receivable of US\$105.54 million (including the principal of US\$77.60 million and interest of US\$27.94 million). As at 31 December 2014, there were account receivables of US\$48.72 million to be recovered.							

Chapter V Significant Events

Item	Amount	Unit	Amount	Unit
1. Significant events				
(1) Significant events				

In February 2015, CIMC Raffles reached a comprehensive reconciliation and signed a settlement agreement with Schahin Holding S.A. and its affiliates for the unsettled litigation and arbitration. As

Chapter V Significant Events

VI. ASSET TRANSACTIONS

1. Acquisition of Assets

Applicable ✓ Not applicable

2. Disposal of Assets

Applicable ✓ Not applicable

There was no loss of control of subsidiaries by disposal of equity interests during the Reporting Period.

3. Corporate Mergers

✓ Applicable Not applicable

For details of the corporate mergers of the Group during the Reporting Period, please refer to note V of "Chapter VIII Interim Financial Report (Unaudited)" in this Report.

VII. IMPLEMENTATION AND EFFECT OF THE COMPANY'S SHARE OPTION INCENTIVE SCHEME

1. Summary of Share Option Incentive Scheme

(1) Share option scheme of the Company

In order to establish and improve the incentive-constraint mechanism, and effectively combine the interests of the Shareholders, the interests of the Company and the personal interests of individuals, 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 such scheme, the first tranche of 54,000,000 share options (the "First Tranche of Share Options") were registered on 26 January 2011 and the reservation of 6,000,000 share options (the "Second Tranche of Share Options") were registered on 17 November 2011. The options of the first exercisable period for the First Tranche of Share Options were exercisable starting from 14 January 2014 to 26 September 2014 with the total exercisable options during the Reporting Period amounting to 13,357,500 options, among which 10,232,500 options have been actually exercised and 3,125,000 unexercised options overdue have been cancelled. Please refer to the relevant announcements released on the websites of the Shenzhen Stock Exchange, the Hong Kong Stock Exchange and the Company as well as relevant regular reports of the Company in recent years.

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 and the first exercisable period for the Second Tranche of Share Options have met the exercise conditions and the options were exercisable starting from 2 June 2015. The second exercisable period for the First Tranche of Share Options was actually exercisable starting from 2 June 2015 to 28 September 2020 with the total exercisable options amounting to 39,660,000 options. The first exercisable period for the Second Tranche of Share Options was actually exercisable starting from 2 June 2015 to 21 September 2015 with the total exercisable options amounting to 1,392,500 options. Please refer to the relevant announcements released on the websites of the Shenzhen Stock Exchange, the Hong Kong Stock Exchange and the Company as well as relevant regular reports of the Company in recent years.

During the Reporting Period, 13,812,510 options were exercised during the second exercisable period for the First Tranche of Share Options, and 643,955 options were exercised during the first exercisable period for the Second Tranche of Share Option, representing 26.03% of the total of share options incentive scheme (adjusted).

Chapter V Significant Events

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

CIMC Enric adopted a share option scheme according to the ordinary resolution passed at its extraordinary general meeting held on 12 July 2006, aiming to reward and give benefit to employees, directors and other eligible persons of CIMC Enric for their contributions to CIMC Enric. According to the scheme, on 11 November 2009, CIMC Enric granted share options to several eligible persons in order to subscribe its 43,750,000 ordinary shares in total ("2009 Enric Share Options"); on 28 October 2011, it granted share options to several eligible persons in order to subscribe its 38,200,000 ordinary shares in total ("2011 Enric Share Options"); on 5 June 2014, it granted share options to several eligible persons in order to subscribe its 38,420,000 ordinary shares in total ("2014 Enric Share Options"). Please refer to the related announcement of CIMC Enric published on the website of the Hong Kong Stock Exchange, the relevant announcements released on the websites of the Shenzhen Stock Exchange, the Hong Kong Stock Exchange and the Company as well as relevant regular reports of the Company in recent years.

Up to 30 June 2015, 3,440,000 share options of the 2009 Enric Share Options, 2,890,000 share options of the 2011 Enric Share Options and no share option of the 2014 Enric Share Options were lapsed respectively.

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

An equity trust scheme of the Company's wholly-owned subsidiary CIMC Vehicle (Group) Co., Ltd. was considered and approved at the general meeting of the Company on 17 October 2007 for implementation. Pursuant to the scheme, the senior management relating to the vehicle business of the Company and the key employees of CIMC Vehicle (Group) Co., Ltd. held 20% equity interests in CIMC Vehicle (Group) Co., Ltd. by capital increase of RMB220,700,000 through Shenzhen International Trust & Investment Co., Ltd. (深圳國際信託投資有限責任公司) (the "Vehicle Equity Trust Scheme"). Please refer to the relevant announcements released on the websites of the Shenzhen Stock Exchange, the Hong Kong Stock Exchange and the Company as well as relevant regular reports of the Company in recent years. As at 30 June 2015, the Vehicle Equity Trust Scheme had distributed 217,570,000 share options, representing 98.58% of the total trust scheme.

Chapter V Significant Events

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

Scope of participants during the Reporting Period	The first tranche of 54,000,000 shares (among which 4,032,500 shares were cancelled) granted to 175 senior management and key technical personnel of the Company; the second tranche of 6,000,000 share options (among which 430,000 shares were cancelled) granted to 40 key technical personnel and middle-level management.		
Total equity granted during the Reporting Period (shares)	0		
Total equity exercised during the Reporting Period (shares)	14,456,465		
Total equity cancelled during the Reporting Period (shares)	955,000		
Total equity lapsed during the Reporting Period (shares)	0		
Total equity granted but outstanding at the end of the Reporting Period on a cumulative basis (shares)	30,848,535		
Total equity granted and exercised at the end of the Reporting Period on a cumulative basis (shares)	24,688,965		
Adjustments to grant price and exercise price during the Reporting Period and latest grant price and exercise price after such adjustments	The initial exercise price for the first tranche was RMB12.39/share which was adjusted to RMB10.77/share after implementation of the dividend distribution proposals for the year 2010 to 2014; the initial exercise price for the second tranche was RMB17.57/share which was adjusted to RMB16.30/share after implementation of the dividend distribution proposals for the year 2011 to 2014.		

姓名		职务		授予数量 (万股)	授予数量 (万股)	授予数量 (万股)
Mai Boliang		President, executive Director		0	0	2,850,000
Liu Xuebin		Vice president		0	0	1,125,000
Wu Fapei		Vice president		0	0	750,000
Li Yinhui		Vice president		0	0	750,000
Yu Ya		Vice president		0	0	750,000
Zhang Baoqing		Vice president		0	0	750,000
Gao Xiang		Vice president		0	0	375,000
Yu Yuqun		Secretary to the Board		0	0	750,000
Jin Jianlong		General manager of the finance department		0	0	750,000
Zeng Beihua		General manager of the treasury department		0	0	750,000

Chapter V Significant Events

VIII. MATERIAL CONNECTED TRANSACTIONS DISCLOSED ACCORDING TO SHENZHEN LISTING RULES

1. Connected Transactions Relating to Daily Operations

✓ Applicable Not applicable

Connected parties		Type of transaction		Whether the transaction complies with the approval procedure of normal non-connected transactions	Amount of transaction (in million RMB)		Percentage of transaction amount to the latest audited net assets of the Company	Whether the transaction is in compliance with the relevant provisions of the Listing Rules			
Connected parties	Connected parties	Type of transaction	Type of transaction		Amount of transaction (in million RMB)	Percentage of transaction amount to the latest audited net assets of the Company		Whether the transaction is in compliance with the relevant provisions of the Listing Rules	Whether the transaction is in compliance with the relevant provisions of the Listing Rules	Whether the transaction is in compliance with the relevant provisions of the Listing Rules	Whether the transaction is in compliance with the relevant provisions of the Listing Rules
Other related parties	Other related parties	Procurement of merchandise	Procurement of merchandise	In compliance with the approval procedure of normal non-connected transactions	- 959,204	3.49%	-	-	-	-	-
Other related parties	Other related parties	Receiving of services	Receiving of services	In compliance with the approval procedure of normal non-connected transactions	- 14	0.00%	-	-	-	-	-
Other related parties	Other related parties	Sale of goods	Sale of goods	In compliance with the approval procedure of normal non-connected transactions	- 966,117	2.96%	-	-	-	-	-
Other related parties	Other related parties	Rendering of services	Rendering of services	In compliance with the approval procedure of normal non-connected transactions	- 473	0.00%	-	-	-	-	-
Key management personnel	Key management personnel	Payment of remuneration for receiving services	Payment of remuneration for receiving services	-	- 15,380	-	-	-	-	-	-
Total				-	- 1,941,188	-	-	-	-	-	-

2. Connected Transactions Relating to Assets Acquisition and Disposal

Applicable ✓ Not applicable

3. Connected Transactions Relating to Joint External Investments

Applicable ✓ Not applicable

Chapter V Significant Events

4. Claims and Liabilities among the Connected Transactions

✓ Applicable Not applicable

During the Reporting Period, the non-operating claims and liabilities among the connected transactions of the Group were as follows:

				A			
				B			
				C			
				D			
				E			
				F			
				G			
				H			
				I			
				J			
				K			
				L			
				M			
				N			
				O			
				P			
				Q			
				R			
				S			
				T			
				U			
				V			
				W			
				X			
				Y			
				Z			
				AA			
				AB			
				AC			
				AD			
				AE			
				AF			
				AG			
				AH			
				AI			
				AJ			
				AK			
				AL			
				AM			
				AN			
				AO			
				AP			
				AQ			
				AR			
				AS			
				AT			
				AU			
				AV			
				AW			
				AX			
				AY			
				AZ			
				BA			
				BB			
				BC			
				BD			
				BE			
				BF			
				BG			
				BH			
				BI			
				BJ			
				BK			
				BL			
				BM			
				BN			
				BO			
				BP			
				BQ			
				BR			
				BS			
				BT			
				BU			
				BV			
				BW			
				BX			
				BY			
				BZ			
				CA			
				CB			
				CC			
				CD			
				CE			
				CF			
				CG			
				CH			
				CI			
				CJ			
				CK			
				CL			
				CM			
				CN			
				CO			
				CP			
				CQ			
				CR			
				CS			
				CT			
				CU			
				CV			
				CW			
				CX			
				CY			
				CZ			
				DA			
				DB			
				DC			
				DD			
				DE			
				DF			
				DG			
				DH			
				DI			
				DJ			
				DK			
				DL			
				DM			
				DN			
				DO			
				DP			
				DQ			
				DR			
				DS			
				DT			
				DU			
				DV			
				DW			
				DX			
				DY			
				DZ			
				EA			
				EB			
				EC			
				ED			
				EE			
				EF			
				EG			
				EH			
				EI			
				EJ			
				EK			
				EL			
				EM			
				EN			
				EO			
				EP			
				EQ			
				ER			
				ES			
				ET			
				EU			
				EV			
				EW			
				EX			
				EY			
				EZ			
				FA			
				FB			
				FC			
				FD			
				FE			
				FF			
				FG			
				FH			
				FI			
				FJ			
				FK			
				FL			
				FM			
				FN			
				FO			
				FP			
				FQ			
				FR			
				FS			
				FT			
				FU			
				FV			
				FW			
				FX			
				FY			
				FZ			
				GA			
				GB			
				GC			
				GD			
				GE			
				GF			
				GG			
				GH			
				GI			
				GJ			
				GK			
				GL			
				GM			
				GN			
				GO			
				GP			
				GQ			
				GR			
				GS			
				GT			
				GU			
				GV			
				GW			
				GX			
				GY			
				GZ			
				HA			
				HB			
				HC			
				HD			
				HE			
				HF			
				HG			
				HH			
				HI			
				HJ			
				HK			
				HL			
				HM			
				HN			
				HO			
				HP			
				HQ			
				HR			
				HS			
				HT			
				HU			
				HV			
				HW			
				HX			
				HY			
				HZ			
				IA			
				IB			
				IC			
				ID			
				IE			
				IF			
				IG			
				IH			
				II			
				IJ			
				IK			
				IL			
				IM			
				IN			
				IO			
				IP			
				IQ			
				IR			
				IS			
				IT			
				IU			
				IV			
				IW			
				IX			
				IY			
				IZ			
				JA			
				JB			
				JC			
				JD			
				JE			
				JF			
				JG			
				JH			
				JI			
				JJ			
				JK			
				JL			
				JM			
				JN			
				JO			
				JP			
				JQ			
				JR			
				JS			
				JT			
				JU			
				JV			
				JW			
				JX			
				JY			
				JZ			
				KA			
				KB			
				KC			
				KD			
				KE			
				KF			
				KG			
				KH			
				KI			
				KJ			
				KK			
				KL			
				KM			
				KN			
				KO			
				KP			
				KQ			
				KR			
				KS			
				KT			
				KU			
				KV			
				KW			
				KX			
				KY			
				KZ			
				LA			
				LB			
				LC			
				LD			
				LE			
				LF			
				LG			
				LH			
				LI			
				LJ			
				LK			
				LL			
				LM			
				LN			
				LO			
				LP			
				LQ			
				LR			
				LS			
				LT			
				LU			
				LV			
				LW			
				LX			
				LY			
				LZ			
				MA			
				MB			
				MC			
				MD			
				ME			
				MF			
				MG			
				MH			
				MI			
				MJ			
				MK			
				ML			
				MM			
				MN			
				MO			
				MP			
				MQ			
				MR			
				MS			
				MT			
				MU			
				MV			
				MW			
				MX			
				MY			
				MZ			
				NA			
				NB			
				NC			
				ND			
				NE			
				NF			
				NG			
				NH			
				NI			
				NJ			
				NK			
				NL			
				NM			
				NN			
				NO			
				NP			
				NQ			
				NR			
				NS			
				NT			
				NU			
				NV			
				NW			
				NX			
				NY			
				NZ			
				OA			
				OB			
				OC			
				OD			
				OE			
				OF			
				OG			
				OH			
				OI			
				OJ			
				OK			
				OL			
				OM			
				ON			
				OO			
				OP			
				OQ			
				OR			
				OS			
				OT			
				OU			
				OV			
				OW			
				OX			
				OY			
				OZ			
				PA			
				PB			
				PC			
				PD			
				PE			
				PF			
				PG			
				PH			
				PI			
				PJ			
				PK			
				PL			
				PM			
				PN			
				PO			
				PP			
				PQ			
				PR			
				PS			
				PT			
				PU			
				PV			
				PW			
				PX			
				PY			
				PZ			
				QA			
				QB			
				QC			
				QD			
				QE			
				QF			
				QG			
				QH			
				QI			
				QJ			
				QK			
				QL			
				QM			
				QN			
				QO			
				QP			
				QQ			
				QR			
				QS			
				QT			
				QU			
				QV			
				QW			
				QX			
				QY			
				QZ			
				RA			
				RB			
				RC			
				RD			
				RE			
				RF			
				RG			
				RH			
				RI			
				RJ			
				RK			
				RL			
				RM			
				RN			
				RO			
				RP			
				RQ			
				RR			
				RS			
				RT			
				RU			
				RV			
				RW			
				RX			
				RY			
				RZ			
				SA			
				SB			
				SC			
				SD			
				SE			
				SF			
				SG			
				SH			
				SI			
				SJ			
				SK			
				SL			
				SM			
				SN			
				SO			
				SP			
				SQ			
				SR			
				SS			
				ST			
				SU			
				SV			
				SW			
				SX			
				SY			
				SZ			
				TA			
				TB			
				TC			
				TD			
				TE			
				TF			
				TG			
				TH			
				TI			
				TJ			
				TK			
				TL			
				TM			
				TN			
				TO			
				TP			
				TQ			
				TR			
				TS			
				TT			
				TU			
				TV			
				TW			
				TX			
				TY			
				TZ			
				UA			
				UB			
				UC			
				UD			
				UE			
				UF			
				UG			
				UH			
				UI			
				UJ			
				UK			
				UL			
				UM			
				UN			
				UO			
				UP			
				UQ			
				UR			
				US			
				UT			
				UU			
				UV			
				UW			
				UX			
				UY			
				UZ			
				VA			
				VB			
				VC			
				VD			
				VE			
				VF			
				VG			
				VH			
				VI			
				VJ			
				VK			
				VL			
				VM			
				VN			
				VO			
				VP			
				VQ			
				VR			
				VS			
				VT			
				VU			
				VV			
				VW			
				VX			
				VY			
				VZ			
				WA			
				WB			
				WC			
				WD			
				WE			
				WF			
				WG			
				WH			
				WI			
				WJ			
				WK			
				WL			
				WM			
				WN			
				WO			
				WP			
				WQ			

Chapter V Significant Events

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

Applicable ✓ Not applicable

There was no operating capital of the Company which was occupied by controlling Shareholders and its related parties during the Reporting Period.

X. MATERIAL CONTRACTS AND THEIR PERFORMANCES

1. Trusteeship, Sub-contracting or Leasing

(1) Trusteeship

Applicable ✓ Not applicable

There was no trusteeship of the Company during the Reporting Period.

(2) Sub-contracting

Applicable ✓ Not applicable

There was no sub-contracting of the Company during the Reporting Period.

(3) Leasing

Applicable ✓ Not applicable

During the Reporting Period, there was no leasing of the Group generating a profit or loss which contributed to 10% or more of the total profit of the Company during the Reporting Period. During the Reporting Period, for the leasing of the Group, please refer to notes IV. 8, IV. 11, IV. 14, IV. 34 and IV. 38 of "Chapter VIII Interim Financial Report (Unaudited)" in this Report.

Chapter V Significant Events

2. Guarantees

✓ Applicable Not applicable

Unit: RMB thousand

外部担保情况 (人民币千元)								
担保对象	担保日期	担保金额	实际发生日期	实际发生金额	担保类型	担保期限	是否发生	是否发生
Customers and dealers of subsidiaries of CIMC Vehicle	21 April 2015	2,568,470	1 January 2015	780,390	General suretyship	1-2 years	No	No
Guarantees provided by C&C Trucks and its controlling subsidiaries to their dealers and customers	21 April 2015	3,000,000	1 January 2015	203,000	General suretyship	1-2 years	No	No
Total external guarantee facilities approved during the Reporting Period (A1)			3,468,470	Total actual amount of				

Chapter V Significant Events

Guarantee of one subsidiary for another								
Guarantee of one subsidiary for another	Guarantee date	Guarantee amount (RMB)	Guarantee start date	Guarantee end date	Guarantee type	Guarantee term	Guarantee status	Guarantee status
Guarantee of one subsidiary for another	21 April 2015	15,332,000	1 May 2015	8,210,400	General suretyship	1-2 years	No	No
Total guarantee facilities for subsidiaries approved during the Reporting Period (C1)			947,360	Total actual guarantee amount for subsidiaries during the Reporting Period (C2)				823,530
Total guarantee facilities for subsidiaries approved at the end of the Reporting Period (C3)			15,332,000	Total actual guarantee balance for subsidiaries at the end of the Reporting Period (C4)				8,210,400
Total guarantee of the Company (total of the above three items)								
Total guarantee facilities approved during the Reporting Period (A1+B1+C1)			6,309,120	Total actual guarantee amount during the Reporting Period (A2+B2+C2)				3,044,240
Total guarantee facilities approved at the end of the Reporting Period (A3+B3+C3)			39,108,320	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)				22,952,540
% of total actual guarantee amount (A4+B4+C4) in net assets of the Company								91%
Of which:								
Guarantee amount provided to Shareholders, the de facto controller and related parties (D)								0
Debt guarantee amount provided directly or indirectly to the guaranteed with a gearing ratio of over 70% (E)								11,710,570
Amount of total guarantee amount in excess of 50% of net assets of the Company (F)								10,404,200
Total amount of the above three guarantees (D+E+F)								22,114,770
Explanations on possibly assuming joint settlement liabilities by the Company in respect of undue guarantees (if any)								-
Explanations on external guarantees provided in violation of prescribed requirements (if any)								-

Chapter V Significant Events

3. Other Material Contracts

✓ Applicable Not applicable

Contract Counterparty	Contract Content	Contract Date	Contract Type	Contract Amount (RMB)	Contract Status	Contract Progress
CIMC Containers Holding Co., Ltd.	People's Government of Fenggang Town, Dongguan City	16 March 2014	Negotiation	7,000,000	No	In progress
CIMC Containers Holding Co., Ltd.	Management Committee of Ningbo Yinzhou Economic Development Zone	8 June 2014	Negotiation	3,000,000	No	In progress

On 16 March 2014, CIMC Containers Holding Co., Ltd., a wholly-owned subsidiary of the Company, entered into the “CIMC-Fenggang Logistics Equipment Manufacture Project” (temporarily entitled) investment agreement with People's Government of Fenggang Town, Dongguan City. For relevant information, please refer to the announcement (Notice No.: [CIMC] 2014-007) disclosed in China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 17 March 2014, and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 16 March 2014.

On 8 June 2014, CIMC Containers Holding Co., Ltd. entered into the “CIMC-Yinzhou Logistics Equipment Manufacture Project” investment agreement with the Management Committee of Yinzhou Economic Development Zone, Ningbo City. For relevant information, please refer to the announcement (Notice No.: [CIMC] 2014-021) disclosed in China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 9 June 2014, and the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

During the Reporting Period, the Group had no other material contracts.

4. Other Material Transactions

Applicable ✓ Not applicable

Chapter V Significant Events

XII. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS

Whether the interim financial report has been audited or not

Yes ☒ No

During the Reporting Period, the Company did not experience any engagement or disengagement of firms of accountants.

XIII. PENALTIES AND REMEDIES

Applicable ☒ Not applicable

During the Reporting Period, the Company did not experience any penalties and remedies.

XIV. RISK WARNING OF ILLEGAL AND IRREGULAR DELISTING

Applicable ☒ Not applicable

During the Reporting Period, the Company had no risk relating to illegal and irregular delisting.

XV. EXPLANATION ON OTHER MATERIAL EVENTS

1. On 18 December 2014, the Company and COSCO Pacific entered into a new framework agreement to update the continuing connected transactions. On 3 March 2015, the new framework agreement was considered and approved at the 2015 First Extraordinary General Meeting of the Company. For relevant information, please refer to the Announcement of China International Marine Containers (Group) Co., Ltd. in relation to the Forecast of Routine Connected Transactions from 2015 to 2017 and the Announcement on the Resolutions of the 2015 First Extraordinary General Meeting (Notice No.: [CIMC] 2014-050 and [CIMC] 2015-009) disclosed in China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) on 19 December 2014 and 4 March 2015, and the announcements published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 18 December 2014 and 3 March 2015.

Chapter V Significant Events

2. On 27 February 2015, Profit Asia International Trading Limited (an indirect wholly-owned subsidiary of CFSE and as the purchaser), CIMC Top Gear B.V. (an indirect wholly-owned subsidiary of the Company and as the vendor), CFSE (as the guarantor of the purchaser's obligations) and CIMC (HK) (a direct wholly-owned subsidiary of the Company and as the guarantor of the vendor's obligations) entered into an acquisition agreement, pursuant to which Profit Asia International Trading Limited has conditionally agreed to purchase,

Chapter V Significant Events

5. The Company entered into subscription agreements with COSCO Container Industries Limited, Broad Ride Limited and Promotor Holdings Limited pursuant to a general mandate on 23 December 2013 and entered

Chapter VI Changes in Share Capital and Information on Substantial Shareholders

I. CHANGES IN SHAREHOLDINGS

Unit: Shares

	2014年12月31日 (A股)		2015年1月1日至2015年12月31日 (增加/减少)						2015年12月31日 (A股)	
	数量	比例	数量	比例	数量	比例	数量	比例	数量	比例
I. 有限售条件股份	633,526	0.02%	0	-	-	0	0	633,526	0.02%	
1. 国家持股	0	0.00%	-	-	-	-	-	0	0.00%	
2. 国有控股企业持有	0	0.00%	-	-	-	-	-	0	0.00%	
3. 其他境内法人持有	633,526	0.02%	0	-	-	0	0	633,526	0.02%	
4. 其他境内自然人持有	0	0.00%	-	-	-	-	-	0	0.00%	
5. 境外法人持有	0	0.00%	-	-	-	-	-	0	0.00%	
6. 境外自然人持有	0	0.00%	-	-	-	-	-	0	0.00%	
II. 无限售条件股份	2,671,995,025	99.98%	14,456,465	-	-	-	14,456,465	2,686,451,490	99.98%	
1. 人民币普通股	1,241,514,516	46.45%	14,456,465	-	-	-	14,456,465	1,255,970,981	46.74%	
2. 境内上市的外资股	0	0.00%	-	-	-	-	-	0	0.00%	
3. 境外上市的外资股	1,430,480,509	53.53%	-	-	-	-	-	1,430,480,509	53.24%	
4. 其他	0	0.00%	-	-	-	-	-	0	0.00%	
III. 股份总数	2,672,628,551	100.00%	14,456,465	-	-	0	14,456,465	2,687,085,016	100.00%	

Reasons for changes in shares:

During the Reporting Period, the second exercisable period of the first batch of the A Share(s) Share Option Incentive Scheme and the first exercisable period of the second batch of the A Share(s) Share Option Incentive Scheme commenced, and totalling 14,456,465 share options were exercised.

Chapter VI Changes in Share Capital and Information on Substantial Shareholders

Approval for changes in share capital

Applicable ☒ Not applicable

Transfer for changes in shares

Applicable ☒ Not applicable

Effects of changes in share capital on financial indicators such as the basic earnings per share and diluted earnings per share, or the net assets per share attributable to ordinary Shareholders of the Company of the previous year or latest period

		2014	First quarter of 2015
		(元)	(元)
2014	Basic earnings per share	0.93	0.93
	Diluted earnings per share	0.92	0.92
	Net assets per share attributable to ordinary Shareholders of the Company	8.37	8.34
First quarter of 2015	Basic earnings per share	0.19	0.19
	Diluted earnings per share	0.18	0.18
	Net assets per share attributable to ordinary Shareholders of the Company	8.55	8.55

Other matters that the Company deemed necessary to or required by the securities regulatory authority to be disclosed

Applicable ☒ Not applicable

Changes in the total number of shares and Shareholder structure of the Company, and changes in asset and liability structure of the Company

☒ Applicable ☐ Not applicable

During the Reporting Period, the second exercisable period of the first batch of the A Share(s) Share Option Incentive Scheme and the first exercisable period of the second batch of the A Share(s) Share Option Incentive Scheme commenced, and totalling 14,456,465 share options were exercised. Please refer to "(1) Share Option Scheme of the Company" under "1. Summary of Share Option Incentive Scheme" of "VII. Implementation and Effect of the Company's Share Option Incentive Scheme" under "Chapter V Significant Events" in this Report for details.

Chapter VI Changes in Share Capital and Information on Substantial Shareholders


II. NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS OF THE COMPANY

As at the end of the Reporting Period, the total number of Shareholders of the Company was 99,247, including 8 holders of H Shares and 99,239 holders of A Shares, of which 99,244 were Shareholders of shares without selling restrictions while 3 were Shareholders of shares with selling restrictions.

Unit: Shares

Shareholder Name		Shareholding Percentage	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares
Total			99,247					0
Shareholder Type								
HKSCC Nominees Limited		Foreign legal person	53.23%	1,430,324,209	–	–	1,430,324,209	–
COSCO Container Industries Limited		Foreign legal person	16.08%	432,171,843	–	–	432,171,843	–
Taikang Life Insurance Co., Ltd. – Bonus		Domestic non-state-owned legal person	0.91%	24,367,103	3,737,970	–	24,367,103	–
Taikang Life Insurance Co., Ltd. – Individual Bonus -019L-FH002 Shenzhen		Domestic non-state-owned legal person	0.28%	7,457,365	3,575,730	–	7,457,365	–
Taikang Life Insurance Co., Ltd. – Traditional – Ordinary Insurance Products		Domestic non-state-owned legal person	0.26%	6,999,771	6,999,771	–	6,999,771	–
National Social Security Fund Four-One-Four Combination		Domestic non-state-owned legal person	0.26%	6,871,027	6,871,027	–	6,871,027	–
Bank of China Limited – HuaAn New Silk Road Theme Equity Securities Investment Fund		Domestic non-state-owned legal person	0.22%	6,001,909	3,073,667	–	6,001,909	–
Industrial and Commercial Bank of China Limited – Harvest Cyclic Select Equity Security Investment Fund		Domestic non-state-owned legal person	0.22%	6,000,000	6,000,000	–	6,000,000	–
Bank of China Limited – Harvest Contrarian Strategy Equity Securities Investment Fund		Domestic non-state-owned legal person	0.22%	5,852,061	1,089,835	–	5,852,061	–
Taikang Life Insurance Co., Ltd. – Universal – Individual Universal Insurance		Domestic non-state-owned legal person	0.20%	5,342,116	(3,783,486)	–	5,342,116	–
Bosera Value Appreciation Securities Investment Fund		Domestic non-state-owned legal person						
The relationship or concerted action of the above mentioned Shareholders		None						

Chapter VI Changes in Share Capital and Information on Substantial Shareholders

			
HKSCC Nominees Limited	1,430,324,209	H Shares	1,430,324,209
COSCO Container Industries Limited	432,171,843	A Shares	432,171,843
Taikang Life Insurance Co., Ltd. – Bonus –Individual Bonus –019L-FH002 Shenzhen	24,367,103	A Shares	24,367,103
Taikang Life Insurance Co., Ltd. – Traditional – Ordinary Insurance Products– 019L-CT001 Shenzhen	7,457,365	A Shares	7,457,365
National Social Security Fund Four-One-Four Combination	6,999,771	A Shares	6,999,771
Bank of China Limited – HuaAn New Silk Road Theme Equity Securities Investment Fund	6,871,027	A Shares	6,871,027
Industrial and Commercial Bank of China Limited – Harvest Cyclic Select Equity Securities Investment Fund	6,001,909	A Shares	6,001,909
Bank of China Limited – Harvest Contrarian Strategy Equity Securities Investment Fund	6,000,000	A Shares	6,000,000
Taikang Life Insurance Co., Ltd. – Universal – Individual Universal Insurance	5,852,061	A Shares	5,852,061
Bosera Value Appreciation Securities Investment Fund	5,342,116	A Shares	5,342,116
The relationship or concerted action between the top ten Shareholders of circulating shares without selling restrictions, or the top ten Shareholders of circulating shares without selling restrictions and the top ten Shareholders		None	

Whether the top ten ordinary Shareholders and the top ten ordinary Shareholders without selling restrictions conducted any agreed repurchase transactions during the Reporting Period

Yes ☒ No

As far as the Directors were aware, as at 30 June 2015, the persons (other than a Director, a Supervisor or the

Figure 1 consists of four bar charts arranged in a 2x2 grid, labeled (a) through (d). Each chart shows the percentage of respondents for different levels of agreement with the statement: 'The government should do more to help people who are struggling financially'. The y-axis for all charts is 'Percentage of respondents' ranging from 0 to 100. The x-axis for all charts is 'Level of agreement' with categories: 'Strongly agree', 'Somewhat agree', 'Somewhat disagree', and 'Strongly disagree'.

- (a) **Overall**: Shows the distribution for the entire sample. The 'Strongly agree' bar is the highest, followed by 'Somewhat agree', 'Somewhat disagree', and 'Strongly disagree'.
- (b) **Demographics**: Shows the distribution for respondents based on demographic factors. The 'Strongly agree' bar is the highest, followed by 'Somewhat agree', 'Somewhat disagree', and 'Strongly disagree'.
- (c) **Attitudes**: Shows the distribution for respondents based on their attitudes. The 'Strongly agree' bar is the highest, followed by 'Somewhat agree', 'Somewhat disagree', and 'Strongly disagree'.
- (d) **Values**: Shows the distribution for respondents based on their values. The 'Strongly agree' bar is the highest, followed by 'Somewhat agree', 'Somewhat disagree', and 'Strongly disagree'.

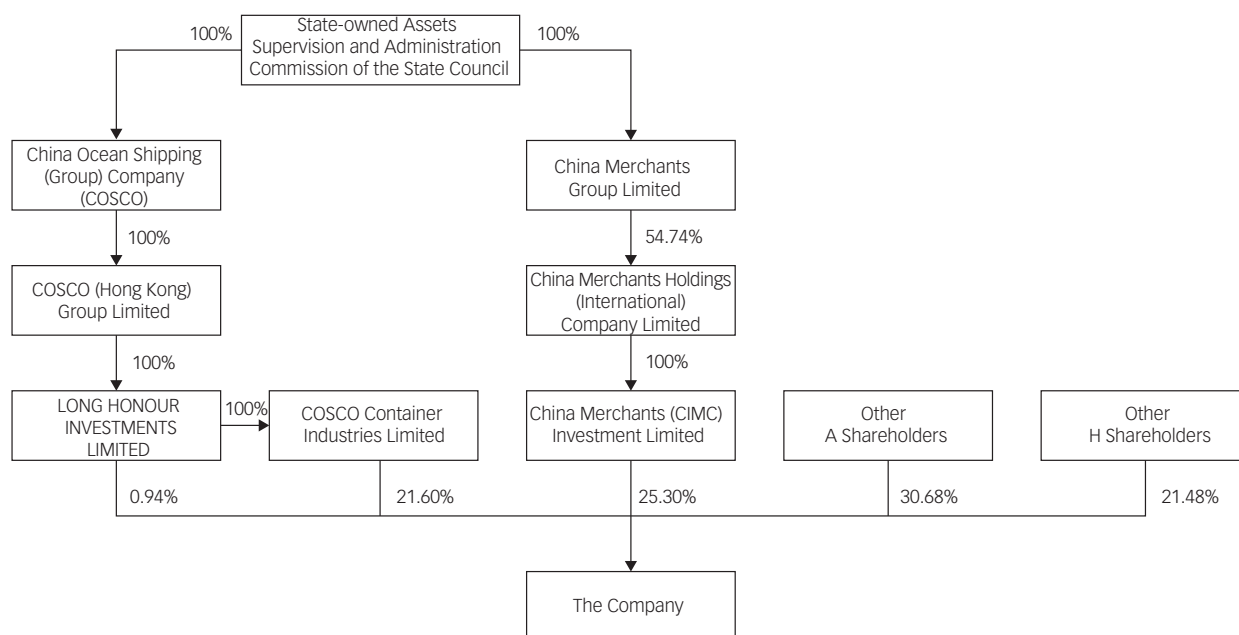
Chapter VI Changes in Share Capital and Information on Substantial Shareholders

3. Substantial Shareholders

The substantial Shareholders of the Company are CM Group and COSCO. CM Group was incorporated on 14 October 1986 in the PRC with limited liability. Its registered capital is RMB10,050 million and its chairman of the board of directors is LI Jianhong. CM Group's three core business sectors focus on the construction, operation and service in respect of transportation and related infrastructure (ports, toll roads, energy transportation and logistics), financial investment and management, property development and management. COSCO was incorporated on 27 April 1961 in the PRC with limited liability. Its registered capital is RMB4,103.367 million and its chairman of the board of directors is MA Zehua. COSCO is an international company with businesses covering marine transportation, logistics terminals, ship building and repairing.

Except for the abovementioned CM Group and COSCO, no other legal person or individual holds 10% or more of the total issued share capital of the Company (excluding HKSCC Nominees Limited).

4. Shareholding Relationships between the Company and the Substantial Shareholders as at 30 June 2015



Chapter VI Changes in Share Capital and Information on Substantial Shareholders

V. SHARE PURCHASING PLAN PROPOSED OR IMPLEMENTED BY SHAREHOLDERS OR PERSONS ACTING IN CONCERT WITH THEM DURING THE REPORTING PERIOD

✓ Applicable Not applicable

Shareholder's Name	Number of Shares Purchased	Share Type	Percentage of Total Shares	Number of Shares Sold	Share Type	Percentage of Total Shares	Reporting Date	Remarks
COSCO Container Industries Limited	65,099,638	H Shares	4.55%	0			25 December 2013	–
Broad Ride Limited	77,948,412	H Shares	5.45%	0			25 December 2013	–

Explanations on other situations:

The Company received the Approval of the Issue of Additional Overseas Listed Foreign Shares by China International Marine Containers (Group) Co., Ltd. (Zheng Jian Xu Ke [2015] No. 1749) (《關於核准中國國際海運集裝箱集團股份有限公司增發境外上市外資股的批復》(證監許可[2015]1749號)) from China Securities Regulatory Commission on 22 July 2015 pursuant to which, the China Securities Regulatory Commission approved the Company to issue up to 286,096,100 additional overseas listed foreign shares. The total proceeds from the issue of such new H shares were estimated to be approximately HK\$3.857 billion, which would be used as the Group's working capital. As of the end of the Reporting Period, the issue of such additional H shares has not yet been completed.

VI. REPURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company or any of its subsidiaries did not repurchase, sell or redeem any of the listed securities of the Company or any of its subsidiaries during the Reporting Period.

VII. SUFFICIENCY OF PUBLIC FLOAT

Based on the public information available to the Company and as far as the Board of the Company were aware, the Directors confirm that, the minimum public float of the Company as at the date of this Report has satisfied the requirements of the Hong Kong Listing Rules.

VIII. RELEVANT INFORMATION ABOUT PREFERRED SHARES

Applicable ✓ Not applicable

The Company has never issued any preferred shares.

Chapter VII Information on Directors, Supervisors and Senior Management

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

✓ Applicable Not applicable

Name of Director, Supervisor or Senior Management			Shareholdings		Changes		Shareholdings		Changes	
			Before	After	Before	After	Before	After	Before	After
Zeng Beihua			250,000	250,000	0	0	62,500	62,500	187,500	187,500
General Manager of Capital Management Department			()	()	()	()	()	()	()	()
Current			250,000	250,000	0	0	62,500	62,500	187,500	187,500
			()	()	()	()	()	()	()	()
			Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

II. INTERESTS OF DIRECTORS, SUPERVISORS AND THE CHIEF EXECUTIVE IN THE SHARES OF THE COMPANY AND ASSOCIATED CORPORATION THEREOF

As at 30 June 2015, the interests and short positions held by the Directors, Supervisors and the chief executive of the Company in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) pursuant to Part XV of the SFO which are required to be notified to the Company and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors or Supervisors are taken or deemed to have under such provisions of the SFO, or which are required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise required to be notified by the Directors, Supervisors and the chief executive to the Company and the Hong Kong Stock Exchange under the Model Code contained in Appendix 10 of the Hong Kong Listing Rules, were as follows:

1. Interest in the Shares of the Company:

Name of Director, Supervisor or Senior Management			Shareholdings		Changes		Shareholdings		Changes	
			Before	After	Before	After	Before	After	Before	After
Mai Boliang			494,702	494,702	0	0	0	0	0.04%	0.02%
Executive Director, President			()	()	()	()	()	()	()	()
Beneficial owner			494,702	494,702	0	0	0	0	0.04%	0.02%
A Shares			494,702	494,702	0	0	0	0	0.04%	0.02%
			()	()	()	()	()	()	()	()
			– Long position	– Long position	– Long position	– Long position	– Long position	– Long position	– Long position	– Long position

2. Interest in the Underlying Shares of the Company:

For details of the interests in the underlying shares of the Company held by Directors, Supervisors and the chief executive of the Company as at 30 June 2015, please refer to “VII. Implementation and Effect of the Company’s Share Option Incentive Scheme” under “Chapter V Significant Events” in this Report.

Chapter VII Information on Directors, Supervisors and Senior Management

IV. CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

The changes in information of Directors and Supervisors during the Reporting Period are set out as follows:

1. Changes of Position of Directors and Supervisors in Shareholders' Company

Changes of Position of Directors and Supervisors in Shareholders' Company					
Director/Supervisor	Company	Position	Start Date	End Date	Is it a change?
Wang Hong	China Merchants Group Limited	Vice general manager	4 March 2015	–	Yes

2. Changes of Position of Directors and Supervisors in Other Companies

Changes of Position of Directors and Supervisors in Other Companies					
Director/Supervisor	Company	Position	Start Date	End Date	Is it a change?
Li Kejun	Weichai Heavy Machinery Co., Ltd	Independent director	22 May 2013	5 June 2015	Yes

Chapter VIII Interim Financial Report (Unaudited)

I. AUDIT REPORT

Whether the interim report has been audited or not

Yes ☐ No ☒

The 2015 interim financial report of the Group has not been audited.

II. FINANCIAL STATEMENTS

The unit used in the notes to the financial statements is: RMB thousand

Consolidated Balance Sheet (Unaudited)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

Consolidated Balance Sheet (Unaudited) (Continued)

(English Translation for Reference Only)

Chapter VIII Interim Financial Report (Unaudited)

Balance Sheet (Unaudited)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

	Note	30 June 2015	31 December 2014
Assets			
Cash at bank and on hand	XVI.1	1,714,510	1,775,649
Financial assets at fair value through profit or loss	XVI.2	49	234,524
Dividends receivable	XVI.3	4,269,307	4,270,305
Other receivables	XVI.4	9,528,943	7,217,674
Other current assets		13,908	12,183
Current assets		15,526,717	13,510,335
Available-for-sale financial assets	XVI.5	388,905	388,905
Long-term equity investments	XVI.6	8,198,572	8,430,444
Fixed assets		111,274	119,157
Construction in progress		2,262	1,236
Intangible assets		14,854	14,983
Long-term prepaid expenses		17,307	19,831
Deferred tax assets	XVI.15	249,766	200,402
Non-current assets		8,982,940	9,174,958
Total assets		24,509,657	22,685,293

Chapter VIII Interim Financial Report (Unaudited)

Balance Sheet (Unaudited) (Continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

	Note	30 June 2015	31 December 2014
<p>1. Assets</p> <p>1.1 Current assets</p> <p>1.2 Non-current assets</p> <p>2. Liabilities</p> <p>2.1 Current liabilities</p> <p>2.2 Non-current liabilities</p> <p>3. Equity</p> <p>3.1 Equity attributable to owners of the parent</p> <p>3.2 Minority interest</p>			

Chapter VIII Interim Financial Report (Unaudited)

Income Statement (Unaudited)

For the period ended 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

	Note	1 January to 30 June 2015	From 1 January to 30 June 2014
Operating income			
Revenue	XVI.18	149,885	159,046
Tax and surcharges		12,340	16,919
General and administrative expenses		247,610	78,866
Financial expenses – net		164,841	75,810
Add: Profit/(losses) from changes in fair value	XVI.19	(77,854)	(45,339)
Investment income	XVI.20	121,809	750,046
Operating profit		(230,951)	692,158
Add: Non-operating income	XVI.21	7,334	173
Less: Non-operating Expenses		262	849
Including: Losses on disposal of non-current assets		62	–
Profit before income tax		(223,879)	691,482
Less: Income tax expenses	XVI.22	(49,364)	6,210
Profit for the period		(174,515)	685,272
Other comprehensive income		–	–
Profit for the period		(174,515)	685,272

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

Chapter VIII Interim Financial Report (Unaudited)

Consolidated Cash Flow Statement (Unaudited) (Continued)

For the period ended 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

	Note	30 June 2015	For the Period from 1 January to 30 June 2014
Cash received from capital contributions		48,785	67,256
Including: Cash received from capital contributions by minority shareholders of subsidiaries		48,785	44,359
Cash received from borrowings		59,806,957	53,566,465
Cash received relating to other financing activities	IV.60(4)	2,150,000	–
		62,005,742	53,633,721
Cash repayments of borrowings		54,798,438	46,941,565
Cash payments for interest expenses and distribution of dividends or profits		902,078	805,003
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		148,919	101,124
Cash payments relating to other financing activities	IV.60(5)	125,113	–
		55,825,629	47,746,568
		6,180,113	5,887,153
		(17,509)	18,942
	IV.61(1)	621,724	(1,423,186)
Add: Cash and cash equivalents at beginning of year		2,758,310	4,181,496
		3,380,034	2,758,310

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

Chapter VIII Interim Financial Report (Unaudited)

Cash Flow Statement (Unaudited)

For the period ended 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

	Note	1 June 2015	From 1 January to 30 June 2014
Operating activities			
Cash received from sales of goods or rendering of services		136,694	118,329
Cash received relating to other operating activities		9,800,681	5,258,265
		9,937,375	5,376,594
Cash paid to and on behalf of employees		52,924	56,732
Payments of taxes and surcharges		23,689	26,312
Cash paid relating to other operating activities		10,471,405	3,347,421
		10,548,018	3,430,465
Net cash generated from operating activities	XVI.23	(610,643)	1,946,129
Investing activities			
Cash received from disposal of investments		155,458	—
Cash received from returns on investments		118,681	—
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		800	29
Net cash received from disposal of subsidiaries		315,000	—
		589,939	29
Cash paid to acquire fixed assets and other long-term assets		1,453	3,120
Cash paid to acquire investments		82,315	500,000
		83,768	503,120
Net cash used in investing activities		506,171	(503,091)
Financing activities			
Cash received from capital contributions		—	22,896
Cash received from borrowings		795,000	600,000
Cash received relating to other financing activities		2,000,000	—
		2,795,000	622,896
Cash repayments of borrowings		2,392,000	1,235,000
Cash payments for interest expenses and distribution of dividends or profits		329,985	336,734
Cash payments relating to other financing activities		30,530	12,187
		2,752,515	1,583,921
Net cash generated from financing activities		42,485	(961,025)
Net increase in cash and cash equivalents		849	1,609
Add: cash and cash equivalents at beginning of year	XVI.23	(61,138)	483,622
		831,212	386,732
Cash and cash equivalents at end of year	XVI.23	770,074	870,354

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

Chapter VIII Interim Financial Report (Unaudited)

Consolidated Statement of Changes in Shareholders' Equity (Unaudited)

For the period ended 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

Item	Note	At December 31, 2015							At December 31, 2014							
		RMB million							RMB million							
		Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Currency translation differences	Minority interest	Total shareholders' equity	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Currency translation differences	Minority interest
1. Additions to accounting policies	II.33	2,672,029	686,506	(847,187)	3,126,406	16,651,960	4,991,801	27,382,115	2,662,396	707,700	-	3,121,288	14,899,313	(716,660)	3,822,091	24,496,128
2. Changes in accounting policies		-	-	-	-	-	-	-	-	(55,872)	(640,788)	-	-	716,660	-	-
3. Changes in accounting estimates		2,672,029	686,506	(847,187)	3,126,406	16,651,960	4,991,801	27,382,115	2,662,396	651,828	(640,788)	3,121,288	14,899,313	-	3,822,091	24,496,128
4. Other comprehensive income	IV.44	-	-	-	-	1,518,195	134,215	1,652,410	-	-	-	-	2,477,802	-	556,126	3,033,928
5. Net profit		-	-	-	-	-	(12,307)	(63,823)	-	-	(186,359)	-	-	-	4,749	(181,650)
6. Other comprehensive income		-	-	-	-	1,518,195	121,908	1,588,587	-	-	(186,359)	-	2,477,802	-	540,875	2,852,278
7. Total comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Increase in capital surplus		14,456	246,695	-	-	-	-	261,151	10,233	104,512	-	-	-	-	-	114,745
9. Contributions by minority shareholders		-	-	-	-	-	11,326	11,326	-	-	-	-	-	-	89,500	89,500
10. Increase in minority interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11. Decrease in minority interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12. Decrease in capital surplus		-	-	-	-	-	-	-	-	(51,929)	-	-	-	-	730,593	678,668
13. Disposal of subsidiary		-	-	-	-	-	-	-	-	(114,059)	-	-	-	-	(65,428)	(179,527)
14. Disposal of subsidiary without loss control		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15. Disposal of subsidiaries (loss control)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	(1,634)	(1,634)
17. Increase in capital surplus		-	-	-	-	-	-	-	-	10,972	-	-	-	-	3,259	14,231
18. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
73. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
74. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
75. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
76. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
77. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
78. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
79. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
80. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
82. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
84. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
85. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
86. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
87. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
88. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
89. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
98. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
99. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
101. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
102. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
103. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
104. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
105. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
106. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
107. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
108. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
111. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
112. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
114. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
115. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
116. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
117. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
118. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
119. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
121. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122. Increase in capital surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
123. Increase in capital surplus	</															

Statement of Changes in Shareholders' Equity (Unaudited)

For the period ended 30 June 2015
All amounts in RMB'000 unless otherwise stated)
English Translation for Reference Only)

[illegible]

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

I. GENERAL INFORMATION (CONTINUED)

Please refer to Note V for details of subsidiaries included in the scope of consolidation and also refer to Note V.1 for the details of subsidiaries newly included in the scope of consolidation. There was no subsidiary that was excluded from the scope of consolidation for the current period.

These financial statements have been approved for issue by the Company's Board of Directors on 27 August 2015.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group makes specific accounting policies and accounting estimates according to characteristics of its business operations, which include provision of bad debt of receivables (Note II.10), the cost of inventories (Note II.11), the criteria for determining impairment of non-current assets (Note II.20), depreciation policy of investment properties, fixed assets and amortisation policy of intangible assets (Note II.13, 14 and 17), measurement of provisions (Note II.21) and revenue recognition (Note II.23)...etc.

Key judgments applied for critical accounting policies by the Group are disclosed in Note II.33.

1. Basis of preparation

The financial statements were prepared in accordance with the Basic Standard and specific standards of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006, and the specific accounting standards and the relevant regulations issued thereafter (hereafter collectively referred to as "Chinese Accounting Standards" or "CAS") and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Rules on Financial Reporting issued by the China Securities Regulatory Commission.

The financial statements are prepared on a going concern basis.

2. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the period ended 30 June 2015 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the Consolidated and the Company as of 30 June 2015 and of their financial performance, cash flows and other information for the period then ended.

3. Accounting year

The Company's accounting year starts on 1 January and ends on 31 December.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

6. Preparation of consolidated financial statements

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries. Control means the group has rights in the invested entity, and could gain returns through its involvement with the entity as well as has the ability to affect those returns through its power over the entity. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated. In the preparation of the consolidated financial statements, the subsidiary's assets and liabilities based on their carrying amounts are included in the consolidated balance sheet, and financial performance is included in the consolidated income statement, respectively, from the date that the ultimate parent company of the Company obtains the control of the subsidiary to be consolidated.

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises not under common control, in the preparation of the consolidated financial statements, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, base on the fair value of those identifiable assets and liabilities at the acquisition date.

For a business combination not involving enterprises under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its fair value at the acquisition date. The difference between the fair value and the cthe subs(i(0.026 Tc 0.124 Tw 0 -1.412 TD[(differ)18.1(ence)0.5(between)0.5(the fair v

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

6. Preparation of consolidated financial statements (Continued)

Owners' equity of subsidiaries, profit or loss and comprehensive income not attributable to the Company are recorded as minority interests, profit or loss attributable to minority shareholders and comprehensive income attributable to minority shareholders, respectively, and are presented separately within the items of owners' equity, net profit and total comprehensive income in the consolidated financial statements.

When the amount of loss for the current period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of shareholders' equity of the subsidiary, the excess is allocated against the minority interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies.

All significant inter-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of a subsidiary's equity and the portion of a subsidiary's net profit and losses for the period as well as comprehensive income not attributable to Company are recognised as minority interests, net profit and losses attributable to minority interests as well as and comprehensive income attributable to minority interests presented separately in the consolidated financial statements within equity and net profit as well as total comprehensive income respectively. The unrealised profit and losses arising from sales of assets to subsidiaries by the Company are fully eliminated against net profit attributable to owners of the Company. The unrealised profit and losses arising from sales of assets to the Company by subsidiaries are eliminated against net profit attributable to owners of the Company as well as net profit attributable to minority interests respectively according to the Company and minority interests' shareholding on the subsidiaries. The unrealised profit and losses arising from sales of between subsidiaries are eliminated against net profit attributable to owners of the Company as well as net profit attributable to minority interests respectively according to the Company and minority interests' share holdings on the subsidiary who sold.

The difference on recognising a same transaction between on the accounting subjects of the Group and of the Company or its subsidiaries would be adjusted on the accounting subject of the Group.

7. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

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

When the Group receives capital in foreign currencies from investors, the capital is translated to functional currency at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to functional currency at the rates that approximate the spot exchange rates at the dates of the transactions.

A spot exchange rate is an exchange rate quoted by the People's Bank of China. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method, normally the average exchange rate of the current period or the weighted average exchange rate.

Monetary items denominated in foreign currencies are translated to functional currency at the spot exchange rate at the balance sheet date. The resulting exchange differences, except for those arising from the principal and interest of specific foreign currency borrowings for the purpose of acquisition, construction or production of qualifying assets (see Note II.16), are recognised in profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to functional currency using the foreign exchange rate at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the resulting exchange differences are recognised in profit or loss, except for the differences arising from the translation of available-for-sale financial assets, which are recognised as other comprehensive income in capital reserve. The effect of exchange rate changes on cash presented separately in the cash flow statement.

The assets and liabilities of foreign operation are translated to functional currency at the spot exchange rates at the balance sheet date. The equity items, excluding "Retained earnings", are translated to functional currency at the spot exchange rates at the transaction dates. The income and expenses of foreign operation are translated to functional currency at the rates that approximate the spot exchange rates at the transaction dates. The resulting translation differences are recognised in a separate component of equity. Upon disposal of a foreign operation, the cumulative amount of the translation differences recognised in equity which relates to that foreign operation is transferred to profit or loss in the period in which the disposal occurs. The cash flows of overseas operations are translated at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash presented separately in the cash flow statement.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

9. Financial instruments

Financial instruments include cash at bank and on hand, financial assets at fair value through profit or loss, receivables, available-for-sale financial assets, investments in equity securities other than long-term equity investments (see Note II.12), payables, loans, borrowings and Debentures payables.

(1) Financial Assets

(a) Classification of financial assets

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

a. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for the purpose of selling in short term.

b. Receivables

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

c. 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.

(b) Recognition and measurement

Financial assets are recognised at fair value on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. In the case of financial assets at fair value through profit or loss, the related transaction costs incurred at the time of acquisition are recognised in profit or loss for the current period. For other financial assets, transaction costs that are attributable to the acquisition of the financial assets are included in their initial recognition amounts.

Financial assets at fair value through profit or loss are subsequently measured at fair value. Investments in equity instruments are measured at cost when they do not have a quoted market price in an active market and whose fair value cannot be reliably measured. Receivables are measured at amortised cost using the effective interest method.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(b) Recognition and measurement (Continued)

Gain or loss arising from change in the fair value of financial assets at fair value through profit or loss is recognised in profit or loss. Interests and cash dividends received during the period in which such financial assets are held, as well as the gains or losses arising from disposal of these assets are recognised in profit or loss for the current period.

Accumulated fair value adjustments of available-for-sale financial assets are recognised in equity except impairment and exchange gains and losses of foreign currency financial assets. When available-for-sale financial assets are disrecognised, the accumulated fair value adjustments recognised in equity are included in the income statement. Interest on available-for-sale securities calculated using the effective interest method and cash dividends on available-for-sale equity instruments when the group's right to receive payments is established are recognised in the income statement as part of other income.

(c) Impairment of financial assets

The Group assesses the carrying amounts of financial assets other than those at fair value through profit or loss at each balance sheet date. If there is objective evidence that a financial asset is impaired, the Group determines the amount of impairment loss.

Objective evidence indicating a financial asset is impaired represents matters actually happen subsequently to the initial recognition of the financial assets and exert influences the financial assets' estimated future cash flows which can be reliably measured by the Group.

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

When an impairment loss on a financial asset carried at amortised cost has occurred, the amount of loss is measured at the difference between the asset's carrying amount and the present value of its estimated future cash flows (excluding future credit losses that have not been incurred). If there is objective evidence that the value of the financial asset recovered and the recovery is related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed and the amount of reversal is recognised in profit or loss.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

(c) Impairment of financial assets (Continued)

When an available-for-sale financial asset is impaired, the cumulative loss arising from decline in fair value that has been recognised directly in equity is reclassified to profit or loss. If, after an impairment loss has been recognised on an available-for-sale debt instrument, the fair value of the debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. An impairment loss recognised for an investment in an equity instrument classified as available-for-sale is reversed through equity.

When an impairment loss on an available-for-sale financial asset has occurred, the amount of loss is measured at the difference between the asset's carrying amount and the present value of its estimated future cash flows determined according to the market yield of similar financial assets and recognised in profit or loss. Once the above asset impairment loss is recognised, it will not be reversed in the subsequent periods.

(d) Derecognition of financial assets

A financial assets is derecognised when one of the below criteria is met:

- the contractual rights to receive the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee;
- the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received and the cumulative changes in fair value that had been recognised directly in equity, is recognised in profit or loss.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

9. Financial instruments (Continued)

(2) Financial liabilities

Financial liabilities are classified into the following categories at initial recognition: financial liabilities at fair value through profit or loss and other financial liabilities. The financial liabilities of the Group are mainly other financial liabilities, including payables, borrowings and debentures payable.

Payables, including accounts payable and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings and debentures payable are recognised initially at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities with maturities no more than one year are classified as current liabilities. Other financial liabilities with maturities over one year but are due within one year at the balance sheet date are classified as the current portion of non-current liabilities. Others are classified as non-current liabilities.

A financial liability is derecognised or partly derecognised when the current obligation is discharged or partly discharged. The difference between the carrying amount of the financial liability or the derecognised part of the financial liability and the consideration paid is recognised in profit or loss.

(3) Determination of fair value

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using an appropriate valuation technique that is applicable to current circumstances and supported by sufficient available data and other information. Valuation techniques mainly include market approach and income approach. When applying valuation techniques, inputs used by market participants in the transactions of the assets or liabilities with similar characteristics would be used and observable inputs would be given priority to the extent possible. Unobservable inputs would only be used when it is impossible or impracticable to obtain relevant observable inputs.

(4) Equity instrument

An equity instrument is a contract that proves the ownership interest of the assets after deducting all liabilities in the Group.

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

Consideration and transaction costs paid by the Group for repurchasing self-issued equity instruments are deducted from shareholders' equity.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

10. Receivables

Receivables comprise accounts receivable and other receivables. Accounts receivable arising from sale of goods or rendering of services are initially recognised at fair value of the contractual payments from the buyers or service recipients.

Receivables are assessed for impairment both on an individual basis and on a collective group basis.

Where impairment is assessed on an individual basis, an impairment loss in respect of a receivable is calculated as the excess of its carrying amount over the present value of the estimated future cash flows (exclusive of future credit losses that have not been incurred) discounted at the original effective interest rate. All impairment losses are recognised in profit or loss.

The assessment is made collectively where receivables share similar credit risk characteristics (including those having not been individually assessed as impaired), based on their historical loss experiences, and adjusted by the observable figures reflecting present economic conditions.

If, after an impairment loss has been recognised on receivables, there is objective evidence of a recovery in value of the financial asset which can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss. A reversal of an impairment loss will not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

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

Criteria of provision for receivable that are individually significant and impairment provided on an individual basis.

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

Method of provision for receivable that are individually significant and impairment provided on an individual basis.

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

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

Criteria of provision for receivables that are individually insignificant but impairment provided on an individual basis.

Within the receivables whose amounts are individually insignificant, impairment is assessed on an individual basis for the overdue receivables unpaid after collection efforts or with unique characteristics.

Method of provision for receivable that are individually insignificant but impairment provided on an individual basis.

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

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

10. Receivables (Continued)

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

The assessment is made collectively where receivables share similar credit risk characteristics, including those having not been individually assessed as impaired.

Determination method of the group based on credit risk characteristics

Accounts receivable are divided into six groups of containers, vehicles, energy and chemistry equipment, offshore engineering, airport facilities, other business, and due from related parties, land lease prepayments and operating deposits according to the industry and business nature of customers and the characteristics of the receivables. As to Offshore engineering groups, the relevant receivables within credit period have lower credit risk after the grouping based on credit risk characteristics according to individual credit risk assessment and historical data. As to other groups like due from related parties, land lease prepayments operating deposits, and etc, if the credit risk is assessed low after grouping based on the assessment on credit risk and their historical loss experience, no impairment loss is recognised for those groups.

Group 1	Containers
Group 2	Road transportation vehicles
Group 3	Energy, chemical and equipment
Group 4	Airport facilities
Group 5	Logistics services
Group 6	Other business

Methods of provision for receivables assessed on a collective group basis (based on an ageing analysis, a percentage of the total balance and others).

Containers	Provision is determined based on an ageing analysis (Overdue aging)
Road transportation vehicles	Provision is determined based on an ageing analysis (Overdue aging)
Energy, chemical and equipment	Provision is determined based on an ageing analysis (Overdue aging)
Airport facilities	Provision is determined based on an ageing analysis (Overdue aging)
Logistics services	Provision is determined based on an ageing analysis (Overdue aging)
Other business	Provision is determined based on an ageing analysis (Overdue aging)

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

10. Receivables (Continued)

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

For the above groups, provision is made based on their respective ageing analysis follows:

Ageing	Provision ratio (%)	Provision ratio (%)
1, 2, 4, 5, 6	3	
Within 1 year (inclusive)	5%	0%~5%
1 to 2 years (inclusive)	30%	30%
Over 2 years	100%	100%

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

11. Inventories

(1) Classification

Inventories include raw materials, work in progress, semi-finished goods, finished goods and reusable materials. Reusable materials include low-value consumables, packaging materials and other materials, which can be used repeatedly but do not meet the definition of fixed assets.

(2) Cost of inventories

Cost of inventories is calculated using the weighted average method.

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

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition. Borrowing costs directly related to the production of qualifying inventories are also included in the cost of inventories (see Note II.16). In addition to the purchasing cost of raw materials, work in progress and finished goods include direct labour costs and an appropriate allocation of production overheads.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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 (Continued)

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

Net realisable value is the estimated selling price in the normal course of business less the estimated costs to completion and the estimated expenses and related taxes necessary to make the sale. The net realisable value of materials held for use in the production of inventories is measured based on the net realisable value of the finished goods in which they will be incorporated. The net realisable value of the quantity of inventory held to satisfy sales or service contracts is based on the contract price. If the quantities of inventories specified in sales contracts are less than the quantities held by the Group, the net realisable value of the excess portion of inventories shall be based on general selling prices.

Any excess of the cost over the net realisable value of each class of inventories is recognised in profit or loss as a provision for diminution in the value of inventories.

(4) Inventory system

The Group maintains a perpetual inventory system.

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

Reusable materials including low-value consumables and packaging materials are amortised in full when received for use. The amounts of the amortisation are included in the cost of the related assets or profit or loss.

12. Long-term equity investments

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

Subsidiaries are the investees over which the Company is able to exercise control. Joint ventures are the investees over which the Group is able to exercise joint control together with other ventures and the Group enjoys the rights only on the net assets of investees. Associates are the investees that the Group has significant influence on their financial and operating policies.

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

For the period from 1 January 2015 to 30 June 2015
(All amounts in RMB'000 unless otherwise stated)
English Translation for Reference Only

12. Long-term equity investments (Continued)

For long-term equity investments acquired through a business combination: for long-term equity investments acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of owners' equity of the party being absorbed at the combination date; for long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination: for long-term equity investment acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued.

For long-term equity investments accounted for using the cost method, they are measured at the initial investment costs, and cash dividends or profit distribution declared by the investees are recognised as investment income in profit or loss.

For long-term equity investments accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the long-term equity investment is measured at the initial investment cost; where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

For long-term equity investments accounted for using the equity method, the Group recognises the investment income according to its share of net profit or loss of the investee. If the accounting policies and the accounting periods are inconsistent between the Company and investees, the financial statements of investees are adjusted in accordance with the accounting policies and accounting period of the Company. The Group discontinues recognising its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognising the investment losses and the provisions. For changes in owners' equity of the investee other than those arising from its net profit or loss, the Group records its proportionate share directly into capital surplus, provided that the Group's share of the investee's net loss does not exceed its carrying amount of the investment. If the Group's share of the investee's net loss exceeds its carrying amount, the Group's share of the investee's net loss is recognised as a liability. For the long-term equity investments accounted for using the equity method, the Group recognises the investment income according to its share of net profit or loss of the investee. If the accounting policies and the accounting periods are inconsistent between the Company and investees, the financial statements of investees are adjusted in accordance with the accounting policies and accounting period of the Company. The Group discontinues recognising its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognising the investment losses and the provisions. For changes in owners' equity of the investee other than those arising from its net profit or loss, the Group records its proportionate share directly into capital surplus, provided that the Group's share of the investee's net loss does not exceed its carrying amount of the investment. If the Group's share of the investee's net loss exceeds its carrying amount, the Group's share of the investee's net loss is recognised as a liability.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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 is the power over the investee to enjoy variable returns by participating in related activities of the investee and the ability to affect the return amount by executing the power over the investee.

Joint control is the sharing of control over an arrangement according to related agreement, and exists only when the decisions relating to the activity of the arrangement require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the determination of financial and operating policies of the investee, but is not control or joint control over those policies.

(4) Method of impairment testing and measuring

The carrying amount of long-term equity investments in subsidiaries, joint ventures and associates is reduced to the recoverable amount if the recoverable amount is below the carrying amount.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

13. Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are accounted for using the cost model and stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses. Subsequent expenditures incurred in relation to an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are recognised in profit or loss in the period in which they are incurred. An investment property is depreciated or amortised, less its estimated residual value, using the straight line method over its estimated useful life, unless the investment properties are classified as held for sale (see Note II.28). For the method of impairment testing and measuring, refer to Note II.20.

The useful lives, residual value rate and depreciation/amortisation rate of each class of investment properties are as follows:

Investment properties	Useful life (years)	Residual value rate (%)	Depreciation/amortisation rate (%)
Land use rights	29 – 50 years	–	2% – 3.4%
Plant and buildings	20 – 30 years	10%	3% – 4.5%

When an investment property is transferred to owner-occupied properties, it is reclassified as fixed asset or intangible asset at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is reclassified as investment properties at its carrying amount at the date of the transfer.

The investment property's estimated useful life, net residual value and depreciation (amortisation) method applied are reviewed and adjusted as appropriate at each year-end.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sale, transfer, retirement or damage of an investment property after its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

14. Fixed assets

(1) Recognition

Fixed assets represent the tangible assets held by the Group for use in the production of goods or supply of services, for rental to others or for operation and administrative purposes with useful lives over one year.

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note II.14.

Where parts of an item of fixed asset have different useful lives or provide benefits to the Group in different patterns thus necessitating use of different depreciation rates or methods, each part is recognised as a separate fixed asset.

The subsequent costs including the cost of replacing part of an item of fixed assets are recognised in the carrying amount of the item if the to recognise fixed assets criteria are satisfied, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets are recognised in profit or loss as incurred.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

14. Fixed assets (Continued)

(2) Depreciation

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives, unless the fixed asset is classified as held for sale (see Note II.28). For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives. The estimated useful lives, residual values and depreciation rates of each class of fixed assets are as follows:

Fixed Assets	Useful lives (years)	Depreciation rate	Residual value (%)
Plants and buildings	20 – 30 years	10%	3 – 4.5%
Machinery and equipment	10 -12 years	10%	7.5 – 9%
Office and other equipment	3 – 5 years	10%	18 – 30%
Motor vehicles	5 years	10%	18%
Dock, wharf	50 years	10%	1.8%
Offshore engineering equipment	15 – 30 years	10%	3 – 6%

Useful lives, residual value and depreciation methods are reviewed at least at each year-end.

(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 criteria of recognition and method of measuring for fixed assets under a finance lease, refer to Note II 27(3).

(5) Disposal

A fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposal on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

15. Construction in progress

Construction in progress is measured at actual cost. The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note II.16), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed asset is included in construction in progress before it is transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress. Construction in progress is stated in the balance sheet at cost less impairment losses (see Note II.20).

16. Borrowing costs

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

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

During the capitalisation period, the amount of interest (including amortisation of any discount or premium on borrowing) to be capitalised in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- Where funds are borrowed generally and used for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalised on such borrowings is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over the above amounts of specific borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognised amount of the borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognised as a financial expense in the period in which they are incurred.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

16. Borrowing costs (Continued)

The capitalisation period is the period from the date of commencement of capitalisation of borrowing costs to the date of cessation of capitalisation, excluding any period over which capitalisation is suspended. Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition, construction or production that are necessary to prepare the asset for its intended use or sale are in progress, and ceases when the assets become ready for their intended use or sale. Capitalisation of borrowing costs is suspended when the acquisition, construction or production activities are interrupted abnormally and the interruption lasts over three months.

17. Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note II.20). For an intangible asset with finite useful life, its cost less residual value and impairment loss is amortised on the straight-line method or other more appropriate methods that can reflect the pattern in which the asset's economic benefits are expected to be realised over its estimated useful life, unless the intangible asset is classified as held for sale (see Note II.28).

The respective amortisation periods for such intangible assets are as follows:

Land use rights	20 – 50
Maritime space use rights	40 – 50
Technological know-how and trademarks	5 – 10
Timber concession rights	20
Customer relationships	3 – 8
Customer contracts	3 – 4

For an intangible asset with a finite useful life, review of its useful life and amortisation method is performed at each year-end, with adjustment made as appropriate.

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

17. Intangible assets (Continued)

Expenditures on an internal research and development project are classified into expenditures on the research phase and expenditures on the development phase. Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products or processes before the start of commercial production or use.

The expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase based on its nature and whether there is material uncertainty that the research and development activities can form an intangible asset at end of the project.

Expenditure on the research phase is recognised in profit or loss in the period in which it is incurred. Expenditure on the development phase is capitalised only if all of the following conditions are satisfied:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset, and to use or sell it;
- it can be demonstrated how the intangible asset will generate economic benefits;
- there are adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development phase can be reliably measured.

Other development expenditures that do not meet the conditions above are recognised in profit or loss in the period in which they are incurred. Development costs previously recognised as expenses are not recognised as an asset in a subsequent period. Capitalised expenditure on the development phase is presented as development costs in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

18. Goodwill

Goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under the business combination involving entities not under common control.

Goodwill is not amortised and is stated at cost less accumulated impairment losses (see Note II.20). On disposal of an asset group or a set of asset groups, any attributable amount of purchased goodwill is written off and included in the calculation of the profit or loss on disposal.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

19. Long-term prepaid expenses

Long-term prepaid expenses are amortised on a straight-line method within the beneficial period.

The respective amortisation periods for such long-term prepaid expenses are as follows:

Water and electricity capacity enlargement expenses	5 to 10 years
Rental	2 to 10 years
Others	5 to 10 years

20. Impairment of long-term assets

Fixed assets, construction in progress, intangible assets with finite useful lives, investment properties measured using the cost model and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. Intangible asset that is not ready for its intended use is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. If the result of the impairment test indicates that the

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

21. Provisions and contingent liabilities

Provisions for product warranties, onerous contracts etc. are recognised when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognised as interest expense.

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

In terms of a possible obligation resulting from a past transaction or event, whose existence will only be confirmed by the occurrence or non-occurrence of uncertain future events or a present obligation resulting from a past transaction or event, where it is not probable that the settlement of the above obligation will cause an outflow of economic benefits, or the amount of the outflow cannot be estimated reliably, the possible or present obligation is disclosed as a contingent liability.

22. Share-based payments

(1) Classification

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

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

Fair value of stock option is estimated based on binomial lattice model. Contract term of the stock option is used as the input variable of this model. And the binomial lattice model includes estimation of early execution of the option. The following factors are taken into account when using the binomial lattice model: (1) exercise price of the option; (2) vesting period; (3) current price of basic stocks; (4) expected fluctuation of stocks; (5) expected dividends of stocks; (6) risk-free rate within the option term.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

22. Share-based payments (Continued)

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

At each balance sheet date during the vesting period, the Group makes the best estimation according to the latest information of the number of employees who are granted to vest and revises the number of equity instruments expected to vest. On vesting date, the estimate shall be equal to the number of equity instruments that ultimately vested.

(4) Accounting treatment for share-based payment

(a) *Equity-settled share-based payments*

Where the Group uses shares or other equity instruments as consideration for services received from the employees, the payment is measured at the fair value of the equity instruments granted to the employees at the grant date. If the equity instruments granted to employees vest immediately, the fair value of the equity instruments granted is, on grant date, recognised as relevant cost or expenses with a corresponding increase in capital reserve. If the equity instruments granted to employees do not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group, at each balance sheet date during the vesting period, makes the best estimation according to the latest information of the number of employees who are granted to vest and revises the number of equity instruments expected to vest. Based on the best estimation, the Group recognises the services received for the current period as related costs or expenses, with a corresponding increase in capital reserve, at an amount equal to the fair value of the equity instruments at the grant date.

(b) *Cash-settled share-based payments*

Where the Group receives services from employees by incurring a liability to deliver cash or other assets for amounts that are determined based on the price of shares or other equity instruments, the service received from employees is measured at the fair value of the liability incurred. If the rights under a cash-settled share-based payment do not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group, at each balance sheet date during the vesting period, recognises the services received for the current period as related costs or expenses, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

23. Revenue recognition

Revenue is the gross inflow of economic benefit in the periods arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders. Revenue is recognised in profit or loss when it is probable that the economic benefits will flow to the Group, the revenue and costs can be measured reliably and the following respective conditions are met.

(1) Sale of goods

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

- The significant risks and rewards of ownership of goods have been transferred to the buyer;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

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

(a) Containers and airport facilities sales revenue

The group recognises revenue after receive acceptance certificates from customers.

(b) Road transportation vehicles sales revenue

Sales of road transportation vehicles are divided into sales to domestic customers and sales to overseas customers. As to sales to domestic customers, the Group recognises revenue after customers pick up vehicles. As to sales to overseas customers, the Group recognises revenue after vehicles are loaded to specified ship in specific port assigned by the customer pursuant to contracts.

(c) Real estate sales revenue

After the property is completed and pass the acceptance inspection so as to achieve the delivery conditions according to sales contract, the Group recognises revenue if it receives proof of payment based on sales contract (usually when it receives the initial payment and has arranged the remaining payment schedule).

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

23. Revenue recognition (Continued)

(2) Revenue from construction contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract expenses associated with the construction contract are recognised at the balance sheet date using the percentage of completion method.

The stage of completion of a contract is determined based on completion of a physical proportion of the contract work.

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

- (a) If the contract costs can be recovered, revenue is recognised to the extent of contract costs incurred that can be recovered, and the contract costs are recognised as contract expenses when incurred;
- (b) If the contract costs cannot be recovered, the contract costs are recognised as contract expenses immediately when incurred, and no contract revenue is recognised.

Construction contract revenue includes initial revenue stipulated by contract and increased amount generated by contract alteration.

Increased amount cannot be recognised as contract revenue unless the following contract alteration terms are all satisfied:

- (c) Client accepts and confirms the increased amount generated by contract alteration;
- (d) Increased amount can be reliably measured.

Contract anticipated loss is recognised when estimated total construction contract cost exceeds contract revenue. Provision should be made for contract anticipated loss and charged into profit and losses for the current period.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

23. Revenue recognition (Continued)

(3) Rendering of services

Revenue from rendering of services is measured at the fair value of the considerations received or receivable under the contract or agreement.

At the balance sheet date, where outcome of a transaction involving the rendering of services can be estimated reliably, revenue from the rendering of services is recognised by reference to the stage of completion of the transaction based on the progress of work performed.

Where outcome of rendering of services cannot be estimated reliably, if the costs incurred are expected to be recoverable, revenues are recognised to the extent that the costs incurred that are expected to be recoverable, and an equivalent amount is charged to profit or loss as service cost; if the costs incurred are not expected to be recoverable, the costs incurred are recognised in profit or loss and no service revenue is recognised.

For freight agencies, revenues are recognised at the ship departure date (export) or the arrival date (import). As to land freight agencies, revenues are recognised when goods have arrived at the specified location. For shipping agency: revenues are recognised at the day that ship departures.

(4) Transfer of asset use rights

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable effective interest rate.

Income from an operating lease is recognised on a straight-line basis over the period of the lease. Income from a financing lease is recognised on real interest method over the period of the lease.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

24. Employee benefits

Employee benefits represent all kinds of allowances and compensations paid by the Group for services rendered by employees or for termination of employment relationship, which mainly include short-term wages, pension benefits and termination of employment benefits.

(1) Short-term wages

Short-term wages include wages or salaries, bonuses, allowances and subsidies, staff welfare, medical insurance, work injury insurance, maternity insurance, housing funds, labour union funds, employee education funds and short term paid absence and etc. Actual short-term wages are recognised as liabilities in the periods when the employees render services and are charged into profit or loss or capitalised in costs of related assets. The non-monetary welfare is measured at fair value.

(2) Pension benefits

During the reporting period, the Group's pension benefits are basic pension insurance and unemployment insurance which are all defined contribution plans.

– Basic pension insurance

The Group's employees participated in the basic social pension insurance organised and implemented by local labour and social security bureau. The Group paid the basic pension issuance expenses monthly to designated insurance companies for its employees according to the basis amounts and rates determined by the local regulations. After retirement, local labour and social security bureau is responsible for paying the pension benefit to the retired employees. The amounts of pension insurance payable calculated according to the above regulations are recognised as liabilities during the periods when the employees render services and are charged to profit or loss or capitalised in costs of related assets.

(3) Enterprise annuities plan

The Group provides compensation for the termination of employment relationship before the expiry of employment contracts or compensation to encourage employees' voluntary layoffs, which is recognised as a liability and charged to profit or loss on the earlier one when the Group is unable to unilaterally withdraw the plan on the termination of employment relationship or the layoff proposal and costs and expenses in relation to the payment of compensation to the termination of employment relationship are recognised.

The Enterprise annuities plan with payment within one year at the balance sheet date are classified as current liabilities.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

25. Government grants

Government grants are transfers of monetary assets or non-monetary assets from the government to the Group at nil consideration except for the capital contribution from the government as an investor in the Group, including refund of taxes and financial subsidies, etc. Special funds such as investment grants allocated by the government, if clearly defined in official documents as part of "capital reserve" are dealt with as capital contributions, and not regarded as government grants.

A government grant is recognised when the conditions attached to it can be complied with and the government grant can be received.

If a government grant in the form of transfer of monetary assets, the grant is measured at the amount received or receivable. For a government grant in the form of transfer of non-monetary assets, it is measured at fair value; if the fair value is not reliably determinable; the grant is measured at nominal amount.

Government grants related to assets represent grants obtained from government which are to compensate long-term assets purchased or other ways. Government grants related to income represent those government grants other than related to assets.

A government grant related to an asset is recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset. Government grants measured at nominal amounts are recognised immediately in profit or loss for the current period.

For government grants related to income, where the grant is a compensation for related expenses or losses to be incurred by the Group in the subsequent periods, the grant is recognised as deferred income, and included in profit or loss over the periods in which the related costs are recognised; where the grant is a compensation for related expenses or losses already incurred by the Group, the grant is recognised immediately in profit or loss for the current period.

26. Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carry forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or tax loss). No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill.

At the balance sheet date, the amount of deferred tax recognised is measured based on the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates that are expected to be applied in the period when the asset is recovered or the liability is settled in accordance with tax laws.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

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

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

Deferred tax liabilities are recognised for temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, associates and joint ventures will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilised, the corresponding deferred tax assets are recognised.

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

- the taxable entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- they relate to income taxes levied by the same tax authority on either the same taxable entity; or different taxable entities which either intend to settle the current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

27. Operating and finance leases

A lease is classified as either a finance lease or an operating lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee, irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

(1) Operating lease charges

Rental payments under operating leases are recognised as costs or expenses on a straight-line basis over the lease term.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

27. Operating and finance leases (Continued)

(2) Assets leased out under operating leases

Fixed assets leased out under operating leases, except for investment properties (see Note II.13) are depreciated in accordance with the Group's depreciation policies described in Note II.14(2). Impairment losses are provided for in accordance with the accounting policy described in Note II.20. Other leased out assets under operating leases are amortised using the straight-line method. Income derived from operating leases is recognised in the income statement using the straight-line method over the lease term. If initial direct costs incurred in respect of the assets leased out are material, the costs are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Otherwise, the costs are charged to profit or loss immediately.

(3) Assets acquired under finance leases

When the Group acquires an asset under a finance lease, the asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, each determined at the inception of the lease. At the commencement of the lease term, the minimum lease payments are recorded as long-term payables. The difference between the value of the leased assets and the minimum lease payments is recognised as unrecognised finance charges. Initial direct costs that are attributable to a finance lease incurred by the Group are added to the amounts recognised for the leased asset. Depreciation and impairment losses are accounted for in accordance with the accounting policies described in Notes II.14(2) and II.20, respectively.

If there is a reasonable certainty that the Group will obtain ownership of a leased asset at the end of the lease term, the leased asset is depreciated over its estimated useful life. Otherwise, the leased asset is depreciated over the shorter of the lease term and its estimated useful life.

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

At the balance sheet date, long-term payables arising from finance leases, net of the unrecognised finance charges, are presented as long-term payables or non-current liabilities due within one year, respectively, in the balance sheet.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

27. Operating and finance leases (Continued)

(4) Assets leased out under finance leases

At the commencement of the lease term, the Group recognises the aggregate of the minimum lease receipts determined at the inception of a lease and the initial direct costs as finance lease receivable. The difference between the aggregate of the minimum lease receipts, the initial direct costs, and the aggregate of their present value is recognised as unearned finance income.

Unearned finance income is allocated to each accounting period during the lease term using the effective interest method. At the balance sheet date, finance lease receivables, net of unearned finance income, are presented as long-term receivables or non-current assets due within one year, respectively in the balance sheet.

28. Assets held for sale and discontinued operation

A non-current asset or disposal group is classified as held for sale when meet the following criteria:

- The non-current asset or disposal group could be disposed immediately according to usual terms at present condition;
- The disposal plan has been approved properly;
- An non-cancellable transfer agreement has been signed with the transferee;
- This transfer is expected to be completed within one year;

Non-current assets held for sale are stated at the lower of carrying amount and net realisable value. Any excess of the carrying amount over the net realisable value is recognised as impairment loss.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

28. Assets held for sale and discontinued operation (Continued)

Assets and liabilities of a non-current asset or disposal group which is classified as held for sale are classified as current assets and current liabilities.

A discontinued operation is a component which has been disposed or classified as held for sale of the group's business and the operations and financial reporting of the discontinued operation can be clearly distinguished from the rest of the group and can meet one of the following criteria:

- This component of the business represents a separate major line of business or geographic area of operations;
- This component of the business is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;
- This component of the business is a subsidiary acquired exclusively with a view to resale.

29. Hedge accounting

Hedge accounting is a method which recognises the offsetting effects on profit or loss of changes in the fair values of the hedging instrument and the hedged item in the same accounting period(s).

Hedged items are the items that expose the Group to risks of changes in fair value or future cash flows and that are designated as being hedged. The Group's hedged item include a forecast transaction that is settled with a fixed amount of foreign currency and expose the Group to foreign currency risk.

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

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

- at the inception and in subsequent periods, the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated;
- the actual results of offsetting are within a range of 80% to 125%.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

30. Dividend distribution

Cash dividend is recognised as a liability for the period in which the dividend is approved by the shareholders' meeting.

Dividends or distributions of profits proposed in the profit appropriation plan which will be authorised and declared after the balance sheet date, are not recognised as a liability at the balance sheet date but disclosed in the notes separately.

31. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related party relationships are not regarded as related parties of the Group. Related parties of the Group and the Company include, but are not limited to:

- (a) the Company's parent;
- (b) the Company's subsidiaries;
- (c) enterprises that are controlled by the Company's parent;
- (d) investors that have joint control or exercise significant influence over the Group;
- (e) enterprises or individuals if a party has control, joint control over both the enterprises or individuals and the Group;
- (f) joint ventures of the Group, including subsidiaries of joint ventures;
- (g) associates of the Group, including subsidiaries of associates;
- (h) principal individual investors and close family members of such individuals;
- (i) key management personnel of the Group and close family members of such individuals;

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

31. Related parties (Continued)

- (j) key management personnel of the Company's parent and close family members of such individuals;
- (k) close family members of key management personnel of the Company's parent; and
- (l) other enterprises that are controlled or jointly controlled by principal individual investors, key management personnel of the Group, and close family members of such individuals.

Besides the related parties stated above determined in accordance with the requirements of CAS, the following enterprises and individuals are considered as (but not restricted to) related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC:

- (m) enterprises or persons that act in concert that hold 5% or more of the Company's shares;
- (n) individuals and close family members of such individuals who directly or indirectly hold 5% or more of the Company's shares, supervisors for listed companies and their close family members;
- (o) enterprises that satisfy any of the aforesaid conditions in (a), (c) and (m) during the past 12 months or will satisfy them within the next 12 months pursuant to a relevant agreement;
- (p) individuals who satisfy any of the aforesaid conditions in (i), (j) and (n) during the past 12 months or will satisfy them within the next 12 months pursuant to a relevant agreement; and
- (q) enterprises, other than the Company and subsidiaries controlled by the Company, which are controlled directly or indirectly by an individual defined in (i), (j), (n) or (p), or in which such an individual assumes the position of a director or senior executive.

32. Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that meets the following conditions:

- It engages in business activities from which it may earn revenues and incur expenses;
- Its financial performance are regularly reviewed by the Group's management to make decisions about resource to be allocated to the segment and assess its performance;
- The Group is able to obtain its financial information regarding financial position, financial performance and cash flows, etc.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

32. Segment reporting (Continued)

Two or more operating segments may be aggregated into a single operating segment if the segments have same or similar economic characteristics, and are similar in respect of the following aspects:

- the nature of each product and service;
- the nature of production processes;
- the type or class of customers for the products and services;
- the methods used to distribute the products or provide the services;
- the legal and regulatory impact on manufacturing of products and rendering of services.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements.

33. Critical accounting estimates and judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Notes IV.17, IX and XIV contain information about the assumptions and their risk factors relating to impairment of goodwill, share-based payments and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(1) Impairment of receivables

As described in Note II.10, receivables that are measured at amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, impairment loss is recognised. Objective evidence of impairment includes observable data that comes to the attention of the Group about loss events such as a significant decline in the estimated future cash flow of an individual debtor or the portfolio of debtors, and significant changes in the financial condition that have an adverse effect on the debtor. If there has been a change in the factors used to determine the provision for impairment which indicates that the value of the receivables has recovered, the impairment loss recognised in prior years is reversed.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

33. Critical accounting estimates and judgments (Continued)

(2) Provision for diminution in value of inventories

As described in Note II.11, the net realisable value of inventories is under management's regular review, and as a result, provision for diminution in value of inventories is recognised for the excess of inventories' carrying amounts over their net realisable value. When making estimates of net realisable value, the Group takes into consideration the use of inventories held on hand and other information available to form the underlying assumptions, including the inventories' market prices and the Group's historical operating costs. The actual selling price, the costs of completion and the costs necessary to make the sale and relevant taxes may vary based on the changes in market conditions and product saleability, manufacturing technology and the actual use of the inventories, resulting in the changes in provision for diminution in value of inventories. The net profit or

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

33. Critical accounting estimates and judgments (Continued)

(6) Construction contract

As described in Note II.23, contract revenue and contract profit are recognised based on the stage of completion of a contract which is determined with reference to the proportion of the physical construction work completed to the total estimated construction work. Where a contract is completed substantially and its contract revenue and contract expenses to completion can be reliably measured, the Group estimates contract revenue and contract expenses with reference to its recent construction experience and the nature of the construction contracts. For a contract that is not completed substantially, contract revenue that should be recognised based on its stage of completion, is not recognised and disclosed in the financial statements. Therefore, at the balance sheet date, actual total contract revenue and total contract cost may be higher or lower than the estimated total contract revenue and total contract cost and any change of estimated total contract revenue and total contract cost may have financial impact on future profit or loss.

(7) Income taxes

The Group is subject to income taxes in numerous jurisdictions. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management's judgment is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

III. TAXATION

1. Main taxes categories and rates

Value added tax (VAT) (a)	The output VAT calculated based on taxable income from sales of goods and rendering of service, after subtracting the deductible input VAT of the period, is VAT payable	6%, 11% and 17%
Business tax (a)	Taxable revenue	5%
Urban maintenance and construction tax	Business tax payable and VAT payable	7%
Income tax	Taxable income	Note 1
The Netherlands/Australia service tax rate	Calculated based on revenue arising from sales of goods and rendering of service, less deductible or refundable taxes for purchase of goods	10-19%

- (a) Pursuant to "Circular on the Launch of Pilot for the Change from Business Tax to Value-Added Tax nationwide in the transportation industry and modern service industry" issued by the Ministry of Finance and the State Administration of Taxation (Cai Shui [2013] No.106), incomes from modern service industries (including logistics support service and tangible movable property leasing) of the subsidiaries of the Group which operate in financial leasing, logistics industry and container yard services are applicable to VAT with tax rate of 17% or 6%.

Note 1: The income tax rates applicable to the Group for the year are as follows:

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

III. TAXATION (CONTINUED)

2. Preferential tax treatments

The Group's subsidiaries that are entitled to preferential tax treatments are as follows:

Subsidiaries entitled to preferential tax treatments				
No.	Subsidiary Name	Preferential Rate	Effective Period	Tax Treatment
1	Shenzhen CIMC – Tianda Airport Support Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
2	Shenzhen CIMC Intelligent Technology Co., Ltd.	25%	15%	Recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
3	Shanghai CIMC Reefer Containers Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises, in 2012 entitled to 15% preferential rate
4	Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises, in 2012 entitled to 15% preferential rate
5	Xinhui CIMC Special Transportation Equipment Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
6	Dalian CIMC Logistics Equipment Co., Ltd.	25%	15%	Recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
7	Yangzhou Runyang Logistics Equipments Co., Ltd.	25%	15%	Recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
8	Shenzhen CIMC Special Vehicle Co., Ltd.	25%	15%	Recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
9	Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd	25%	15%	Recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
10	Zhumadian CIMC Huajun Casting Co. Ltd.	25%	15%	Recognised as high-tech enterprises, in 2012 entitled to 15% preferential rate
11	Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd.	25%	15%	Recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
12	Enric (Bengbu) Compressor Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
13	Shijiazhuang Enric Gas Equipment Co., Ltd.	25%	15%	Continue to be recognised as high-tech enterprises, in 2014 entitled to 15% preferential rate
14	Enric (Langfang) Energy Equipment Integration Co., Ltd.	25%	15%	Recognised as high-tech enterprises, in 2012 entitled to 15% preferential rate
15	Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd	25%	15%	Continue to be recognised as high-tech enterprises, in 2012 entitled to 15% preferential rate
16	Nantong CIMC Tank Equipment Co., Ltd	25%	15%	Continue to be recognised as high-tech enterprises, in 2012 entitled to 15% preferential rate
17	Yangzhou Tonglee Reefer Container Co., Ltd.	25%	15%	Recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
18	Hunan CIMC Bamboo Industry Development Co., Ltd.	25%	15%	Recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
19	Wuhu CIMC Ruijiang Automobile CO LTD.	25%	15%	Recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
20	Luoyang CIMC Lingyu Automobile CO., LTD.	25%	15%	Recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
21	Nantong CIMC Large-sized Tank Co., Ltd.	25%	15%	Recognised as high-tech enterprises in 2013 entitled to 15% preferential rate
22	Xinfa Airport Equipment Ltd.	25%	15%	Recognised as high-tech enterprises in 2013 entitled to 15% preferential rate

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Please refer to VI.1 and IV.12 for the definition of subsidiaries, associates and joint ventures.

1. Cash at bank and on hand

	30 June 2015	31 December 2014
Cash on hand	5,924	1,772
Bank deposits	3,052,110	2,836,455
Other cash balances	931,448	829,160
	3,989,482	3,667,387
Including: cash abroad	2,203,217	1,734,054

As at 30 June 2015, restricted cash at bank and on hand of the Group amounted to RMB609,448,000 (31 December 2014: RMB732,136,000). Refer to Note IV.22 for details.

As at 30 June 2015, restricted cash at bank and on hand of the Group included deposit with central bank, totaling of RMB374,317,000 (31 December 2014: RMB441,268,000). Finance Company is a finance institution authorised by the People's Bank of China.

2. Financial assets at fair value through profit or loss

(1) Classification of financial assets at fair value through profit or loss

	Note	30 June 2015	31 December 2014
Financial assets at fair value through profit or loss			
1. Investments in equity instrument held for trading			
– Listed companies	(3)	150,864	403,709
2. Derivative financial assets			
– Forward foreign exchange contracts	(4)	82,158	21,904
– Forward foreign option contracts	(5)	9,246	837
3. Hedging Instrument		609	1,219
Subtotal		242,877	427,669
Financial assets at fair value through other comprehensive income			
Derivative financial assets			
– Forward foreign exchange contracts	(5)	85	–
– Currency swap contracts	(6)	15,367	–
Subtotal		15,452	–
Total		258,329	427,669

(2) As at 30 June 2015, there is no material restriction of the investment in financial assets at fair value through profit or loss.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(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 (Continued)

(3) T

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Notes receivable

(1) Classification of Notes receivable

	30 June 2015	31 December 2014
Bank acceptance notes	1,050,344	1,542,079
Trade acceptance notes	86,464	49,615
Total	1,136,808	1,591,694

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

No amount due from shareholders who hold 5% or more of the voting rights of the Company is included in the above balance of bills receivable.

(2) As at 30 June 2015, pledged notes receivable of the group are as follows:

	30 June 2015
Bank acceptance notes	212,726
Trade acceptance notes	—
Total	212,726

(3) As at 30 June 2015, there was no amount transferred from notes to accounts receivable due to failure of performance by the issuers.

(4) As at 30 June 2015, outstanding notes receivable endorsed by the Group are as follows:

	30 June 2015	31 December 2014
Bank acceptance notes	1,852,391	76,386
Trade acceptance notes	92,379	—
Total	1,944,770	76,386

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable

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

	30 June 2015	31 December 2014
Containers	3,424,840	2,649,228
Transportation vehicles	2,693,575	2,014,614
Energy and chemical	3,286,417	3,413,376
Offshore engineering	575,603	890,573
Airport facilities	740,244	1,093,472
Logistics services	1,277,758	1,008,977
Heavy truck	491,061	499,441
Others	644,876	263,558
Sub-total	13,134,374	11,833,239
Less: provision for doubtful debts	(356,251)	(352,774)
Total	12,778,123	11,480,465

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

	30 June 2015	31 December 2014
Within 1 year (inclusive)	11,895,166	9,875,738
1 to 2 years (inclusive)	949,420	1,269,555
2 to 3 years (inclusive)	142,495	281,404
Over 3 years	147,293	406,542
Sub-total	13,134,374	11,833,239
Less: provision for doubtful debts	(356,251)	(352,774)
Total	12,778,123	11,480,465

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

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

Note	30 June 2015				31 December 2014			
	Amount		Provision for doubtful debts		Book balance		Provision for doubtful debts	
	A	% of total	A	(%)	Amount	% of total balance	Amount	Ratio (%)
With amounts that are individually significant and that the related provision for doubtful debts is provided on the individual basis (4)	1,465,406	11.16%	38,925	2.66%	1,535,101	12.97%	86,219	5.62%
With amounts that are not individually significant and that the related provision for doubtful debts is provided on the individual basis (5)	318,310	2.42%	53,425	16.78%	487,575	4.12%	61,370	12.59%
That the related provision for doubtful debts is set aside collectively on a group basis*								
Group containers	3,400,322	25.89%	26,983	0.79%	2,499,062	21.12%	34,636	1.39%
Group transportation vehicles	1,806,329	13.75%	71,902	3.98%	1,112,401	9.40%	66,067	5.94%
Group energy and chemical	3,286,417	25.02%	81,539	2.48%	3,243,117	27.41%	16,447	0.51%
Group airport facilities	727,471	5.54%	39,233	5.39%	1,093,472	9.24%	39,601	3.62%
Group logistics services	1,099,125	8.37%	31,279	2.85%	847,707	7.16%	30,520	3.60%
Group heavy truck	386,336	2.94%	1,107	0.29%	230,829	1.95%	5,630	2.44%
Group others	644,658	4.91%	11,858	1.84%	783,975	6.63%	12,284	1.57%
Group sub-total (6)	11,350,658	86.42%	263,901	2.32%	9,810,563	82.91%	205,185	2.09%
Total	13,134,374	100.00%	356,251	2.71%	11,833,239	100.00%	352,774	2.98%

Note*: This category includes accounts receivable that is individually tested but not impaired.

As at 30 June 2015, the Group did not hold any collateral for accounts receivable that were made impairment aforesaid.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

- (4) As at 30 June 2015, accounts receivable with amounts that are individually significant and that the related provision for doubtful debts is set aside on the individual basis:

	2015年6月30日 2015年6月30日	2014年12月31日 2014年12月31日	计提比例 (%) Provision ratio (%)
Transportation vehicles	606,772	4,933	0.81%
Offshore engineering	575,603	12,875	2.24%
Logistics services	178,306	12,315	6.91%
Heavy truck	104,725	8,802	8.40%
Total	1,465,406	38,925	2.66%

- (5) As at 30 June 2015, accounts receivable with amounts that are not individually significant but that the related provision for doubtful debts is set aside on the individual basis:

	2015年6月30日 2015年6月30日	2014年12月31日 2014年12月31日	计提比例 (%) Provision ratio (%)	计提方法 Provision method
Containers	24,518	6,663	27.18%	Provision is set aside based on the estimated recoverable assessment of credit risk and historical data
Transportation vehicles	280,474	46,024	16.41%	
Airport facilities	12,773	368	2.88%	
Logistics services	327	231	70.64%	
Others	218	139	63.76%	
Total	318,310	53,425	16.78%	

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

- (6) Accounts receivable that the related provision for doubtful debts is set aside collectively on a group basis, in terms of aging analysis:

	30 June 2015			31 December 2014		
	Original balance	Provision for doubtful debts	Ratio (%)	Book balance	Provision for doubtful debts	Ratio (%)
	A	A		Amount	Amount	Ratio (%)
Within 1 year	10,133,765	68,393	0.67%	8,286,919	52,383	0.63%
1 to 2 years	1,026,441	59,353	5.78%	1,352,695	62,709	4.64%
2 to 3 years	140,248	90,763	64.72%	55,122	19,826	35.97%
Over 3 years	50,204	45,392	90.42%	115,827	70,267	60.67%
Total	11,350,658	263,901	2.32%	9,810,563	205,185	2.09%

The aging is calculated from the date that the accounts receivable is recognised.

(7) The reverse or recovery of provision in current period

The provision for doubtful debt this period amounted to RMB25,640,000 (2014: RMB120,427,000). A provision for doubtful debt amounted to RMB7,627,000 has been collected or reversed (2014: RMB100,394,000).

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

There was no material accounts receivable written off in current period (2014: Nil).

- (9) As at 30 June 2015, the five largest balances of accounts receivable are analysed as follows, accumulated by arrearage parties:

	Original balance	Provision for doubtful debts	Ratio (%)
	A	A	
Sum of the five largest accounts receivable	828,836	—	0.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(10) Accounts receivable from shareholders holding more than 5% (including 5%) of the voting rights of the Company is analysed as follows:

As at 30 June 2015, no amount due from shareholders holding more than 5% (including 5%) of the voting rights of the Company is included in the above book balance of accounts receivable (31 December 2014: Nil).

(11) Accounts receivable from related parties:

As at 30 June 2015, the Group's accounts receivable due from related parties amounted to RMB449,378,000 (31 December 2014: RMB560,197,000), accounting for 3.43% of the total accounts receivable (31 December 2014: 4.73%).

Company name	Relationship with the Group	30 June 2015			31 December 2014		
		Amount	% of total balance	Provision for doubtful debts	Amount	% of total balance	Provision for doubtful debts
Bazhou Lihua gas storage and transportation Co., Ltd	Associate	139,390	1.18%	-	139,390	1.18%	-
Shanxi Heavy Duty Automobile C&C Trucks Co., Ltd (C&C Trucks)	Minority shareholders of subsidiaries	48,476	0.41%	-	48,476	0.41%	-
Florens Maritime Limited	Subsidiary of significant shareholder	247,592	2.09%	-	247,592	2.09%	-
Florens Container Corporation S.A.	Subsidiary of significant shareholder	32,436	0.27%	-	32,436	0.27%	-
Other related parties		92,303	0.78%	-	92,303	0.78%	-
Total		560,197	4.73%	-	560,197	4.73%	-

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

Accounts receivable with a carrying amount of RMB144,709,000 (31 December 2014: RMB1,094,590,000) are derecognised due to transfer of financial assets in current period, with no losses occurred (2014: Nil). The accounts receivable are transferred to financial institutions without recourse.

(13) Amount of assets and liabilities recognised due to the continuing involvement of securitised accounts receivable

There has been no securitised accounts receivable during the period (2014: Nil).

As at 30 June 2015, restricted accounts receivable amounted to RMB1,367,000 (31 December 2014: RMB1,367,000). Refer to Note IV.22.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables

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

	30 June 2015	31 December 2014
Receivables arising from financing related parties	675,386	512,486
Loans	441,550	465,824
Tax refund receivable	224,733	335,360
Security deposit	546,027	571,933
Land compensation and grant fee receivables	17,520	47,520
Receivable from equity transfer	116,226	131,215
Others	935,698	638,851
Sub-total	2,957,140	2,703,189
Less: provision for doubtful debts	(129,914)	(128,214)
Total	2,827,226	2,574,975

(2) Aging analysis of other receivables:

	30 June 2015	31 December 2014
Within 1 year (Inclusive)	1,855,042	1,869,968
1 to 2 years (Inclusive)	359,659	173,726
2 to 3 years (Inclusive)	96,370	88,930
Over 3 years	646,069	570,565
Sub-total	2,957,140	2,703,189
Less: provision for doubtful debts	(129,914)	(128,214)
Total	2,827,226	2,574,975

The aging is calculated from the date that the other receivables are recognised.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

There were no material other receivables written off in current period (2014: Nil)

(7) As at 30 June 2015, the five largest balances of other receivables are analysed as follows, accumulated by arrearage parties:

Other receivables	Arrearage parties	Amount	Arrearage period	% of total
Marine Subsea & Consafe Ltd	(i) Associates	279,649	over 3 years	9.46%
China Securities Depository and Clearing Corporation Limited, Shenzhen Office	None	163,739	within 1 year	5.54%
Frigstad Deepwater Holding Ltd.	Minority shareholders of subsidiaries	137,053	1-2 year	4.63%
Dongguan Land Exchange Center	None	104,826	within 1 year	3.54%
China Merchants Property Development Co., Ltd	Significant shareholder	70,650	Over 3 years	2.39%
Total		755,917	–	25.56%

The Group's five largest other receivables as at 31 December 2014, amounted to RMB760,433,000, accounting for 28.13% of the total balance.

- (i) Raffles completed its acquisition of Gadidae AB (formerly known as Consafe MSV AB) on 31 January 2011. In the prior years Gadidae AB had been making loans to its associate, Marine Subsea & Consafe ("MSC"), which amounted to USD35,625,000 (RMB217,800,000). Raffles recognised interest income according to loan agreement and recorded expenses paid on behalf of MSC with total amount of USD10,116,000 (RMB61,849,000) from 2007 to 31 January 2011.

(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 2015, no amount due from shareholders holding more than 5% (including 5%) of the voting rights of the Company is included in the above balance of other receivables.

English Translation for Reference Only

5. Other receivables (Continued)

Company name	Relationship with the Group	30 June 2015				31 December 2014			
		Amount in HK\$	Amount in RMB	% of total balance	Nature of debt	Amount	Nature	% of total balance	Provision for doubtful debts
Marine Subsea & Consafe Ltd	Associates	279,649	2,000,000	9.46%	Δ	279,940	Funding	10.36%	–
Frigstad Deepwater Holding Ltd.	Minority shareholders of subsidiaries	137,053	1,000,000	4.63%	Δ	156,474	Funding	5.79%	–
China Merchants Property Development Co.,Ltd	Subsidiary of significant shareholder	70,650	500,000	2.39%	Δ	70,650	Transfer of equity	2.61%	–
Others		188,034	1,400,000	6.36%	Δ	194,459		7.19%	–
Total		675,386	5,000,000	22.84%	Δ	701,523		25.95%	–

(1) Advance to suppliers are analysed by categories as follows:

	30 ٢٠١٥ 2015	31 December 2014
Raw material (including equipments for ship under construction)	3,288,074	5,282,512
Cost of ship under construction	50,290	16,001
Logistics trade	126,404	–
Others	172,450	172,284
Sub-total	3,637,218	5,470,797
Less: provision for bad debts	(247,889)	(247,446)
Total	3,389,329	5,223,351

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Advance to suppliers (Continued)

(2) Aging analysis of advance to suppliers:

	30 June 2015		31 December 2014	
	A	(%)	Amount	(%) of total balance
Within 1 year (inclusive)	1,654,253	45.48%	4,160,801	76.05%
1 to 2 years (inclusive)	1,292,202	35.53%	931,313	17.02%
2 to 3 years (inclusive)	406,015	11.16%	42,220	0.77%
Over 3 years	284,747	7.83%	336,463	6.16%
Sub-total	3,637,217	100.00%	5,470,797	100.00%
Less: provision for doubtful debts	(247,889)	6.82%	(247,446)	4.52%
Total	3,389,328	93.18%	5,223,351	95.48%

The aging is calculated from the date of recognition of advance to suppliers.

Advance to suppliers aged over 1 year included steel purchase prepayment made to a supplier in total of RMB88,931,000 in 2008. The supplier has not delivered the steels within due date for its own reasons. As at 30 June 2015, the Group had made full provision of RMB87,640,000 for the unsettled balances (As at 31 December 2014: RMB87,640,000).

The provision for doubtful debt this period amounted to RMB795,000 (As at 31 December 2014: RMB73,205,000).

Other than the advance mentioned above, the remaining advance to suppliers aged over 1 year mainly represented prepayment for raw materials and equipment of offshore engineering projects. The advance to suppliers are not settled because the construction period of the offshore engineering project usually last more than 1 year.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Advance to suppliers (Continued)

- (3) As at 30 June 2015, the five largest balances of advance are analysed as follows, accumulated by arrearage parties:

	A 人民币千元	% 百分比
Sum of the five largest advance to suppliers	2,766,290	76.06%

- (4) Advance to shareholders holding more than 5% (including 5%) of the voting rights of the Company are analysed as follows:

As at 30 June 2015, no advance to shareholders holding more than 5% (including 5%) of the voting rights of the Company is included in the above balance of advance to suppliers (31 December 2014: Nil).

- (5) Advance to related parties are analysed as follows:

Company name	Relationship with the Group	30 June 2015			31 December 2014		
		A 人民币千元	% 百分比	坏账准备 人民币千元	Amount	% of total balance	Provision for doubtful debts
TSC Offshore Group Limited	Associates	13,053	0.36%	△	72,467	1.32%	-
Wuhu Tairui Investment Ltd	Minority shareholders of subsidiaries	2,800	0.08%	△	2,800	0.05%	-
Tianjin Port International Logistics Development Co., Ltd	Minority shareholders of subsidiaries	△	△	△	124	-	-
SXHDA	Minority shareholders of subsidiaries	200	0.01%	△	354	0.01%	-
Total		16,053	0.45%	△	75,745	1.38%	-

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO



Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015
(All amounts in RMB'000 unless otherwise stated)
English Translation for Reference Only

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

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

- (a) The provision for decline in value of the Group's inventories during the period was recognised mainly for the price drop of certain products and the slow-moving or waste materials.

Written off/reversal of provision for decline in value of the Group's inventories during the period is as follows:

Item	Amount	Amount / Ratio
Raw materials	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Work in progress	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Finished goods	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Consignment stocks	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Ship under construction	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories
Low-valued consumables	The net realisable value is lower than the net book value	Increase in net realisable value/usage or sales of inventories

8. Current portion of non-current assets

	30 June 2015	31 December 2014
Finance leases	2,924,027	2,848,885
Less: unrealised financing income	(386,530)	(378,188)
Sales of goods by instalments	36,382	14,777
Others	334	6,104
Sub-total	2,574,213	2,491,578
Less: provision for impairment	(98,697)	(102,603)
Total	2,475,516	2,388,975

9. Other current assets

	30 June 2015	31 December 2014
Tax deductible/withheld	1,152,208	996,271
Other	35,631	33,564
Total	1,187,839	1,029,835

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Available-for-sale financial assets

	30 June 2015	31 December 2014
Measured at fair value		
Available-for-sale equity instruments	4,320	6,514
Including: market value of listed securities ⁽¹⁾	4,320	6,514
– Hongkong, China	4,320	6,514
Measured at historical cost		
Available-for-sale equity instruments ⁽²⁾	392,286	392,286
– Others	283	290
Less: provision for impairment	(3,065)	(3,065)
	393,824	396,025

(1) During the period, available-for-sale financial assets held by the Group and the Company are equity investments in Otto Energy Limited with a carrying value of USD707,000 (RMB4,230,000).

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

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

	30 June 2015	31 December 2014
Available-for-sale equity instruments		
– Fair value	4,320	6,514
– Historical cost	4,571	4,582
– Accumulated net change in fair value of available-for-sale financial assets recognised in other comprehensive income	(251)	1,932

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

Available-for-sale equity instruments measured at historical cost:

	31 December 2014	Increase in current period	Decline in current period	30 June 2015	Shareholding ratio of investee	Cash dividend in current period
Available-for-sale equity instruments						
– historical cost						
– Bank of Communications Schroder Fund Management Co., Ltd ("BOCM Schroder")	8,125	–	–	8,125	5.00%	–
– Donghua Container Transportation Service Co., Ltd	270	–	–	270	5.00%	–
– China United International Rail Containers Co., Ltd ("CR Intermodal")	380,780	–	–	380,780	10.00%	–
– Guangdong Samsung Enterprise Group Co., Ltd ("Guangdong Samsung")	1,365	–	–	1,365	0.09%	–
– Beihai Yinjian Co., Ltd ("Beihai Yinjian")	1,700	–	–	1,700	1.01%	–
– Crisplant Singapore Pte Ltd ("Crisplant")	46	–	–	46	10.00%	–
– Others	392,286	–	–	392,286		–
– Provision for impairment	(3,065)	–	–	(3,065)		–
Total	389,221	–	–	389,221		–

Available-for-sale equity instruments measured at historical cost mainly consists of equity investment of non-listed companies, which do not have quoted price in active market. The variation of reasonable estimate of fair value is large, and the probabilities used to determine the estimation can not be reasonably confirmed. Thus, the fair value can not be evaluated reliably. The Group so far do not have plan to dispose these investments.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term receivables

	30 June 2015	31 December 2014
Finance Leases	6,950,571	3,649,959
Less: Unrealised financing income	(1,549,715)	(397,920)
Net finance leases	5,400,856	3,252,039
Sales of goods by instalments	384,849	299,917
Others	40,265	45,408
Sub-total	5,825,970	3,597,364
Less: provision for impairment	(262,606)	(147,822)
Total	5,563,364	3,449,542

The total future minimum lease receipts under finance leases after the balance sheet date, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date), are receivables as follows:

	30 June 2015	31 December 2014
Minimum lease receipts		
Within 1 year (inclusive)	2,924,027	2,848,885
1 and 2 years (inclusive)	2,431,863	1,617,698
2 and 3 years (inclusive)	1,237,963	807,561
Over 3 years	3,280,745	1,224,700
Less: unrealised finance income	(1,936,245)	(776,108)
Total	7,938,353	5,722,736

Long-term receivables with a book balance of RMB12,828,000 was derecognised due to transferring of financial assets in current period (31 December 2014: RMB171,944,000).

	30 June 2015	31 December 2014
Derecognition of long-term receivables under finance leases due to outright sale	12,828	1,950

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term equity investments

(1) Classification of long-term equity investments:

		30 June 2015	31 December 2014
Joint ventures	IV.12(2)	438,683	437,691
Associates	IV.12(3)		
– quoted		186,822	186,893
– unquoted		842,864	541,092
		1,468,369	1,165,676
Less: provision for impairment		(2)	(2)
Total		1,468,367	1,165,674

There is no substantial restriction of the realization of long-term equity investments.

TSC Offshore Group Limited is the associate listed on the Stock Exchange of Hong Kong Limited.

The fair value of investment in the listed associate mentioned above:

	30 June 2015	31 December 2014
TSC Offshore Group Limited ("TSC")	175,243	156,836

No substantial restriction exists which prohibits the transfer of funds between the Group and the joint ventures and associates.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term equity investments (Continued)

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

	31 December 2014	Movement in current period						30 June 2015	Provision for impairment
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Other equity movement	Cash dividend declared	Change in foreign exchange rates		
Guangxi Southern CIMC Logistics Equipment Manufacturing Co., Ltd.	31,296	-	3,408	-	-	-	-	34,704	-
Supercool (Shanghai) Refrigeration Equipment Co. Ltd.	3,655	-	(150)	-	-	-	-	3,505	-
Shanghai Shenyi Special Vehicle Parts Co., Ltd.	10,078	-	-	-	-	-	(4)	10,074	-
NYK Zhenhua logistics (Tianjin) Co. Ltd.	70,318	-	2,599	-	-	-	-	72,917	-
Three Eyre Shanghai Zhenhua Logistics Co. Ltd.	62,620	-	583	-	-	-	-	63,203	-
Kawasaki Zhenghua logistics (Tianjin) Co. Ltd.	18,962	-	408	-	-	-	-	19,370	-
Qingdao Brigantine	10,171	-	-	-	-	-	(4)	10,167	-
Dalian Brigantine	4,201	-	-	-	-	-	(2)	4,199	-
Shanghai Brigantine	16,797	-	-	-	-	-	(6)	16,791	-
Tianjin Brigantine	5,786	-	-	-	-	-	(2)	5,784	-
Y&C Engine Co., Ltd	203,807	-	(5,838)	-	-	-	-	197,969	-
Total	437,691	-	1,010	-	-	-	(18)	438,683	-

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term equity investments (Continued)

(3) Long-term equity investments in associates:

	31 December 2014	Movement in current period							30 June 2015	Provision for impairment	
		Increase/ Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Other equity movement	Cash dividend declared	Change in foreign exchange rates	Recognized impairment provision			Others
Xinyang Wood Hong Kong Co., Ltd.	6,774	-	-	-	-	-	(3)	-	-	6,771	-
Ningbo Beilun Donghua Container Service Co., Ltd.	197	-	-	-	-	-	-	-	-	197	-
Xiamen CIMC Haitou Container Service Co., Ltd	20,125	-	1,010	-	-	(4,160)	(21)	-	-	16,954	-
Dalian Jilong Logistics Co., Ltd.	42,251	-	615	-	-	-	(44)	-	-	42,822	-
Senju (Jiangmen) Technology Material Co., Ltd.	33,878	-	176	-	-	-	-	-	-	34,054	-
TRS Transportkoeling B.V. ("TRS")	15,472	-	3,721	-	-	-	(1,558)	-	-	17,635	-
EurotankOy ("Eurotank")	8,279	-	(251)	-	-	-	(802)	-	-	7,226	-
Shanghai Fengyang Real Estate Development Co., Ltd.	111,678	-	148,648	-	-	-	-	-	-	260,326	-
KYH Steel Holding Ltd. ("KYH")	20,148	-	-	-	-	(2,529)	(8)	-	-	17,611	-
Xiamen CIMC Haitou Logistics Co., Ltd.	4,481	-	(191)	-	-	-	-	-	-	4,290	-
TSC	186,893	-	-	-	-	-	(71)	-	-	186,822	-
Marine Subsea & Consafe Limited	2	-	-	-	-	-	-	-	-	2	(2)
Wuhan Automobile magazine Co. Ltd.	493	-	-	-	-	(77)	-	-	-	416	-
Tianzhu (Shanghai) International Freight Agency Co., Ltd.	1,847	-	40	-	-	-	-	-	-	1,887	-
BaZhou LiHua Gas Storage and Transportation Co., Ltd	90,028	-	5,941	-	-	-	-	-	-	95,969	-
Jiangsu Ruicheng Machinery Co., Ltd	23,022	-	553	-	-	-	-	-	-	23,575	-
Jiuquan Enric Kunlun Cryogenic Machinery Co., Ltd.	4,000	-	-	-	-	-	-	-	-	4,000	-

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term equity investments (Continued)

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

	Movement in current period									30 June 2015	Provision for impairment
	31 December 2014	Increase/Decrease in investment	Net profit or loss adjusted by equity method	Adjustment of other comprehensive income	Other equity movement	Cash dividend declared	Change in foreign exchange rates	Recognized impairment provision	Others		
Qingdao Yuanxu Real Estate Co. Ltd	2,896	-	(347)	-	-	-	-	-	-	2,549	-
Optton Inc (Shanghai)	17,071	-	-	-	-	-	-	-	-	17,071	-
Xuzhou CIMC Wood Co., Ltd	16,163	10,000	385	-	-	-	-	-	-	26,548	-
Tianjin Shouong Husbandry Co., Ltd	39,762	-	(810)	-	-	-	-	-	-	38,952	-
Qingdao Port International Trade and Logistics Co., Ltd	19,869	20,000	314	-	-	-	-	-	-	40,183	-
ZPMC-Red Box Energy Services Limited	6,068	-	-	-	-	-	-	-	-	6,068	-
Tianjin Shouong Food Trade Co., Ltd	20,000	-	-	-	-	-	-	-	-	20,000	-
CIMC Arabia Factory Company Limited	4,982	-	-	-	-	-	-	-	-	4,982	-
Shanghai Xiangtong Auto Component Co., Ltd	805	-	-	-	-	-	-	-	-	805	-
North Searigssas Ltd	12,344	-	-	-	-	-	-	-	-	12,344	-
Nirota B.V.	457	-	(457)	-	-	-	-	-	-	0	-
Ningxia Changming Gas Development Co., Ltd	18,000	-	-	-	-	-	-	-	-	18,000	-
Jiahua Marine Transportation Co., Ltd	-	88,396	-	-	-	-	-	-	-	88,396	-
Roadshow China	-	10,000	-	-	-	-	-	-	-	10,000	-
Guangzhou CH Control	-	22,186	-	-	-	-	-	-	-	22,186	-
Xindu Freight Co., Ltd	-	1,058	(13)	-	-	-	-	-	-	1,045	-
Total	727,985	151,640	159,334	-	-	(6,766)	(2,507)	-	-	1,029,686	(2)

The Group's investment ratios in TSC, Wuhan Automobile magazine Co. Ltd., Jiangsu Ruicheng Machinery Co., Ltd, Optton Inc (Shanghai), ZPMC-Red Box Energy Services Limited, Shanghai Xiangtong Auto parts Co.,Ltd and Road Show China are all below 20%. But since the Group has appointed directors to the above mentioned associates, the Group had significant influence over them. Thus, equity investments on these associates were evaluated subsequently by equity method.

As at 30 June 2015, except for Marine Subsea & Consafe, there is no need for the Group to recognize provision for long-term equity investments in joint ventures and associates based on the provision testing result that compared the estimated recoverable amount and book value of long-term equity investments in joint ventures and associates.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Fixed assets

(1) Fixed assets

	Original cost	Accumulated depreciation	Provision for impairment	Carrying amount	Original cost	Accumulated depreciation	Provision for impairment	Carrying amount
Original cost								
31 December 2014	9,329,003	9,012,903	2,044,468	967,475	4,185,224	1,365,819	26,904,892	
Additions due to business combination	22,185	4,034	6,705	6,984	–	–	39,908	
Additions in current period	112,619	325,137	45,083	288,754	7,265	–	778,857	
Transfer from construction in progress	274,418	199,939	20,412	4,522	4,098,880	4,634	4,602,805	
Decrease in current period	(212,588)	(367,340)	(64,739)	(41,820)	(4,087,049)	–	(4,773,536)	
Exchange differences arising from translating foreign currencies	(61,913)	(21,905)	(13,638)	(1,343)	(5,444)	(405)	(104,649)	
30 June 2015	9,463,723	9,152,769	2,038,290	1,224,572	4,198,876	1,370,048	27,448,277	
Accumulated depreciation								
31 December 2014	2,163,350	3,609,680	888,122	408,028	200,888	162,490	7,432,558	
Additions due to business combination	4,755	3,383	4,043	6,194	–	–	18,374	
Depreciation recognised in current period	189,415	282,673	162,099	71,562	88,660	5,038	799,447	
Decrease in current period	(55,880)	(97,656)	(22,829)	(28,358)	–	–	(204,723)	
Exchange differences arising from translating foreign currencies	(4,739)	(17,284)	(4,548)	(758)	(75)	(35)	(27,439)	
30 June 2015	2,296,900	3,780,795	1,026,887	456,668	289,474	167,493	8,018,217	
Provision for impairment								
31 December 2014	311,772	96,851	11,941	633	–	–	421,197	
Additions due to business combination	–	–	–	–	–	–	–	
Impairment recognised in current period	–	–	65	369	–	–	434	
Written off on disposal	–	(811)	(3)	(8)	–	–	(822)	
Exchange differences arising from translating foreign currencies	(10)	(21)	–	(1)	–	–	(32)	
30 June 2015	311,762	96,019	12,003	993	–	–	420,777	
Carrying amount								
30 June 2015	6,855,061	5,275,954	999,400	766,911	3,909,402	1,202,555	19,009,283	
31 December 2014	6,853,881	5,306,372	1,144,405	558,814	3,984,336	1,203,329	19,051,137	

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Fixed assets (Continued)

(1) Fixed assets (Continued)

As at 30 June 2015, restricted fixed assets of the Group amounted to RMB315,263,000 (2014: RMB102,667,000). Refer to Note IV.22 for details.

In the period, depreciation of fixed assets recognized amounted to RMB799,447,000 (from 1 January to 30 June 2014: RMB519,302,000), of which RMB665,154,000 (from 1 January to 30 June 2014: RMB395,780,000), RMB16,178,000 (from 1 January to 30 June 2014: RMB18,257,000) and RMB118,115,000 (from 1 January to 30 June 2014: RMB105,265,000) has been charged in cost of sales, selling and distribution expenses, general and administrative expenses, respectively.

In the period, the original cost of fixed assets transferred from construction in progress is RMB4,602,805,000 (2014: RMB6,994,018,000)

In the period, an amount of RMB434,000 has been impaired for the addition of property, plant and equipment. (2014: RMB60,879,000)

(2) As at 30 June 2015, the Group had no temporarily idle fixed assets.

(3) Fixed assets held through finance leases

	30 June 2015			31 December 2014		
	Cost	Accumulated depreciation	Carrying amount	Book balance	Accumulated depreciation	Carrying amount

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Fixed assets (Continued)

(6) Fixed assets with pending certificates of ownership

	30 June 2015	31 December 2014
Factory	599,448	Put to use, certificate being in the progress
Office building	116,764	Put to use, certificate being in the progress
Workshop	10,839	Incomplete certificate, being in the progress
Dormitory and Canteen	57,016	Put to use, certificate being in the progress
Warehouse	31,922	Lack of reporting materials, under preparation
Others	35,755	Certificate being in the progress
Total	851,744	

15. Construction in progress

(1) Construction in progress

	30 June 2015			31 December 2014		
	Cost	Accumulated depreciation	Net book value	Book balance	Provision for impairment	Carrying amount
Dalian Heavy Logistics Production Line equipment	13,225	—	13,225	10,391	—	10,391
XHCIMCS Production Line and Power Facilities Reconstruction Project	27,693	—	27,693	37,344	—	37,344
Raffles Jack-up Drilling Platform	1,400,771	—	1,400,771	1,396,440	—	1,396,440
MEA 1st stage R&D Project	362,897	—	362,897	352,187	—	352,187
TAS New Plant Project	43,614	—	43,614			

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Construction in progress (Continued)

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

	Budgeted amount	31 December 2014	Additions due to business combinations	Current period additions	Transfer to fixed assets	30 June 2015	Proportion of expenditures incurred to budgeted amount (%)	Progress of construction	Cumulative capitalised interest	Including current period capitalised interest (%)	Interest capitalised rate (%)	Source of funds	Exchange differences arising from translating foreign currencies
Dalian Heavy Logistics Production Line equipment	143,392	10,391	-	6,496	(3,662)	13,225	63%	55%	-	-	-	Self-funding	-
XH-CMCS Production Line and Power Facilities Reconstruction Project	92,901	37,344	-	29,496	(39,147)	27,693	88%	80%	-	-	-	Self-funding	-
Raffles Jack-up Drilling Platform	1,256,168	1,396,440	-	1,657	-	1,400,771	111%	100%	366,603	-	-	Self-funding and bank loan	2,674
MEA 1st stage R&D Project	398,000	352,187	-	10,710	-	362,897	91%	100%	21,416	-	-	Self-funding and bank loan	-
TIAS New Plant Project	320,000	153,407	-	49,283	(159,076)	43,614	81%	81%	10,710	1,681	5.50%	Self-funding and bank loan	-
DLL special production line	35,728	722	-	3,958	(4,680)	-	70%	100%	-	-	-	-	-
Dalian Railway steel equipment warehouse	12,870	815	-	(35)	-	780	101%	100%	-	-	-	Self-funding	-
Dongguan CIMC vehicle logistics equipment project	378,230	64,760	-	28,588	-	93,348	25%	25%	-	-	-	Self-funding	-
Development project of Shenyang Industry Garden	624,975	168,096	-	25,418	-	193,514	75%	18%	6,618	3,590	54%	Self-funding and bank loan	-
Production equipment of C&C Trucks	73,627	45,255	-	1,593	-	46,848	91%	89%	-	-	-	Self-funding	-
Second phase of Hebei construction	92,980	70,461	-	22,093	-	92,554	90%	90%	-	-	-	Self-funding	-
Vessels under construction of leasing company	-	7,492,172	-	7,128,960	(4,098,570)	10,517,768	58%	22%-98%	432,262	87,551	4.36%	Bank loans and convertible bonds	(4,794)
Others	-	668,890	-	70,684	(297,670)	439,546	-	-	47,478	10,022	-	-	(2,358)
Total	-	10,460,940	-	7,378,901	(4,602,805)	13,232,558	-	-	885,088	102,844	-	-	(4,478)

As at 30 June 2015, an amount of RMB563,000 has been recognized as the provision for impairment of construction in progress (2014: RMB563,000).

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Intangible assets

(1) Intangible assets

Intangible assets								
Original cost								
31 December 2014	3,783,565	1,679,453	220,545	200,057	238,445	80,427	53,300	6,255,792
Additions due to business combination	–	–	–	152,837	–	–	–	152,837
Current period additions	90,233	11,166	–	432	–	–	–	101,831
Current period decrease	(5,357)	(2,956)	–	–	(7,519)	–	–	(15,832)
Exchange differences arising from translating foreign currencies	(852)	(9,696)	(7)	(2,027)	–	(80)	–	(12,662)
30 June 2015	3,867,589	1,677,967	220,538	351,299	230,926	80,347	53,300	6,481,966
Accumulated amortisation								
31 December 2014	574,034	835,548	105,826	113,257	102,738	18,838	–	1,146,412

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Intangible assets (Continued)

(6) Development expenditure is as follows:

	31 December 2014	Additions due to business combination	Current period addition	Recognised as intangible assets	30 June 2015
Project on vehicle technology	41,450	–	25,567	–	67,017
Others	255	–	22,977	–	23,232
	41,705	–	48,544	–	90,249

In the period, the Group's development expenditure amounted to RMB325,255,000: RMB235,006,000 of which included in the current profits and losses, and there is no amount recognised as intangible assets in current period. The remaining amount of RMB90,249,000 is included in the book balance of development expenditure at the period end. In this period, development expenditure accounted for 14.92% of the total R&D expense.

As at 30 June 2015, intangible assets transferred from development expenditure within the group accounted for 2.85% (2014: 5.42%) of the total book balance of intangible assets.

17. Goodwill

	Note	31 December 2014	Current period additions	Current period decrease	Exchange differences arising from translating foreign currencies	30 June 2015
Enric	(1)	546,335	2,087	–	–	548,422
TGE SA	(2)	165,777	–	–	(6,019)	159,758
Technodyne International		27,430	–	–	–	27,430
Gadidae AB		12,254	–	–	–	12,254
YPDI		86,558	–	–	–	86,558
Bassoe		132,245	–	–	–	132,245
Zhenhua Group		26,386	–	–	–	26,386
Pteris Global Limited		108,196	–	–	(10,474)	97,722
C&C Trucks		132,145	–	–	–	132,145
HK Brigantine		49,788	–	–	–	49,788
Brigantine International Holding Limited		8,280	–	–	–	8,280
Snio Worlink	(3)	–	16,882	–	–	16,882
Others		392,250	–	–	10,317	402,567
Sub-total		1,687,644	18,969	–	(6,175)	1,700,438
Less: provision for impairment						
Gadidae AB		12,287	–	–	(13)	12,274
Others		11,610	–	–	(20)	11,590
Subtotal		23,897	–	–	(33)	23,864
Total		1,663,747	18,969	–	(6,142)	1,676,574

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Goodwill (Continued)

- (1) The recoverable amount of Enric is determined based on the present value of expected future cash flows. The present value of expected future cash flows was calculated based on the most recent ten-year financial budgets approved by management of the Group and a discounting rate of 13%. The cash flows beyond the ten-year budget period were assumed to be stable. There was no impairment considered necessary for the goodwill based on the calculations. As key assumptions on which management has made the future cash projections are subject to change, management believes that any adverse change in the key assumptions would cause the carrying amount exceeding its recoverable amount.

The calculation of present value of expected future cash flows of Enric was based on key assumptions of 15%-20% of gross profit ratio and 3%-10% of operating sales growth, which was determined by management on the basis of past performance before the budget period.

- (2) The recoverable amount of TGE SA is determined based on the present value of expected future cash flows. The present value of expected future cash flows was calculated based on the most recent ten-year financial budgets approved by management of the Group and a discounting rate of 12%. The cash flows beyond the ten-year budget period were assumed to keep stable. There was no impairment considered necessary for the goodwill based on the calculations. As key assumptions on which management has made the future cash projections are subject to change, management believes that any adverse change in the key assumptions would cause the carrying amount exceeding its recoverable amount.

The calculation of present value of expected future cash flows of TGE SA was based on key assumptions of 15% of gross profit ratio and 3%-8% of operating sales growth, which was determined by management on the basis of past performance before the budget period.

- (3) For details of goodwill arose from acquisition of Sino-Worlink International Logistics Co., Ltd. (SWL) refer to V.(1).
- (4) Impairment test for asset group including goodwill

The goodwill allocated to the asset groups and groups of asset groups are summarised by operating segments as follows:

	30 June 2015	31 December 2014
Container asset group	107,992	107,992
Road transportation vehicles asset group	71,004	71,004
Energy, chemical and food equipment asset group	882,787	886,719
Offshore engineering asset group	234,601	234,601
Logistics services asset group	105,360	88,478
Heavy truck asset group	132,145	132,145
Airport equipment asset group	97,722	108,196
Asset groups with insignificant allocation percentage of goodwill group	44,962	34,612
Total	1,676,574	1,663,747

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Long-term prepaid expenses

	31 December 2014	Current period addition	Current period amortisation	Exchange differences arising from translating foreign currencies	30 June 2015
Yard facility expenses	10,590	2,171	(3,497)	–	9,264
Rental	351	157	(53)	–	455
Project insurance and commission	62,949	–	(26,662)	–	36,287
Improvements to fixed assets held under operating leases	5,597	6,499	(904)	–	11,192
Water and electricity capacity enlargement expenses	563	–	(65)	–	498
Operating lease interest expenses	7,353	–	(353)	–	7,000
Tooling transformation	39,626	14,800	(6,754)	–	47,672
Others	67,134	9,960	(11,084)	(51)	65,959
Sub-total	194,163	33,587	(49,372)	(51)	178,327
Less: provision for impairment	–	–	–	–	–
Total	194,163	33,587	(49,372)	(51)	178,327

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. 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 2015		31 December 2014	
	Amount / (Amount)	Amount / (Amount)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Provision for asset impairment	974,639	165,096	753,684	185,499
Accrued liability	604,375	119,296	581,559	124,290
Employee benefits payable	1,824,565	407,982	1,552,604	378,625
Accrued expenses	251,167	51,372	286,648	55,886
Deductible losses	2,082,891	341,858	1,494,798	317,690
Movement for fair value of financial assets at fair value through profit or loss/hedging instruments	35,557	5,739	148,669	36,870
Others	657,879	151,311	129,694	31,244
Sub-total	6,431,073	1,242,654	4,947,656	1,130,104
Offsetting amount	(243,239)	(48,756)	(53,739)	(12,360)
Deferred tax assets	6,187,834	1,193,898	4,893,917	1,117,744
Including:				
Amount estimated to reverse within 1 year (inclusive)		383,685		488,706
Amount estimated to reverse over 1 year		810,213		629,038
		1,193,898		1,117,744
Deferred tax liabilities:				
Movement for fair value of financial assets at fair value through profit or loss/hedging instruments	(91,573)	(14,908)	(23,615)	(5,356)
Available-for-sale financial assets	∠	∠	(1,932)	(483)
Movement for fair value of hedging instrument	(6,048)	(907)	(1,219)	(183)
Revaluation gain through combination	(881,703)	(145,444)	(765,563)	(151,766)
Estimated dividend income earned for non-resident foreign enterprises	(513,458)	(18,330)	(513,458)	(18,330)
Others	(1,356,030)	(311,886)	(894,824)	(205,841)
Sub-total	(2,848,812)	(491,475)	(2,200,611)	(381,959)
Offsetting amount	243,239	48,756	53,739	12,360
Deferred tax liabilities	(2,605,573)	(442,719)	(2,146,872)	(369,599)
Including:				
Amount estimated to reverse within 1 year (inclusive)		(4,719)		(6,054)
Amount estimated to reverse over 1 year		(438,000)		(363,545)
		(442,719)		(369,599)

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(2) Unrecognised deferred tax assets

	30 ٢٠١٥ 2015	31 December 2014
Deductible losses	865,918	1,034,158
Impairment losses of timber Concession rights	22,119	22,119
Others	66,658	66,658
Total	954,695	1,122,935

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

	30 ٢٠١٥ 2015	31 December 2014
2015	338,635	368,547
2016	1,841,183	1,871,095
2017	1,171,781	1,201,693
2018	1,059,605	1,089,517
After 2018	664,746	694,658
Total	5,075,952	5,225,510

Note 1: By the end of 31 December 2014 and 30 June 2015, unrecognised deferred tax assets aged over 5 years (inclusive) arising from deductible tax losses resulted from foreign subsidiaries' operating losses. Deductible tax losses generated from Hong Kong, the United States of America, the United Kingdom of Great Britain and Australia can be offset with future profit indefinitely; deductible tax losses generated from the Netherlands can be offset in the subsequent nine years.

The Group had no unrecognised deferred tax liabilities other than the above.

20. Other non-current assets

	30 ٢٠١٥ 2015	31 December 2014
Prepayment for construction	61,190	21,021
Prepayment for equipment	1,514	6,419
Prepayment for land use right	∠	14,403
Prepayment for equity investment	72,000	—
Prepayment for trades	∠	61,190
Entrusted loans	271,663	229,295
Others	877	9,612
Total	407,244	341,940

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Provision for asset impairment

	31 December 2014	Additions due to business combination	Current period addition	Current period		Exchange differences arising from translating foreign currencies	30 June 2015
				reversal	write-off		
Provision for doubtful debts							
Including: provision for doubtful debts of accounts receivables	352,774	–	25,640	(7,627)	(13,566)	(970)	(13,566)

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Short-term borrowings

(1) Classification of short-term borrowings:

	Note	30 June 2015	31 December 2014
短期借款	(a)		
RMB		110,000	70,000
USD		—	85,004
EUR		—	15,995
Sub-total		110,000	170,999
应付票据	(b)		
RMB		177,453	5,044
短期借款			
RMB		792,295	561,234
USD		14,918,994	9,443,805
HKD		—	35,499
EUR		400,625	423,292
GBP		100,760	72,838
AUD		36,477	37,679
Sub-total		16,249,151	10,574,347
应付账款			
USD		122,272	—
RMB		—	489,137
Sub-total		122,272	489,137
Total		16,658,876	11,239,527

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Short-term borrowings (Continued)

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

- (a) As at 30 June 2015, guaranteed borrowings of the Group consisted of bank loans of C&C Trucks amounting to RMB110,000,000 guaranteed by the Group.
- (b)

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

English Translation for Reference Only

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Employee benefits payable (Continued)

(3) Dismission welfare

	30 June 2015	31 December 2014
Others(i)	1,136	1,289

- (i) As at 30 June 2015, the Group provide other compensation amounting to RMB1,136,000 to compensate for the termination of employment relationship.

Please refer to Note IX for cash-settled shared-based payments.

Salaries, bonus and allowances payables represent salaries accrued for current month and bonus accrued for subsidiaries in accordance with the result of annual performance and the performance assessment plan of the Group. According to the requirement of the performance assessment plan, annual accrued bonus would be paid over three years based on the percentage determined by the management; therefore, there was a balance of such accrued bonus at the end of the period.

Profit-sharing and senior management bonus is determined on the assessment of certain key performance index. The above bonus is proposed by Chief Executive Officer of the Group and the payment is subject to review and approval by board chairman and vice board chairman of the Group. The balance of Profit-sharing and senior management bonus payable was unpaid balance accrued in prior years.

29. Taxes payable

	30 June 2015	31 December 2014
Value-added-tax payable	65,152	98,256
Business tax payable	9,546	29,433
Enterprise income tax payable	291,043	433,971
Withholding individual income tax	52,858	25,031
City maintenance and construction tax payable	20,356	36,334
Educational surcharge payable	14,976	25,366
Land appreciation tax	58,904	83,581
Others	29,978	67,803
Total	542,813	799,775

30. Interest payable

	30 June 2015	31 December 2014
Interest of long-term borrowings with periodic payments of interest and return of principal at maturity	24,391	—
Interest of short-term borrowings	21,149	4,379
Interest of corporate bonds	22,663	180,669
Others	52	732
Total	68,255	185,780

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Dividends payable

	30 ٢٠١٥ 2015	31 December 2014
Due to minority shareholders of subsidiaries	46,239	47,973
Common stock dividends payable	832,662	–
Total	878,901	47,973

32. Other payables

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

	Note	30 ٢٠١٥ 2015	31 December 2014
Advance received		2,284,066	2,119,171
Transportation expenses		461,878	355,457
Accruals		838,132	987,885
Advance received for shipbuilding	(3)	411,445	411,873
Current account with subsidiary's minority		132,927	53,511
Quality guarantees		519,021	420,093
Equipment or land use rights		462,528	453,927
Professional and training fees		21,569	29,014
Housing maintenance fees		19,094	12,941
Royalties		–	17,561
Insurances		34,067	29,677
Others		667,284	395,842
Total		5,852,011	5,286,952

(2) Significant other payables aged over one year mostly consist of unsettled quality guarantee, vehicle mortgage guarantee and various deposits.

(3) Raffles and Gadidae AB entered into a ship-building contract, which was terminated afterwards, for the construction and sale of a submersible drilling rig from Raffles to Gadidae AB in 2007. Subsequently Gadidae AB and MSC entered into a contract which Gadidae AB would sell this vessel to MSC. Gadidae AB received USD67,300,000, equivalent to RMB411,445,000, progress billing from MSC in 2007. As of 31 January 2011, Gadidae AB has become the subsidiary of the Group.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Other payables (Continued)

- (4) As in the end of the period no amount due to shareholders who hold 5% or more of the voting rights of the Company is included in the balance of other payables. Other payables to related parties:

Company Name	Relationship with the Group	30 June 2015	31 December 2014
Marine Subsea & Consafe Limited	Associate	411,445	411,873
Eighty Eight Dragons Limited	Minority shareholder of subsidiary	165,067	168,695
Shunde Furi Real Estate Investment Co., Ltd	Minority shareholder of subsidiary	56,237	177,025
Quercus Limited	Minority shareholder of subsidiary	48,615	49,978
Gasfin Investment S.A	Minority shareholder of subsidiary	37,461	44,447
Shanghai Fengyang	Associate	26,390	26,390
Inland Services B.V. (Netherlands)	Minority shareholder of subsidiary	4,528	3,484
Others		915	357
Total		750,658	882,249

33. Provisions

	Note	31 December 2014	Current period addition	Current period payment	Current period reversal	Exchange differences arising from translating foreign currencies	30 June 2015
Product warranties	(1)	643,473	121,807	(20,570)	(80,117)	(6,563)	658,030
Guarantees for third parties		3,003	–	–	(528)	–	2,475
Others	(2)	114,576	6,652	(12,323)	(8,604)	(2,063)	98,238
Total		761,052	128,459	(32,893)	(89,249)	(8,626)	758,743

- (1) The Group provides after-sales repair warranty to the customers, ranging from two to seven years for containers, one year for trailers, one to seven years for tank equipments, one to two years for airport ground facilities and one year for offshore business after delivery of vessels. The Group will provide repair and maintenance services in accordance with sales contracts during the warranty period in the event of any non-accidental breakdown or quality problems. The balance of "Provisions – Warranties for product quality" represents the Group's estimated obligation for such warranties of products sold out during the year and in the previous fiscal years.
- (2) One of the subsidiary HI provide guarantees in respect of banking facilities granted to customers who drew down loans under banking facilities to settle outstanding payables arising from purchase of trailers from the Group. HI would provide provision for the possible loss considering the credit quality.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Current portion of non-current liabilities

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

	Note	30 June 2015	31 December 2014
Current portion of long-term borrowings			
– Unsecured		929,597	1,835,538
– Guaranteed	(a)	31,250	15,000
– Pledged	(b)	100,340	200,340
Sub-total		1,061,187	2,050,878
Current portion of long-term payables	(c)	139,552	109
Current portion of bonds payables	IV.37	3,997,452	2,000,000
Current portion of other non-current liabilities		1,613	1,867
Total		5,199,804	4,052,854

There were no overdue borrowings with extended maturity included in current portion of long-term borrowings.

(a) As at 30 June 2015, the Group's current portion of guaranteed borrowings were comprised of the following: bank borrowing of C&C Trucks amounted to RMB31,250,000 guaranteed by HI, Wuhu Tairui Investment Co., Ltd and bank guarantee from commercial bank.

(b) As at 30 June 2015, the Group's current portion of pledged borrowings were borrowed by CIMC USA Leasing amounted to RMB100,340,000, which was pledged by the subject matters of financing lease contracts.

(c) Current portion of long-term payables

As at 30 June 2015, current portion of long-term payables included net financial leasing payable of RMB139,552,000, which calculated by a total amount of RMB139,568,000 minus unrecognised financing expenses of RMB16,000.

As at 30 June 2015, current portion of long-term payables included payables amounted to RMB109,000 to compensate employee occupation disease.

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

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Other current liabilities

	30 June 2015	31 December 2014
Commercial paper issued by the Group	3,670,297	2,452,511

As at 20 December 2012, CIMC HK, the subsidiary of the Group, signed a trilateral cooperation framework agreement with Bank of China and Bank Merrill Lynch on issuing USD600 million commercial paper in the United States. The total financing of the three-year project reached USD600 million.

36. Long-term borrowings

(1) Classification of long-term borrowings

	Note	30 June 2015	31 December 2014
Bank borrowings			
– Unsecured		10,911,451	10,251,466
– Pledged	(a)	1,089,867	543,708
– Guaranteed	(b)	140,791	315,122
– Impawn		–	–
Total		12,142,109	11,110,296

- (a) As at 30 June 2015, the Group's long-term pledged borrowings were borrowed by CIMC USA Leasing amounted to USD171,395,000 (equivalent to RMB1,047,840,000) and CAD 8,537,000 (equivalent to RMB42,027,000), which was pledged by the subject matters of financing lease contracts.
- (b) As at 30 June 2015, the Group's long-term guaranteed borrowings were comprised of the following: bank borrowing of C&C Trucks amounted to RMB138,000,000 guaranteed by HI, Wuhu Tairui Investment Co., Ltd and bank guarantee from commercial bank; bank borrowing of Hongxin Berg amounted to RMB2,791,000 guaranteed by Xiamen Hongxin Entrepreneur Incubator Investment Co. Ltd..
- (c) 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.
- (d) As at 30 June 2015, the interest rate of long-term borrowing ranges from 2.47% to 6.00% (31 December 2014: 2.53% to 6.40%).

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Debentures payable

	31 December 2014	Interest accrued at par value	Amortisation for premium/ discount	Current period decrease	Exchange differences arising from translating foreign currencies	30 June 2015
Medium-term notes	3,996,080	104,600	(103,228)	(3,997,452)	–	–
Convertible bonds	459,000	–	–	–	(480)	458,520
Total	4,455,080	104,600	(103,228)	(3,997,452)	(480)	458,520

(1) Related information is as follows:

Instrument	Par value	Issue date	Term	Balance
Medium-term notes – 11CIMC MTN1	4,000,000	23 May 2011	5 years	4,000,000
Convertible bonds	471,402	10 December 2012	3 years	471,402
Total	4,471,402			4,471,402

The company issued medium-term notes (MTN) on 20 May 2011 with a ceiling of RMB6 billion to institutional investors in the national inter-bank bond market. The first phase of MTN with a total amount of RMB4 billion, a term of five years from 23 May 2011 to 22 May 2016, par value of RMB100 per note and fixed interest rate of 5.23% per annum was successfully issued publicly. Interest is to be paid on 23rd May each year in the arrears until redemption and par value is to be paid on 23 May 2016. The notes are unsecured and targets institutional investors in the national inter-bank market.

China Merchants Bank Co., Ltd. is the lead underwriter. Book building and centralised placing were adopted for this issue. The MTN recorded as debenture was subsequently measured at amortized cost using the effective interest.

NSR, a subsidiary of the financial leasing, issued three-year convertible bonds ("CB") to third party investor on 10 December, 2012. The par value and the amount was USD75,000,000 with fixed interest rate of 5%. If NSR's offshore drilling platform project have completed and found the eligible leasee, the CB would directly converted to the Category B shares of NSR. In addition, during the life of the CB, the bond holder has the rights to convert the CB to Category B shares of NSR. At the CB maturity date, if the holder have chosen not convert, the NSR should buy-back all the CB and ensure the redemption price could enable the holder obtain 15% internal rate of return.

According to the agreement, when the CB have converted to Category B shares of NSR, NSR should buy-back 25%, 25% and 50% of the Category B shares at the end of 3, 4, and 5 years after the issuance of CB, respectively. The redemption price would depend on the offshore drilling platform's lease or sales price, but should make sure the original CB holder obtain not less than 15% internal rate of return. The group has made provisions of financing cost of the convertible bonds on the basis of 15% in other payables in 2014.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Long-term payables

	30 六月 2015	31 December 2014
Financial Leasing payables	567,591	539,950
Payable to minority shareholders	120,789	120,789
Others	2,337	11,823
Total	690,717	672,562

(1) Details of financial leasing payables

As at 30 June 2015, the total future minimum lease payments under finance leases, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date), were as follows:

Minimum lease payments	30 六月 2015	31 December 2014
Within 1 year (inclusive)	139,568	–
Over 1 year but within 2 years (inclusive)	155,093	201,474
Over 2 years but within 3 years (inclusive)	183,247	187,322
Over 3 years	282,124	162,250
Sub-total	760,032	551,046
Less: unrecognised finance expenses	(52,889)	(11,096)
Carrying amounts	707,143	539,950

Please refer to Note IV.34 for net financial leasing payable due within one year minus unrecognised financing expenses.

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

(2) As at 30 June 2015, there is no amount due to the shareholders who hold 5% or more of the voting rights of the Company. Amount due to related parties is as follows:

Company name	Relationship with the Group	30 六月 2015	31 December 2014
Shunde Furi Real Estate Investment Co., Ltd	Minority shareholder of subsidiary	120,789	120,789

39. Payables for specific projects

	31 December 2014	Current period addition	Current period decrease	30 六月 2015
Project funds	4,335	895	(1,935)	3,295
Others	610	–	–	610
Total	4,945	895	(1,935)	3,905

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Deferred income

	Note	31 December 2014	Current period addition	Current period decrease	30 June 2015	Reason
Government grants	(1)	456,923	16,530	(12,778)	460,675	Government Grants received, to be recognised in future periods
Others		10,700	–	(2,219)	8,481	Outright sale of operating leasing receivables, to be recognised in future periods
Total		467,623	16,530	(14,997)	469,156	

(1) Government grants

	30 June 2015	31 December 2014
TAS industrial base project	28,813	30,513
Enric relocation compensation	186,905	180,880
Enric new factory government grants	86,514	87,334
TCCIMC land compensation	22,108	22,391
MEA special funds to support industrial innovation	6,899	7,359
Shandong R&D fund	4,495	4,495
Zhenhua Group Drop and Pull Transport program	5,985	5,564
Transformation project of high-tech in Jiangsu Province of Yangzhou Runyang	2,052	3,435
Government subsidies of XHCIMCS	19,162	17,362
Government subsidies of Xinhui Modular	10,764	10,764
TAS technology development fund	3,050	5,000
TAS information technology development special fund	5,013	5,250
Environmentally friendly mega deepwater floating production storage unit (FPSO) and application of the South China Sea	5,000	5,000
Special equipment controller and system industrialization based on various communication interfaces of CCHQ	4,500	5,000
Transfer of ownership of United Building from Wuhu Sanshan District to C&C Trucks	30,000	30,000
Others	18,621	12,681
Enric major technology application fund	3,001	3,001
Government subsidies for projects of Chongqing CIMC	8,322	8,423
Subsidies for MEA projects	6,301	6,301
Others	3,170	6,170
Total	460,675	456,923

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Deferred income (Continued)

(1) Government grants (Continued)

Project name	31 December 2014	Current period additions	Amortised to non-operating income	Other changes	30 June 2015	Related to assets/income
Enric relocation compensation	180,880	10,205	(4,180)	–	186,905	Related to assets
Enric new factory government grants	87,334	915	(1,735)	–	86,514	Related to assets
TAS industrial base project	30,513	–	(1,700)	–	28,813	Related to assets
Enric major technology application fund	3,001	–	–	–	3,001	Related to income
TCCIMC land compensation	22,391	–	(283)	–	22,108	Related to assets
Zhenhua Group Drop and Pull Transport program	5,564	421	–	–	5,985	Related to assets
CQLE Land grant fee refund	8,423	–	(101)	–	8,322	Related to income
MEA special funds to support industrial innovation	7,359	–	(460)	–	6,899	Related to assets
MEA – other	6,301	–	–	–	6,301	Related to income
QDCSR Polyurethane foam industry HCFC-141B fund	–	–	–	–	–	Related to assets
Shandong R&D fund	4,495	–	–	–	4,495	Related to assets
Transformation project of high-tech in Jiangsu Province of Yangzhou Runyang	3,435	–	(1,383)	–	2,052	Related to assets
Government subsidies of XHCIMCS	17,362	1,800	–	–	19,162	Related to assets
Government subsidies of Xinhui Modular	10,764	–	–	–	10,764	Related to assets
TAS technology development fund	5,000	–	(1,950)	–	3,050	Related to assets
TAS information technology development special fund	5,250	–	(237)	–	5,013	Related to assets
Environmentally friendly mega deepwater floating production storage unit (FPSO) and application of the South China Sea	5,000	–	–	–	5,000	Related to assets
Special equipment controller and system industrialization based on various communication interfaces of CCHQ	5,000	–	(500)	–	4,500	Related to assets
Transfer of ownership of United Building from Wuhu Sanshan District to C&C Trucks	30,000	–	–	–	30,000	Related to assets
Others	18,851	3,189	(249)	–	21,791	Related to assets/income

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Share capital

	31 December 2014 '000	Current period addition '000	Current period decrease '000	Change of shares subject to selling restriction '000	30 June 2015 '000
– Held by domestic natural person	634	–	–	–	634
– RMB-denominated ordinary shares	1,241,514	14,456	–	–	1,255,970
– Foreign shares listed overseas	1,430,481	–	–	–	1,430,481
Total	2,672,629	14,456	–	–	2,687,085

	31 December 2013 '000	Current year addition '000	Current year decrease '000	Change of shares subject to selling restriction '000	31 December 2014 '000
– Held by domestic natural person	701	263	(330)	–	634
– RMB-denominated ordinary shares	1,231,214	9,970	–	330	1,241,514
– Foreign shares listed overseas	1,430,481	–	–	–	1,430,481
Total	2,662,396	10,233	(330)	330	2,672,629

The par value of the aforesaid shares was RMB1.00.

On 19 December 2012, the Company's B shares changed listing location and went publication on the main market of the Stock Exchange of Hong Kong through the way of introduction. Henceforth, all the company's B shares converted to overseas listed foreign shares (H shares).

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other Equity Instrument

	31 December 2014	Current period increase	Current period decrease	30 June 2015
Other equity instruments	–	1,981,143	–	1,981,143
Total	–	1,981,143	–	1,981,143

The company considered and approved the Resolution on the Registration and Issue of RMB Perpetual Medium Term Note at the first extraordinary general meeting of 2015 of the Company and approved the issue of RMB perpetual medium term note with a size of not more than RMB4 billion (including RMB4 billion) ("Medium Term Note").

On 16 June 2015, the issue of first tranche of medium term note of the Company for 2015 ("Tranche I Medium Term Note") was completed. The Tranche I Medium Term Note was issued at par with a size of RMB2 billion.

43. Capital surplus

	31 December 2014 (Restated)	Current period addition	Current period decrease	30 June 2015
Share premiums	305,734	246,695	–	552,429
Other capital surplus:				
– Exchange reserve on foreign currency capital	692	–	–	692
– Donated non-cash assets reserve	257	–	–	257
– Equity settled share-based payment	485,795	31,665	(97,413)	420,047
– Capital surplus due to share option exercised by subsidiary	16,151	–	(3,837)	12,314
– Capital surplus due to minority shareholders' contribution	101,376	–	–	101,376
– Decrease in minority interests resulted from disposal of subsidiary (no loss the controlling rights on the subsidiary)	457,189	–	–	457,189
– Capital surplus due to corporate restructuring	(42,696)	–	–	(42,696)
– Capital surplus due to acquiring minority shareholders' equity	(224,426)	–	–	(224,426)
– Capital surplus due to minority shareholders' contributor	(58,964)	–	–	(58,964)
– Effect of functional currency change	(406,795)	–	–	(406,795)
– Capital surplus due to acquisition or establishment of subsidiary	(51,925)	–	–	(51,925)
Others	104,118	–	–	104,118
Total	686,506	278,360	(101,250)	863,616

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Capital surplus (Continued)

	31 December 2013 (Restated)	Current year addition	Current year decrease	31 December 2014
Share premiums	201,222	104,512	–	305,734
Other capital surplus:				
– Exchange reserve on foreign currency capital	692	–	–	692
– Donated non-cash assets reserve	257	–	–	257
– Equity settled share-based payment	400,583	85,212	–	485,795
– Capital surplus due to share option exercised by subsidiary	5,179	10,972	–	16,151
– Capital surplus due to minority shareholders' contribution	101,376	–	–	101,376
– Decrease in minority interests resulted from disposal of subsidiary (no loss the controlling rights on the subsidiary)	457,189	–	–	457,189
– Capital surplus due to corporate restructuring	(42,696)	–	–	(42,696)
– Capital surplus due to acquiring minority shareholders' equity	(110,333)	–	(114,093)	(224,426)
– Capital surplus due to minority shareholders' contributor	(58,964)	–	–	(58,964)
– Effect of functional currency change	(406,795)	–	–	(406,795)
– Capital surplus due to acquisition or establishment of subsidiary	–	–	(51,925)	(51,925)
Others	104,118	–	–	104,118
Total	651,828	200,696	(166,018)	686,506

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Other Comprehensive Income

	31 December 2014	Pre-tax amount incurred in current period	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority	30 June 2015
Item that may be reclassified subsequently to profit or loss:						
– Property revaluation reserve	43,754	–	–	–	–	43,754
– Change in fair value of available-for-sale financial assets	1,932	(2,183)	–	(2,183)	–	(251)
– Cash flow hedges	(5,212)	5,256	–	5,256	–	44
– Exchange difference arising from translating foreign currencies	(887,661)	(66,896)	–	(54,589)	(12,307)	(942,250)
Total	(847,187)	(63,823)	–	(51,516)	(12,307)	(898,703)

	31 December 2013	Pre-tax amount incurred in current period	Less: Income tax	Post-tax amount attributable to the Company	Post-tax amount attributable to the minority	30 June 2014
Item that may be reclassified subsequently to profit or loss:						
– Property revaluation reserve	43,754	–	–	–	–	43,754
– Change in fair value of available-for-sale financial assets	2,790	(80)	–	(80)	–	2,710
– Cash flow hedges	9,328	(11,998)	–	(11,998)	–	(2,670)
– Exchange difference arising from translating foreign currencies	(716,660)	(76,797)	–	(79,129)	2,332	(795,789)
Total	(660,788)	(88,875)	–	(91,207)	2,332	(751,995)

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Undistributed profits (Continued)

(1) Dividends of ordinary shares declared during the period

	30 June 2015	31 December 2014
Dividends proposed but not declared	–	–
Total proposed dividends in the year	833,030	720,037

In accordance with the resolution at the shareholders' general meeting of the Company, dated on 8 June 2015, the Company paid a cash dividend in the amount of RMB0.31 per share to the ordinary shareholders on 22 July 2015 (2014: RMB0.27 per share), amounting to RMB833,030,000 calculated by issued shares (2014: RMB720,037,000).

(2) Undistributed profits at the end of the period

As at 30 June 2015, included in the undistributed profits, RMB1,006,107,000 represents subsidiaries' surplus reserve attributable to the Company (31 December 2014: RMB1,001,846,000), including RMB4,261,000 which represented subsidiaries' surplus reserve appropriated in current period (2014: RMB106,378,000).

47. Revenue and cost of sales

(1)

English Translation for Reference Only

[illegible]

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Revenue and cost of sales (Continued)

(4) Revenue and cost of sales from other operations

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. General and administrative expenses

	1 January to 30 June 2015	For the Period from 1 January to 30 June 2014
Low-value consumables and materials consumed	34,181	52,129
Rental	66,414	46,968
Depreciation	118,115	81,318
Employ Benefit	839,563	758,211
Taxes and surcharges	108,229	89,003
Agency fee	70,817	107,209
Technology development costs	235,006	222,954
Amortisation	110,191	83,490
Performance bonus and president bonus	219,021	183,089
Share-based payment expense	31,665	35,288
Office expenditure, entertainment fee and others	386,155	456,323
Total	2,219,357	2,080,694

51. Financial expenses-net

	1 January to 30 June 2015	For the Period from 1 January to 30 June 2014
Interest expenses	618,689	497,504
Including: Bank borrowings	421,228	338,385
Finance leasing	1,492	1,308
Debentures payable	175,746	150,791
Other liabilities	20,223	7,020
Less: borrowing costs capitalised	(265,893)	(189,478)
Interest income	(195,556)	(66,121)
Exchange (gains)/losses	3,107	(27,935)
Others	56,784	46,835
Total	217,131	260,805

Interest expenses are analysed by the repayment terms of bank and other borrowings as follows:

	1 January to 30 June 2015	For the Period from 1 January to 30 June 2014	Bank borrowings	Other borrowings
Wholly repayable within five years	421,228.00	500,720	500,720	—

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Expenses by nature

Costs of services, selling expenses, general, administrative expenses and financial expenses in income statement by nature are analysis as follows:

	30 June 2015	For the Period from 1 January to 30 June 2014
Finished goods and work-in-progress movement	(1,028,316)	(392,423)
Consumption of raw materials and low priced and easily worn articles, etc	25,687,187	24,633,798
Salary and wages	2,515,447	2,606,387
Depreciation and amortisation	1,010,349	632,415
Rental	129,234	86,062
Financial expenses	217,131	260,805
Shipping and handling charges	559,656	454,911
Selling operation expenses	54,598	93,320
Technology development costs	235,006	222,954
Power expenses	278,724	240,524
Processing and repairing expense	134,754	161,452
Other expenses – other manufacturing expenses	322,153	229,962
Other expenses – other selling and distribution expenses	360,447	276,561
Other expenses – other general and administrative expenses	745,116	808,571
	31,221,486	30,315,299

53. (Losses)/profit from changes in fair value

	30 June 2015	For the Period from 1 January to 30 June 2014
– Changes in fair value during the period		
1. Profit/(losses) from changes in fair value of equity instrument held for trading	111,390	(32,598)
2. Profit/(losses) from changes in fair value of derivative financial instrument	171,995	(15,594)
		or fair value derivative financial instrument
		1. Profit/(losses) from changes in fair value of equity instrument held for trading

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Non-operating income

(1) Non-operating income by categories

	Note	For the period from 1 January to 30 June 2015	For the Period from 1 January to 30 June 2014	Amount recognised in non-recurring profit or loss from 1 January to 30 June 2015
Gains on disposal of non-current assets				
Gains on disposal of fixed assets		2,095	9,017	2,095
Gains on disposal of intangible assets		3,419	–	3,419
Compensation income		2,418	1,707	2,418
Penalty income		2,336	2,424	2,336
Gains on fixed assets surplus		–	58	–
Government grants	(2)	49,571	35,531	49,571
Others		22,703	8,736	22,703
Total		82,542	57,473	82,542

(2) Details of government grants

	For the period from 1 January to 30 June 2015	For the Period from 1 January to 30 June 2014	Related to assets/earnings
Financial subsidies	47,443	31,383	Related to earnings
Tax refund	160	3,824	Related to earnings
Others	1,968	324	Related to earnings
Total	49,571	35,531	

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Notes to the consolidated cash flow statement

(1) Cash received relating to other operating activities

	1 30 2015	For the Period from 1 January to 30 June 2014
Cash received from government grants related to assets	16,530	63,862
Cash received from guarantee deposit, Security deposit	30,000	74,791
Cash received from government grants related to income	49,470	3,000
Cash received from penalty income	2,336	2,424
Cash received from compensation income	2,418	1,707
Others	221,536	186,191
Total	322,290	331,975

(2) Cash paid relating to other operating activities

	1 30 2015	For the Period from 1 January to 30 June 2014
Cash paid for transportation and distribution expenses	559,656	454,911
Cash paid for rental, insurance and other selling and distribution expenses	66,414	254,788
Cash paid for technical development costs	235,006	222,954
Cash paid for warranty	32,893	92,996
Cash paid for external sales commission	32,876	51,268
Cash paid for office expenditure and entertainment fee	386,925	456,323
Cash paid for travelling and other expenses in ordinary operation	142,250	92,872
Total	1,456,020	1,626,112

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Notes to the consolidated cash flow statement (Continued)

(3) Cash received relating to other investing activities

	1 January to 30 June 2015	For the Period from 1 January to 30 June 2014
Cash received from bank financial services	383,684	
Cash paid less than Cash and cash equivalents held by subsidiaries and other business units on acquisition date	101,412	—
Total	101,412	383,684

(4) Cash received relating to other investing activities

	1 January to 30 June 2015	For the Period from 1 January to 30 June 2014
Cash paid for bank financial services	381,076	

(5) Cash paid relating to other financing activities

	1 January to 30 June 2015	For the Period from 1 January to 30 June 2014
Cash received from leasing project	150,000	—
Cash received from issuing of 2015 first tranche of medium term note	2,000,000	—
Total	2,150,000	—

(6) Cash paid relating to other financing activities

	1 January to 30 June 2015	For the Period from 1 January to 30 June 2014
Cash paid for Underwriting fee of 2015 first tranche of medium term note and medium-term note	30,530	—
Cash paid for leasing project	94,583	—
Total	125,113	—

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Information to cash flow statement

(1) Supplementary information to the consolidated cash flow statement

(a) Reconciliation from net profit to cash flows from operating activities

	For the Period from 1 January to 30 June 2015	For the Period from 1 January to 30 June 2014
Net profit	1,652,410	1,286,119
Add: Provisions for assets impairment	135,530	3,282
Depreciation of fixed assets	799,447	519,302
Amortisation of intangible assets	144,517	91,448
Amortisation of investment properties and long-term prepaid expenses	66,385	21,665
Losses/(gains) on disposal of fixed assets, intangible assets and other long-term assets	18,377	22,346
Losses/(profit) on changes in fair value	(149,699)	342,309
Financial expense	158,612	241,905
Investment losses/(income)	(744,983)	(38,128)
Share-based payment expenses	31,665	35,288
Increase in deferred tax assets	76,154	58,206
Decrease in deferred tax liabilities	(73,120)	(459,805)
Decrease/(increase) in inventories	2,418,724	(1,309,191)
(Decrease)/increase in operating receivables	(3,890,057)	(6,004,821)
Increase/(decrease) in operating payables	(1,269,415)	2,021,002
Net cash inflow/(outflow) from operating activities	(625,453)	(3,169,073)

There are no significant investing and financing activities which do not involve cash receipt and payment in this current period.

(b) Net (decrease)/increase in cash and cash equivalents

	For the Period from 1 January to 30 June 2015	For the Period from 1 January to 30 June 2014
Closing balance of cash and cash equivalents	3,380,034	2,758,310
Less: Opening balance of cash and cash equivalents	2,758,310	4,181,496
Net increase /(decrease) of cash and cash equivalents	621,724	(1,423,186)

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Information to cash flow statement (Continued)

(2) Information on acquisition of subsidiaries and other business units during the period

	1 30 2015	For the Period from 1 January to 30 June 2014
1. Information on acquisition of subsidiaries and other business units:		
Cash and cash equivalents paid for acquisition	8,702	188,077
Less: Cash and cash equivalents held by subsidiaries and other business units on acquisition date	110,114	69,544
Net cash paid/(gain) for the acquisition	(101,412)	118,532
Current assets	64,789	143,947
Non-current assets	5,074	153,426
Current liabilities	53,752	116,079
Minority interest	88,118	52,707

(3) Cash and cash equivalents

	1 30 2015	For the Period from 1 January to 30 June 2014
1. Cash		
Including: cash on hand	5,924	1,158
Cash at bank that can be readily drawn on demand	3,049,387	2,325,039
Other monetary fund that can be readily drawn on demand	324,723	432,113
2. Cash and cash equivalents at the end of the period	3,380,034	2,758,310

Note: Aforesaid "Cash at bank and on hand" excluded restricted cash.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Monetary items denominated in foreign currency

	30 June 2015		
	Original Denomination	Exchange Rate	Amount in RMB'000
Monetary fund:			
USD	122,301	6.1136	747,700
HKD	303,363	0.7886	239,232
AUD	14,169	4.6993	66,584
THB	286,858	0.1811	51,950
GBP	2,330	9.6422	22,467
EUR	139,477	6.8699	958,191
JPY	629,441	0.0501	31,535
Others	∟	∟	85,558
Accounts receivable:			
USD	901,677	6.1136	5,512,492
HKD	28,215	0.7886	22,250
JPY	402,594	0.0501	20,170
AUD	18,416	4.6993	86,540
EUR	107,615	6.8699	739,307
Others	∟	∟	183,232
Advance to suppliers:			
USD	425,049	6.1136	2,598,577
EUR	13,866	6.8699	95,259
GBP	31	9.6422	295
HKD	12,163	0.7886	9,592
AUD	183	4.6993	861
Other receivables:			
USD	107,756	6.1136	658,779
HKD	67,128	0.7886	52,937
EUR	7,392	6.8699	50,779
Others	∟	∟	80,338

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Monetary items denominated in foreign currency (Continued)

	30 June 2015		
	Original Denomination	Exchange Rate	Amount in RMB'000
Short-term borrowings:			
USD	2,460,296	6.1136	15,041,265
EUR	58,316	6.8699	400,625
GBP	10,450	9.6422	100,760
AUD	7,762	4.6993	36,477
Accounts payable:			
USD	124,601	6.1136	761,759
HKD	40,677	0.7886	32,078
JPY	8,403	0.0501	421
EUR	67,202	6.8699	461,670
AUD	19,198	4.6993	90,218
SGD	22,949	4.558	104,603
Others	∠	∠	126,964
Advances from customers:			
USD	148,160	6.1136	905,789
EUR	84,751	6.8699	582,232
HKD	11,122	0.7886	8,771
AUD	438	4.6993	2,057
Others	∠	∠	71,170
Other payables:			
USD	239,688	6.1136	1,465,358
HKD	68,145	0.7886	53,739
JPY	20,419	0.0501	1,023
EUR	28,280	6.8699	194,279
AUD	1569	4.6993	7375
Others	∠	∠	77,075

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

V. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations involving enterprises not under common control

As at 30 April 2015, the group signed share transfer contracts with other shareholder of Sino-Worlink (Beijing) Investment Co., Ltd. to acquire 50% of equity interests in Sino-Worlink (Beijing) Investment Co., Ltd. at the consideration of RMB60,000,000.00.

Sino-Worlink (Beijing) Investment Co., Ltd. is registered in Beijing, mainly engaged in investment management, asset management, investment consultancy and others.

As at 30 April 2015, the group signed share transfer contracts with other shareholder of Sino-Worlink (Hong Kong) Logistics Co., Ltd. to acquire 50% of equity interests in Sino-Worlink(Hong Kong) Logistics Co., Ltd. at the consideration of RMB45,000,000.00.

Sino-Worlink (Hong Kong) Logistics Co., Ltd. is registered in Hong Kong, mainly engaged in international cargo transportation agent, warehousing service and others.

2. Disposal of subsidiaries

There is no loss of control of subsidiaries by disposal of equity interest for the current period.

VI. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

All subsidiaries of the Group were established or acquired through combination not under common control. There is no acquisition of subsidiaries through combination under common control.

As at 30 June 2015, the number of companies included in the scope of consolidation added up to 497. Except for the subsidiaries listed as below, the number of other subsidiaries held by the Group was 269, with paid-in capital amounting to RMB60,359,719.07. Other subsidiaries mainly included those engaged in manufacturing or service provision, which have relatively small scale of operation and the paid-in capital was below RMB20 million or USD3 million. Other subsidiaries also included those investment holding companies with no operating activities registered in Hong Kong, British Virgin Islands or other overseas countries.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination

(i) Domestic subsidiaries

No.	Subsidiary Name	Registered Office	Actual Office	Main Business	Ownership	
					Shareholding Ratio	Percentage of Total Assets
1	Shenzhen Southern CIMC Containers Manufacture Co., Ltd. (SCIMC)	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacture, repair and sale of container, container stockpiling business	75.00%	25.00%
2	Shenzhen Southern CIMC Logistics Equipment Manufacturing Co., Ltd. (SCIMCEL)	Shenzhen, Guangdong	Shenzhen, Guangdong	Manufacture and repair of container design and manufacture of new-style special road and port mechanical equipment	15.56%	84.44%
3	Xinhui CIMC Container Co., Ltd. (XHCIMC)	Jiangmen, Guangdong	Jiangmen, Guangdong	Manufacture, repair and sale of containers	20.00%	50.00%
4	Nantong CIMC Shunda Containers Co., Ltd. (NTCIMC)	Nantong, Jiangsu	Nantong, Jiangsu	Manufacture, repair and sale of containers	–	71.00%
5	Tianjin CIMC Containers Co., Ltd. (TJCMC)	Tianjin	Tianjin	Manufacture and sale of container as well as relevant technical advisory; container stockpiling business	75.00%	25.00%
6	Dalian CIMC Containers Co., Ltd. (DLCIMC)	Dalian, Liaoning	Dalian, Liaoning	Manufacture and sale of container as well as relevant technical advisory; container stockpiling business	42.53%	57.47%
7	Ningbo CIMC Logistics Equipment Co., Ltd. (NBCIMC)	Ningbo, Zhejiang	Ningbo, Zhejiang	Manufacture and sale of container as well as relevant technical advisory; container stockpiling business	25.00%	75.00%
8	Taicang CIMC Containers Co., Ltd. (TCCIMC)	Taicang, Jiangsu	Taicang, Jiangsu	Manufacture and repair of container	50.00%	50.00%
9	Yangzhou Runyang Logistics Equipments Co., Ltd. (YZRYL)	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Manufacture and repair of container	–	100.00%
10	Shanghai CIMC Yangshan Logistics Equipments Co., Ltd. (SHYSLE)	Shanghai	Shanghai	Manufacture and sale of container as well as relevant technical advisory	60.00%	40.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

Item No.	Company Name	Registered Office	Main Office	Business Description	Ownership Percentage	
					Parent Company	Subsidiary
11	Shanghai CIMC Reefer Containers Co., Ltd. (SCRC)	Shanghai	Shanghai	Manufacture and sale of refrigeration and heat preservation device of reefer container, refrigerator car and Heat; Preservation car	72.00%	20.00%
12	Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. (NTCIMCS)	Nantong, Jiangsu	Nantong, Jiangsu	Manufacture, sale and repair of various trough, tank as well as various special storing and transporting equipments and parts	–	71.00%
13	Xinhui CIMC Special Transportation Equipment Co., Ltd. (XHCIMCS)	Jiangmen, Guangdong	Jiangmen, Guangdong	Manufacture and sale of various container, semi-finished container product and relevant components product and relevant components and maintenance service	19.01%	80.99%
14	Nantong CIMC Tank Equipment Co., Ltd (NTCIMCT)	Nantong, Jiangsu	Nantong, Jiangsu	Manufacture and sale of various container, semi-finished container relevant components and parts	–	70.40%
15	Dalian CIMC Railway Equipment Co., Ltd (DLCIMCS)	Dalian, Liaoning	Dalian, Liaoning	Design, manufacture and sale of various railway freight equipment products such as railway container flat car, open wagon and hopper wagon	55.00%	45.00%
16	Nantong CIMC Large-sized Tank Co., Ltd.	Nantong, Jiangsu	Nantong, Jiangsu	Design, production and sale of tank relevant parts; undertaking tank-related general contracting projects	–	70.40%
17	Shenzhen CIMC Special Vehicle Co., Ltd. (CIMCSV)	Shenzhen, Guangdong	Shenzhen, Guangdong	Development, production and sales of various special-use vehicles, as well as relevant		Dalian, Liaoning relevant components and parts, as well as relevant

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

No.	Company Name	Registered Office	Actual Office	Business Description	Shareholding Ratio	
					Parent Company	Subsidiary
21	Beijing CIMC Vehicle Logistics Equipments Co., Ltd. (BJVL)	Beijing	Beijing	Construction and operation of auxiliary warehousing equipments management and relevant service	—	80.00%
22	CIMC Vehicle (Liaoning) Co., Ltd. (LNVS)	Yingkou, Liaoning	Yingkou, Liaoning	Development and production of various trailer, special-use vehicles as well as components and parts	—	80.00%
23	Tianjin CIMC Special Vehicles Co., Ltd. (TJXV)	Tianjin	Tianjin	Production and sales of box car, mechanical products, metal structure member; relevant advisory service	—	80.00%
24	CIMC -SHAC (Xi'an) Special Vehicle Co., Ltd. (XASV)	Xi'an Shaanxi	Xi'an Shaanxi	Development and production of various trailer, special vehicle and the components and parts; providing relevant technical service	—	60.00%
25	Gansu CIMC Huajun Vehicle Co., Ltd. (GSHJ)	Baiyin, Gansu	Baiyin, Gansu	Refitting of special vehicles, manufacture of trailer and fittings as well as automobile fittings; sales of relevant materials	—	80.00%
26	Xinhui CIMC Composite Material Manufacture CO., LTD (XHCM)	Jiangmen, Guangdong	Jiangmen, Guangdong	Production, development, processing and sales of various composite plate products such as plastics, plastic alloy	—	80.00%
27	Qingdao CIMC Eco-Equipment Co., Ltd. (QDHB)	Qingdao, Shandong	Qingdao, Shandong			

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

No.	Company Name	Registered Office	Place of Incorporation	Business Description	Ownership	
					Percentage	Percentage
31	Nantong CIMC Tank Equipment Co., Ltd. (NTCY)	Nantong, Jiangsu	Nantong, Jiangsu	Manufacture and repair of large-sized tank, production of various pressurization tank car, special pressurization trough, tank and parts	–	70.40%
32	Shenzhen CIMC – Tianda Airport Support Ltd. (TAS)	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and operation of various airport-purpose electromechanical equipment products	–	51.32%
33	Xinhui CIMC Wood Co., Ltd. (XHCIMCW)	Jiangmen, Guangdong	Jiangmen, Guangdong	Production of container-purpose wood floor and relevant products of various specifications; providing relevant technical advisory service	–	100.00%
34	Inner Mongolia Holonbuir CIMC Wood Co., Ltd. (NMGW)	Inner Mongolia	Inner Mongolia	Production and sales of various container wood floors and wood products for transport equipments	–	100.00%
35	Jiaxing CIMC Wood Co., Ltd. (JXW)	Jiaxing, Zhejiang	Jiaxing, Zhejiang	Production and sales of container wood floors, wood products for transport equipments and other wood products	–	100.00%
36	Shenzhen Southern CIMC Containers Service Co., Ltd. (SCIMCL)	Shenzhen, Guangdong	Shenzhen, Guangdong	Engaged in container transshipment, stockpiling, devanning, vanning, maintenance	–	100.00%
37	Ningbo CIMC Container Service Co., Ltd. (NBCIMCL)	Ningbo, Zhejiang	Ningbo, Zhejiang	Goods traffic; goods package, sorting, examination and logistics advisory service	–	100.00%
38	Shanghai CIMC Yangshan Container Service Co., Ltd. (SHYLE)	Shanghai	Shanghai	Container transshipment, stockpiling, devanning, vanning, and warehousing, container maintenance, try-off and technical service	–	95.00%
39	CIMC Shenfa Development Co., Ltd. (CIMC SD)	Shanghai	Shanghai	Investment, construction and operation for infrastructure; real estate development and operation	98.53%	1.47%
40	CIMC Vehicle (Xinjiang) Co., Ltd. (SJ4S)	Urumqi, Xinjiang	Urumqi, Xinjiang	Production and sales of mechanical equipments as well as relevant technical development	–	80.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

Company Name		Registered Office		Business Description		Ownership Percentage	
No.	Company Name	Province	City	Business Description		Parent Company	Subsidiary
41	CIMC Vehicle (Group) Co., Ltd. (Hil)	Shenzhen, Guangdong	Shenzhen, Guangdong	Development, production and sales of various high-tech and high-performance special vehicle and trailer series		56.00%	24.00%
42	Qingdao CIMC Special Reefer Co., Ltd. (QDCSR)	Qingdao, Shandong	Qingdao, Shandong	Manufacture and sale of various container, semi-finished container product and relevant components and parts		5.08%	94.92%
43	Tianjin CIMC Logistics Equipments Co., Ltd. (TJCMCLE)	Tianjin	Tianjin	Design, manufacture, sale, maintenance and relevant technical advisory for logistics equipments and relevant components and parts		75.00%	25.00%
44	Dalian CIMC Logistics Equipment Co., Ltd. (DLL)	Dalian, Liaoning	Dalian, Liaoning	Design, manufacture, sale, maintenance and relevant technical advisory for international trade, entrepot trade, logistics equipment and pressure vessel		50.00%	50.00%
45	Chongqing CIMC Logistics Equipments Co., Ltd. (CQLE)	Chongqing	Chongqing	Design, manufacture, lease, maintenance of container, special container, other logistic equipment and relevant components and parts		75.00%	25.00%
46	Dalian CIMC Heavy Logistics Equipments Co., Ltd. (DLZH)	Dalian, Liaoning	Dalian, Liaoning	International trade, entrepot trade, design, manufacture, sale, and relevant technical advisory of pressure vessel; manufacture and installation, other service of relevant components and parts of pressure vessel		62.70%	37.30%
47	Shenzhen CIMC Intelligent Technology Co., Ltd. (CIMC Tech)	Shenzhen, Guangdong	Shenzhen, Guangdong	Design, development, sale, surrogate of electron production software and system		70.00%	30.00%
48	CIMC Taicang refrigeration equipment logistics Co., Ltd. (TCCRC)	Taicang, Jiangsu	Taicang, Jiangsu	Research and development, production and sale of reefer container and special container		70.00%	30.00%
49	Hunan CIMC Bamboo Industry Development Co., Ltd. (HNW)	Suining, Hunan	Suining, Hunan	Manufacturing and sale of bamboo and wood product		–	100.00%
50	CIMC Jidong (Qinhuangdao) Vehicles Manufacture Co., Ltd (QHDI)	Qinhuangdao, Hebei	Qinhuangdao, Hebei	Sale of car and car components and parts		–	60.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

No.	Company Name	Registered Office	Place of Incorporation	Business Description	Ownership	
					Shareholding Ratio	Percentage of Ownership
51	Ningbo CIMC Container Manufacturing Co., Ltd. ("Ningbo container manufacturing")	Ningbo Zhejiang	Ningbo Zhejiang	Container manufacturing sales and related technical consulting service storage contractor techniques transfer	–	100.00%
52	CIMC Management and Training (Shenzhen) Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Design of marketing activities scheme organization of academic and commercial conference and exhibition	100.00%	–
53	Yangzhou Lijun Industry and Trade Co., Ltd. ("Yangzhou Lijun")	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Production and sales of mechanical equipments and relevant components and parts; technical advisory and other service	–	100.00%
54	Yangzhou Taili Special Equipment Co., Ltd. ("Yangzhou Taili")	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Design, manufacturing and maintenance of containers, board square cabin and; relevant components and parts relevant advisory and service	–	100.00%
55	Yantai CIMC Marine Engineering Academic Co., Ltd. ("MEA")	Yantai, Shandong	Yantai, Shandong	Research and development of marine operation platform and other marine engineering service	75.00%	25.00%
56	Shanghai Lifan Container Service Co., Ltd. ("Shanghai Lifan")	Shanghai	Shanghai	Refitting and maintenance of containers; providing containers information system management and advisory service	–	70.00%
57	CIMC Wood Development Co., Ltd. ("CIMCWD")	Dongguan, Guangdong	Dongguan, Guangdong	Development, production and sales of wood products for various modern transportation equipment	75.00%	25.00%
58	Shenzhen CIMC Skyspace Real Estate Development Co., Ltd (CIMC Tianyu)	Shenzhen, Guangdong	Shenzhen, Guangdong	Real estate development	–	82.00%
59	Yangzhou CIMC grand space Real Estate Development Co., Ltd (CIMC Haoyu)	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Real Estate Development, sales and leasing	–	89.20%
60	Ningbo Runxin Container Co., Ltd	Ningbo, Zhejiang	Ningbo, Zhejiang	Cleaning and repair of containers, stockpiling, vanning	–	60.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

No.	Company Name	Registered Office	Actual Office	Business Description	Ownership	
					Shareholding Ratio	Percentage of Ownership
61	Chengdu CIMC Vehicle Co., Ltd ("CD Vehicle")	Chengdu, Sichuan	Chengdu, Sichuan	Development, production and sale of various special-use vehicles, as well as Warehouse equipment	–	80.00%
62	CIMC Finance Company ("Finance Company")	Shenzhen, Guangdong	Shenzhen, Guangdong	Providing financial service	100.00%	–
63	Shenzhen CIMC Investment Holding company ("SZ Investment Holding")	Shenzhen, Guangdong	Shenzhen, Guangdong	Investment, sale and leasing of containers and container property	100.00%	–
64	Zhumadian CIMC Huajun Vehicle Trading Co., Ltd ("HJQM")	Zhumadian, Henan	Zhumadian, Henan	Sales and repair of various vehicles, as well as relevant components and parts	–	80.00%
65	Zhumadian CIMC Huajun Casting Co. Ltd. (HJCAST)	Zhumadian, Henan	Zhumadian, Henan	casting manufacturing for Vehicle and coal mining machinery	–	56.00%
66	Ocean Engineering Design & Research Institute of CIMC (SHOE)	Shanghai	Shanghai	Design and research of marine operation platform and other ocean engineering	80.00%	20.00%
67	Shenzhen CIMC Investment Co., Ltd (SZ Investment)	Shenzhen, Guangdong	Shenzhen, Guangdong	Equity investment investment management and related investment business	100.00%	–
68	Shenzhen Sky Capital Co., Ltd (SESKYC)	Shenzhen, Guangdong	Shenzhen, Guangdong	Equity investment investment management and related investment business	90.00%	10.00%
69	Ningbo MRO Trading Co., Ltd. (MRO)	Ningbo, Zhejiang	Ningbo, Zhejiang	Production and sales of gas mask and other plastic productions	–	100.00%
70	Shenzhen CIMC Container Holding Co., Ltd. (Container Holding)	Shenzhen, Guangdong	Shenzhen, Guangdong	Equity investment management and related investment business	100.00%	–

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

No.	Company Name	Registered Office	Actual Office	Main Business	Ownership	
					Shareholding Ratio	Percentage of Ownership
71	Chengdu CIMC Logistics Equipments Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Chemical liquid tank truck and semi-trailer	–	80.00%
72	Shanxi CIMC Vehicle Industry Garden	Xianyang, Shaanxi	Xianyang, Shaanxi	Production and sales of vehicle	–	80.00%
73	CIMC Holdings (B.V.I.) Limited (CIMC BVI)	Jiangmen, Guangdong	Jiangmen, Guangdong	Investment	–	100.00%
74	CIMC modular building design & Development Co. Ltd.	Jiangmen, Guangdong	Jiangmen, Guangdong	Design modular building and decorations	–	87.40%
75	CIMC Cold Chain Research Institute Co., Ltd.	Qingdao, Shandong	Qingdao, Shandong	Standard shipping refrigerated Containers and refrigerated containers	–	100.00%
76	CIMC Cold Chain Investment Co. Ltd.	Qingdao, Shandong	Qingdao, Shandong	Investments	–	100.00%
77	Shenyang CIMC Industrial Park Investment and Development Co., Ltd.	Shenyang, Liaoning	Shenyang, Liaoning	Investment management, asset trustee management	–	80.00%
78	Shenzhen Tianda CIMC Logistics System Engineering Co Ltd	Shenzhen, Guangdong	Shenzhen, Guangdong	Automatic logistics system engineering, real-time logistics management system	–	51.32%
79	Dongguan cimc innovation industrial park development Co., Ltd.	Dongguan, Guangdong	Dongguan, Guangdong	Innovation industrial park investment, real estate development & management	–	82.00%
80	Zhejiang Teng Long Industry Group Co., Ltd.	Quzhou, Zhejiang	Quzhou, Zhejiang	Sale of wood and bamboo products, bamboo and wood technology research and development, consulting	–	51.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

No.	Company Name	Registered Office	Actual Office	Main Business	Ownership	
					Shareholding Ratio	Percentage of Ownership
81	Guangdong Xinhui Modular Building Manufacturing Co. Ltd.	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and sale of integrated houses, prefabricated houses, metal structure	—	100.00%
82	Shenzhen CIMC new process of Automotive Supply Chain Management Co. Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Supply Chain Management	—	60.00%
83	Shanghai Xinzhitu Logistics	Shanghai	Shanghai	International Freight transport agents, general cargo transport	—	100.00%
84	Qianhai CIMC leasing (Shenzhen) Co., Ltd. ("Qianhai rental")	Shenzhen, Guangdong	Shenzhen, Guangdong	Financing lease business Lease transaction advisory	—	100.00%
85	Shenyang CIMC logistics equipment Co., Ltd. ("Shenyang Logistics")	Shenyang Liaoning	Shenyang Liaoning	Manufacturing logistics equipment. Development. Design. Sales. Installation	—	100.00%
86	Langfang CIMC airport equipment Limited company ("Langfang")	Langfang Hebei	Langfang Hebei	Production and operation of various airport and port Mechanical and electrical products for export	—	51.32%
87	Yantai Tiezhongbao steel processing Co., Ltd. ("Tiezhongbao")	Yantai Shandong	Yantai Shandong	R & D, manufacturing leg structure of sales of products	—	65.00%
88	Qingdao CIMC Innovation Industrial Park Development Co. Ltd. ("Qingdao Creative Industry Park")	Qingdao Shandong	Qingdao Shandong	Development and management of real estate property management	—	82.00%
89	Anhui United Feicai Vehicle Co., Ltd. ("United Feicai")	Xuancheng Anhui	Xuancheng Anhui	Development, production and sales of various special-use vehicles and engineering machinery	—	66.24%
90	Zhenghua (Tianjin) Container Service Co., Ltd. ("Zhenghua Container Service")	Tianjin	Tianjin	Domestic and international freight transport agents, and relevant advisory service	—	75.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

Item No.	Company Name	Registered Office	Place of Incorporation	Business Description	Ownership Percentage	
					Percentage	Percentage
91	Kunshan CIMC Automatic logistic equipment Co., Ltd ("Kunshan CIMC")	Kunshan Jiangsu	Kunshan Jiangsu	Automatic logistics system, and air cargo handling system	–	51.32%
92	CIMC Tianda (Longyan) Investment Development Co., Ltd.	Longyan Fujian	Longyan Fujian	The parking lot investment, asset management and real estate development business	–	30.79%
93	Albert Ziegler GmbH (Beijing) Sales Co., Ltd. (Ziegler)	Beijing	Beijing	Fire trucks, rescue vehicles and relevant accessories, machinery equipment import-export business and relevant agent business	–	100.00%
94	Shenzhen cimc yuanwang valley intelligent technology co., LTD ("Shenzhen yuanwang valley")	Shenzhen Guangdong	Shenzhen Guangdong	Automatic identification products, radio frequency identification systems and products and relevant advisory business	–	76.00%
95	Shenzhen cimc electricity commerce and logistics technology co., LTD	Shenzhen Guangdong	Shenzhen Guangdong	The development of electric commerce platform and domestic commerce products and a31 -6 Td(95)Tj1 -omm0 09u0030B.lmerce and	–	100.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(i) Domestic subsidiaries (Continued)

No.	Company Name	Registered Office	Principal Place of Business	Business Description	Ownership	
					Shareholding Percentage	Percentage of Equity
101	Shenzhen CIMC Vehicle Park Investment Management Co., Ltd. ("Shenzhen Vehicle Park")	Shenzhen Guangdong	Shenzhen Guangdong	Investment management, assets fiduciary management	–	80.00%
102	CIMC Mordern Logistic Development Co., Ltd. ("Mordern Logistic")	Tianjin	Tianjin	International Freight transport agents, general and CIQ affairs	–	100.00%
103	Dongguan Southern CIMC Logistic Equipment Manufacturing Co., Ltd. ("Dongguan Southern CIMC")	Dongguan Guangdong	Dongguan Guangdong	Manufacture and repair container and containers stacking storage operation	10.00%	90.00%
104	New materials of Yi Guangdong CIMC Development Co., Ltd. ("Guangdong new materials")	Jiangmen Guangdong	Jiangmen Guangdong	Various kinds of fiber reinforced composite materials and system	–	55.00%
105	Guangzhou CIMC container repair Service Co. Ltd. ("Guangzhou container service")	Guangzhou Guangdong	Guangzhou Guangdong	Metal products, machinery and equipment repair industry	–	60.00%
106	Tianjin Binhai New Area, Berg Finance Leasing Co., Ltd. ("Berg Amatsu Hiroshinobu")	Tianjin	Tianjin	Financial leasing business To buy lease assets at home and abroad	–	51.00%
107	Shenzhen heben Technologyrepair Co. Ltd. ("Heben Technologyrepair")	Shenzhen Guangdong	Shenzhen Guangdong	Online retail and domestic trade Import and export business	–	100.00%
108	Guangzhou easy to stack Mdt InfoTech Ltd ("Guangzhou easy stack")	Guangzhou Guangdong	Guangzhou Guangdong	Software development; information technology consulting services	–	100.00%
109	Sichuan Jinke cryogenic equipment Engineering Co. Ltd. ("Sichuan Jinke")	Chengdu Sichuan	Chengdu Sichuan	Complete sets of air separation units; complete sets of industrial gases, rare gases	–	38.72%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(ii) Overseas subsidiaries

No.	Company Name	Incorporated in	Principal place of business	Nature of business	Ownership	
					Percentage	Percentage
110	CIMC Holdings (B.V.I.) Limited	British Virgin Islands	British Virgin Islands	Investment	–	100.00%
111	CIMC Tank Equipment Investment Holdings Co., Ltd.	Hongkong, China	Hongkong, China	Investment	–	100.00%
112	CIMC-SMM Vehicle (Thailand) CO., LTD. (Thailand V)	Thailand	Thailand	Production and sales of various special vehicles	–	82.00%
113	CIMC Vehicle Investment Holding Co., Ltd. ("CIMC Vehicle")	Hongkong, China	Hongkong, China	Investment	–	80.00%
114	CIMC Europe BVBA ("BVBA")	Belgium	Belgium	Investment	–	100.00%
115	China International Marine Containers (Hong Kong) Limited ("CIMC Hong Kong")	Hongkong, China	Hongkong, China	Investment	100.00%	–
116	CIMC Burg B.V. ("BV")	Holland	Holland	Investment	–	100.00%
117	Tacoba Forestry Consultant N.V. ("Suriname") ("Tacoba")	Suriname	Suriname	Sale of wood	–	100.00%
118	Charm Wise Limited ("Charm Wise")	Hongkong, China	Hongkong, China	Investment	–	100.00%
119	Gold Terrain Assets Limited ("GTA")	British Virgin Islands	British Virgin Islands	Investment	–	100.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(ii) Overseas subsidiaries (Continued)

No.	Company Name	Incorporated in	Principal place of business	Nature of business	Ownership interest	
					Percentage of ownership interest	Percentage of voting rights
120	Full Medal Holdings Ltd. ("Full Medal")	British Virgin Islands	British Virgin Islands	Investment	–	70.40%
121	Charm Ray Holdings Limited ("Charm Ray")	Hongkong, China	Hongkong, China	Investment	–	70.40%
122	Charm Beat Enterprises Limited ("Charm Beat")	British Virgin Islands	British Virgin Islands	Investment	–	100.00%
123	Sharp Vision Holdings Limited ("Sharp Vision")	Hongkong, China	Hongkong, China	Investment	–	100.00%
124	Sound Winner Holdings Limited ("Sound Winner")	British Virgin Islands	British Virgin Islands	Investment	–	70.40%
125	Grow Rapid Limited ("Grow Rapid")	Hongkong, China	Hongkong, China	Investment	–	100.00%
126	Powerlead Holding Ltd. ("Powerlead")	British Virgin Islands	British Virgin Islands	Investment	–	100.00%
127	Cooperative Vela U.A.	Holland	Holland	Investment	–	70.40%
128	Vela Holding B.V.	Holland	Holland	Investment	–	70.40%
129	CIMC Financial Leasing(HK) Co Ltd.	Hongkong, China	Hongkong, China	Finance Lease	–	100.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1) Subsidiaries obtained through establishment or business combination (Continued)

(ii) Overseas subsidiaries (Continued)

No.	Company Name	Registered Office	Place of Incorporation	Business Nature	Ownership	
					Percentage	Percentage
130	CIMC Offshore Holdings Limited ("CIMC Offshore")	Hongkong, China	Hongkong, China	Investment	–	100.00%
131	Cooperatie CIMC U.A. ("COOP")	Holland	Holland	Investment	99.00%	1.00%
132	North Sea Rigs Holdings ("NSR")	British Virgin Islands	British Virgin Islands	Finance Lease project company	–	91.50%
133	Hongkong CIMC Tianda Airport Support Ltd. ("TAS Hongkong")	Hongkong, China	Hongkong, China	Investment	–	51.32%
134	CIMC Development (Australia) Pty Ltd ("Development Australia")	Australia	Australia	Investment	–	100.00%
135	Beacon holdings Group Ltd ("Beacon holdings")	British Virgin Islands	British Virgin Islands	Finance Lease project company	–	100.00%
136	Lihua Logistics Company Limited ("Lihua")	Hongkong, China	Hongkong, China	Logistics	–	75.00%
137	CIMC VEHICLES (MALAYSIA) SDN BHD	Malaysia	Malaysia	Sales and assembling vehicles	–	80.00%
138	CIMC Trailer Poland SP Zoo ("Poland")	Poland	Poland	Sales and assembling vehicles	–	80.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

(i) Domestic subsidiaries

No.	Subsidiary Name	Registered Address	Principal Place of Business	Business Description	Ownership	
					Shareholding Percentage	Percentage of Total Assets
1	Luoyang CIMC Lingyu Automobile CO., LTD. (LYV)	Luoyang, Henan	Luoyang, Henan	Production and sales of passenger car, tank car; machining; operation of import and export business	–	60.00%
2	Wuhu CIMC Ruijiang Automobile CO LTD (WHVS)	Wuhu, Anhui	Wuhu, Anhui	Development, production and sales of various special vehicles, ordinary mechanical products and metal structure parts	–	60.00%
3	Liangshan Dongyue Vehicle Co., Ltd. (LSDYV)	Liangshan, Shandong	Liangshan, Shandong	Production and sales of mixing truck, special vehicle and components and parts	–	60.00%
4	Qingdao CIMC Container Manufacture Co., Ltd (QDCC)	Qingdao, Shandong	Qingdao, Shandong	Manufacture and repair of container, processing and manufacture of various mechanical parts, structures and equipment	32.83%	67.17%
5	Qingdao CIMC Reefer Container Manufacture Co., Ltd. (QDCRC)	Qingdao, Shandong	Qingdao, Shandong	Manufacture and sale of refrigeration and heat preservation device of reefer container, refrigerator car and heat preservation car; providing relevant technical advisory and maintenance service	9.48%	90.52%
6	Tianjin CIMC North Ocean Container Co., Ltd. (TJCIMC)	Tianjin	Tianjin	Manufacture and sale of container as well as vehicle, ship, equipment and steel structure specially used for container; warehousing and after sales service for container	47.50%	52.50%
7	Shanghai CIMC Baowell Industries Co. Ltd (SBWI)	Shanghai	Shanghai	Manufacture and sale of container as well as relevant technical advisory	35.37%	59.37%
8	CIMC Vehicle (Shandong) Co. Ltd. (KGR)	Zhangqiu, Shandong	Zhangqiu, Shandong	Development and manufacture of refrigerator car, tank car, trailer, box car, special vehicles and various series products	–	69.61%
9	Zhangzhou CIMC Container Co., Ltd. (ZZCIMC)	Zhangzhou, Fujian	Zhangzhou, Fujian	Manufacture and sale of container as well as relevant technical advisory	65.00%	35.00%
10	Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. (YZTH)	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Development, production and sales of various special-use vehicles, refitting vehicles, special vehicles, trailer series as well as relevant components and parts	–	80.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

No.	Subsidiary Name	Registered Office	Actual Office	Main Business	Ownership	
					Direct	Indirect
11	Zhumadian CIMC Huajun Vehicle Co. Ltd. (HJCIMC)	Zhumalian, Henan	Zhumalian, Henan	Refitting of special vehicles; sales of trailer and fittings; sales of vehicle related materials	–	80.00%
12	Zhangjiagang CIMC Sanctum Cryogenic Equipment Machinery Co., Ltd. (SDY)	Zhangjiagang, Jiangsu	Zhangjiagang, Jiangsu	Development, manufacture and installation of deep freezing unit, petrochemical mechanical equipment, tank container, pressure vessel	–	70.40%
13	Donghua Container Transportation Service Co., Ltd. (DHCTS)	Shanghai	Shanghai	Container cargo devanning, vanning; canvass for cargo; allotment and customs declaration; container maintenance and stockpiling; supply of components and parts	–	70.00%
14	Yangzhou Tonglee Reefer Container Co., Ltd. (TLC)	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Manufacture and sale of reefer container and special container; providing relevant technical advisory and maintenance service	75.00%	25.00%
15	Qingdao Kooll Logistics Co., Ltd (QDHFL)	Qingdao, Shandong	Qingdao, Shandong	Container warehousing, stockpiling, devanning, vanning, load and unload, cleaning, maintenance; goods processing	–	80.00%
16	Enric (Bengbu) Compressor Co., Ltd. (Enric Bengbu)	Bengbu, Anhui	Bengbu, Anhui	Manufacturing base of NG compressor and related products	–	70.40%
17	Shijiazhuang Enric Gas Equipment Co., Ltd. ("Shijiazhuang Enric")	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Manufacturing pressure vessel	–	70.40%
18	Enric (Langfang) Energy Equipment Integration Co., Ltd. (Langfang Enric)	Langfang, Hebei	Langfang, Hebei	Manufacturing and exploiting Energy Equipment integration	–	70.40%
19	Enric (Beijing) Energy Technology Co., Ltd (Beijing Enric)	Beijing	Beijing	Manufacturing and exploiting Energy Equipment integration	–	70.40%
20	CIMC Enric (Jingmen) Energy Equipment Co., Ltd.	Jingmen, Hubei	Jingmen, Hubei	Sales of chemical and gas machineries and equipments as well as after sales services; research and development of energy conservation techniques	–	70.40%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

No.	Subsidiary Name	Registered Office	Principal Office	Business Description	Ownership	
					Shareholding Ratio	Percentage of Ownership
21	Jingmen Hongtu Special Aircraft manufacturing Co., Ltd	Jingmen, Hubei	Jingmen, Hubei	Development and sales of flight vehicle manufacturing techniques, design, production and sales of specialized motor vehicles, tanks and pressure vessel	–	56.32%
22	Ningguo CIMC Wood Co., Ltd. ("NGCIMCW")	Ningguo, Anhui	Ningguo, Anhui	Construction of offshore project and supplement	–	60.00%
23	Yantai CIMC Raffles offshore Ltd. (YCRO)	Yantai, Shandong	Yantai, Shandong	Construction of dock; Designation, production of ship; production of equipment of pressure and offshore oil platform	–	97.89%
24	Yantai CIMC Raffles ship Co., Ltd ("YCRS")	Yantai, Shandong	Yantai, Shandong	Construction of ship as well as component; sales of container and offshore oil platform channel and steel production	–	83.47%
25	Haiyang CIMC Raffles offshore Ltd. ("HCRO")	Haiyang, Shandong	Haiyang, Shandong	Construction of dock; Designation, production of ship; production of equipment of pressure and offshore oil platform	–	97.89%
26	Longkou CIMC Raffles offshore engineering Co., Ltd ("LCRO")	Longkou, Shandong	Longkou, Shandong	Construction of offshore project and supplement	–	97.89%
27	Shandong Master Special Vehicle Manufacturing Co., Ltd ("SDMV")	Jining, Shandong	Jining, Shandong	Manufacture and sales of mixing truck, special vehicle and components and parts	–	60.00%
28	Xinfa Airport Equipment Ltd.	Beijing	Beijing	Manufacture and sales of airport shuttle buses	–	35.92%
29	Yangjiang Shangdong Furi Real Estate Co., Ltd ("YJFR")	Yangjiang, Guangdong	Yangjiang, Guangdong	Real estate development and operation planning and consulting, sale of construction materials and inner house decoration	–	49.20%
30	Nanjing Yangzi Petrochemical Design & Engineering Co., Ltd. ("YPDI")	Nanjing, Jiangsu	Nanjing, Jiangsu	Project relating to petrochemical industry	–	70.40%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

No.	Company Name	Registered Office	Place of Incorporation	Main Business	Ownership	
					Shareholding Ratio	Percentage of Ownership
31	Zhenhua Logistics Group Co., Ltd. ("Zhenhua Group")	Tianjin	Tianjin	Container and cargo distribution and repairment	–	75.00%
32	Xiamen Hongxin Berg Leasing Co. Ltd. ("Hongxin Berg")	Xiamen, Fujian	Xiamen, Fujian	Financial leasing and leasing business	–	51.00%
33	Tianjin Zhenhua Haijing Logistics Co. Ltd. ("Zhenhua Haijing")	Tianjin	Tianjin	Construction and operation of warehousing facilities Container depot	–	45.00%
34	Tianjin Zhenhua International Logistics Co. Ltd. ("Zhenhua IL")	Tianjin	Tianjin	Non-vessel carrier, freight agent	–	75.00%
35	Shandong Zhenhua Logistics Co., Ltd. ("Shandong Zhenhua")	Qingdao, Shandong	Qingdao, Shandong	General cargo, dangerous goods transport	–	75.00%
36	Tianjin Zhenhua Customs Broker Co. Ltd. ("Tianjin CB")	Tianjin	Tianjin	Customs clearance and related consulting services	–	75.00%
37	Zhenhua International Shipping Agency (Qingdao) Co., Ltd.	Qingdao, Shandong	Qingdao, Shandong	International shipping agency business	–	75.00%
38	Tianjin Zhenhua International Shipping Agency Co. Ltd.	Tianjin	Tianjin	International shipping agency business	–	75.00%
39	Shanghai Zhenhua International Shipping Agencies Ltd.	Shanghai	Shanghai	International shipping agency business	–	75.00%
40	Tianjin Port CIMC Zhenhua Logistics Co., Ltd.	Tianjin	Tianjin	General cargo, dangerous goods transport	–	75.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

	Entity Name	Registered Capital	Shareholding Percentage	Business Description	Shareholding Percentage	Shareholding Percentage
41	Tianjin Zhenhua International Trade Bonded Warehousing Co. Ltd.	Tianjin	Tianjin	Cargo transport agency services	–	75.00%
42	Shandong Wanshida Logistics Co. Ltd. ("Wanshida Logistics")	Jining Shandong	Jining Shandong	Logistics distribution, vehicle, special vehicle, agricultural vehicle, automobile	–	60.00%
43	Brigantine Services (Shenzhen) Co. Ltd. ("Shenzhen Brigantine")	Shenzhen Guangdong	Shenzhen Guangdong	Provides a container and ship repair services and related technical consulting services	–	70.00%
44	Brigantine Services (Shanghai) Co. Ltd. ("Shanghai Brigantine")	Shanghai	Shanghai	Container ship and its parts, mechanical repair, maintenance services	–	70.00%
45	Tianjin port free trade zone Kaichang oil marketing Co. Ltd. ("Kaichang oil marketing")	Tianjin	Tianjin	Sales of petroleum products, warehouse sales	–	45.00%
46	C&C Trucks marketing service Co., Ltd. ("C&C Marketing Service")	Wuhu Anhui	Wuhu Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery, automobile chassis engine and relevant components and parts	–	66.24%
47	Jiajing Technology Co., Ltd. ("Jiajing Technology")	Wuhu Anhui	Wuhu Anhui	Industrial design and new technology development mainly about automobile and its accessories	–	66.24%
48	Wuhu Xingfu Real Estate Co., Ltd. ("Wuhu Xingfu Real Estate")	Wuhu Anhui	Wuhu Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery	–	43.20%
49	Ruiji Logistics (Wuhu) Co., Ltd. ("WHRJL")	Wuhu Anhui	Wuhu Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery	–	83.12%
50	C&C Trucks Co., Ltd. ("C&C Trucks")	Wuhu Anhui	Wuhu Anhui	Sale and agency of various kinds of heavy truck special-use vehicles, engineering machinery	66.24%	–

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(i) Domestic subsidiaries (Continued)

		注册地	主要经营地	主营业务	持股比例	表决权比例
51	Anhui FeiCai (Group) co., LTD ("Anhui FeiCai (Group)")	Wuhu Anhui	Wuhu Anhui	Manufacture and sale of agricultural vehicles, agricultural machinery and relevant accessories	–	66.24%
52	The world shipping (Beijing) Investment Company Limited (Medieval transport investment)	Beijing	Beijing	Investment management asset management Investment consultation	–	50.00%
53	The world shipping (Beijing) International Logistics Co. Ltd. (World of international logistics)	Beijing	Beijing	Cargo transportation and delivery service	–	50.00%
54	The world shipping (Beijing) International Trade Co. Ltd. (World of international trade transport)	Beijing	Beijing	Import and export of goods import and export import and export of Technology	–	50.00%
55	World transport (Tianjin) International Freight Forwarders Ltd. (Medieval cargo)	Tianjin	Tianjin	International freight forwarding agency warehousing services	–	50.00%

(ii) Overseas subsidiaries

		注册地	主要经营地	主营业务	持股比例	表决权比例
56	CIMC Rolling Stock Australia Pty Ltd. (CIMC Aus)	Australia	Australia	Sales of vehicles	–	100.00%
57	Enric Energy Equipment Holdings Limited Note VI, 1(4)	Cayman Islands	Cayman Islands	Investment	–	70.40%
58	Burg Industries B.V.	Holland	Holland	Investment	–	100.00%
59	CIMC ENRIC Tank and Process B.V.	Holland	Holland	Investment	–	70.40%
60	Holvriekaldo B.V.	Holland	Holland	Sales of tank equipment	–	70.40%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

附注	资产负债表	利润表	现金流量表	所有者权益变动表
Notes	Balance Sheet	Income Statement	Statement of Cash Flows	Statement of Changes in Equity

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(ii) Overseas subsidiaries (Continued)

No.	Subsidiary Name	Country of Origin	Country of Incorporation	Business Description	Ownership Percentage	
					Direct	Indirect
71	Holvrieka Denmark A/S	Denmark	Denmark	Manufacturing tank equipment	–	70.40%
72	Direct Chassis LLC ("DCEC")	USA	USA	Manufacturing and sales of a variety of special vehicles	–	100.00%
73	CIMC TGE Gasinvestments SA ("TGESA")	Luxemburg	Luxemburg	Investment	–	60.00%
74	TGE Gas Engineering GmbH ("TGE Gas")	Germany	Germany	Provide EP+CS (Design, Purchase and Construction Supervision) or other technical project services in LNG, LPG and storage and disposal of other	–	60.00%
75	CIMC Raffles Offshore (Singapore) Limited ("Raffles")	Singapore	Singapore	Production of various ship for offshore oil and gas, including jack-up drilling platforms, semisubmersible drilling Platforms, FPSOs, FSOs	–	100.00%
76	CIMC Raffles Investments Limited	Hongkong, China	Hongkong, China	Investment	–	100.00%
77	CIMC Raffles Leasing Pte. Ltd.	Singapore	Singapore	Leasing of marine ship	–	100.00%
78	Caspian Driller Pte. Ltd.	Singapore	Singapore	Leasing of marine ship	–	100.00%
79	Technodyne International Limited ("Technodyne")	United Kingdom	United Kingdom	Research and development of Energy equipment	–	60.00%
80	Gadidae AB.	Sweden	Sweden	Investment	–	100.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

Item	Company Name	Country of Origin	Country of Incorporation	Business Description	Ownership Percentage	
					Shareholding	Percentage
81	Perfect Victor Investments Limited ("Perfect Victor")	Hongkong, China	Hongkong, China	Investment	–	100.00%
82	Ziemann International GmbH ("Ziemann Group")	Germany	Germany	Design, production and sales of beer fermentation machine	–	70.40%
83	Albert Ziegler GmbH ("Ziegler")	Germany	Germany	Designation of Marine engineering	–	100.00%
84	Hongkong, China (Brigante enServiceL)					

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures

(1) Basic information of major associates and joint ventures

Entity Name	Registered Office	Principal Place of Business	Business Description	Control	Shareholding Percentage	Percentage of Equity
Joint ventures –						
NKY Zhenhua	Tianjin	Tianjin	Logistics support business	No	–	38.25%
Shanghai Three Eyre	Shanghai	Shanghai	Logistics support business	No	–	38.25%
Y&C Engine	Wuhu, Anhui	Wuhu, Anhui	Manufacture and sales of heavy-duty engines and components and parts	Yes	–	33.12%
Associates –						
Shanghai Fengyang	Shanghai	Shanghai	Real estate development	Yes	–	40.00%
TSC	Houston (USA)	Cayman Islands	Land and sea drilling platform business	Yes	–	13.43%
BaZhou LiHua gas storage and transportation Co., Ltd	Bazhou, Hebei	Bazhou, Hebei	Gas warehousing and transportation business	No	–	28.00%

The equity mentioned above is measured by equity method.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures (Continued)

(2) Main financial information of major joint ventures

	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Cash at bank and on hand	18,826	17,844	3,030	5,628	50,401	67,105
Other current assets	47,958	26,600	3,163	3,232	181,240	227,861
Total current assets	66,784	44,444	6,193	8,860	231,641	294,966
Total non-current assets	118,527	119,969	145,434	148,667	684,525	648,913
Total assets	185,311	164,413	151,627	157,527	916,166	943,879
Current liabilities	30,930	15,129	13,700	14,243	435,594	446,265
Non-current liabilities	11,406	11,406	14,000	20,500	84,634	90,000
Total liabilities	42,336	26,535	27,700	34,743	520,228	536,265
Minority shareholders' equity						
Total equity attributable to shareholders of the Company	142,975	137,878	123,927	122,784	395,938	407,614
Shareholding ratio	51.00%	51.00%	51.00%	51.00%	50.00%	50.00%
Net assets proportion calculated by shareholding ratio(i)	72,917	70,318	63,203	62,620	197,969	203,807
Carrying amount of equity investment in the joint ventures	72,917	70,318	63,203	62,620	197,969	203,807

	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Revenue	58,289	53,898	13,611	12,067	198,049	—
Financial expenses	(56)	(396)	832	1,220	10,194	—
Income tax expenses	1,699	—	381	192	—	—
Net profit/(loss)	5,096	(380)	1,143	(525)	(11,676)	—
Other comprehensive income	—	—	—	—	—	—
Total comprehensive	5,096	(380)	1,143	(525)	(11,676)	—

(i) The group calculated the portion of assets by shareholding ratio, on the basis of the amount attributable to the Company in consolidated financial statements of the joint ventures. The amount in consolidated financial statements of joint ventures takes the fair value of assets and liabilities of the joint ventures, and the effects of the uniform accounting policies into consideration.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures (Continued)

(3) Main financial information of major Associates (Continued)

	1 January to 30 June 2015	From 1 January to 30 June 2014	1 January to 30 June 2015	From 1 January to 30 June 2014
Revenue	532,343	—	1,292,975	646,829
Net profit	21,218	—	371,620	157,388
Other comprehensive income	—	—	—	—
Total comprehensive income	21,218	—	371,620	157,388
Dividends received from the associates in this period	—	—	—	—

(i) The group calculated the portion of assets by shareholding ratio, on the basis of the amount attributable to the Company in consolidated financial statements of the associates. The amount in consolidated financial statements of associates takes the fair value of assets and liabilities of the associates, and the effects of the uniform accounting policies into consideration.

(4) Summary information of insignificant associates and joint ventures

Joint entities:

	30 June 2015	31 December 2014
Total carrying amount of investments	104,594	100,946

Sub-total amount of the following items calculated in the Group's

	1 January to 30 June 2015	From 1 January to 30 June 2014
Net profit (i)	3,666	5,094
Other comprehensive income (i)	—	—
Total comprehensive income	3,666	5,094

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates and joint ventures (Continued)

(4) Summary information of insignificant associates and joint ventures (Continued)

associates:

	30 June 2015	31 December 2014
Total carrying amount of investments	486,567	339,386

Sub-total amount of the following items calculated in the Group's

	1 January to 30 June 2015	From 1 January to 30 June 2014
Net profit (i)	4,745	(42,424)
Other comprehensive income (i)	—	—
Total comprehensive income	4,745	(42,424)

(i) The amount of net profit and other comprehensive income takes the fair value of identifiable assets and liabilities, and the effects of the uniform accounting policies into consideration.

(5) Excess deficit of associates and joint ventures

	31 December 2014	Movement in this period	30 June 2015
Nirota B.V.	—	(550)	(550)

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

There is no equity of the structured body not included in the consolidation range of the consolidated financial statements.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. The company does not have immediate holding company.
2. For the information on the subsidiaries of the company, refer to Note VI.
3. For the information about the joint ventures and associates of the Company, refer to Note VI.2.

In addition to the important the joint ventures and associates have been disclosed in to Note VI, the rest of joint ventures and associates are as follows:

Joint Ventures			Joint Ventures			
Entity Name	Registered Capital	Shareholding Ratio	Business Description	Related Party Relationship	Shareholding Ratio	Shareholding Ratio
joint ventures –						
Shanghai Baijian	Shanghai	Shanghai	Container repair service	No	–	35.00%
Shanghai Shenyi	Shanghai	Shanghai	Auto parts business	No	–	20.00%
Dalian Jilong	Dalian	Dalian	Container repair service	No	–	50.00%
Tianjin jinshi	Tianjin	Tianjin	Container repair service	No	–	35.00%
Kawasaki Zhenhua	Tianjin	Tianjin	Logistics support services	No	–	38.25%
Guangxi South Logistics	Nanning	Nanning	Logistics service	No	–	50.00%
SCSCRC	Shanghai	Shanghai	Refrigeration equipment business	No	50.00%	–
Qingdao Jiefeng	Qingdao	Qingdao	Container repair service	No	–	35.00%
associates –						
Marine Subsea & Consafe Limited	Syrus	Syrus	Marine related business	No	–	40.00%
Shanghai Xiangtong Automotive Components Company Limited	Shanghai	Shanghai	Auto parts business	No	–	21.00%
Nantong Xinyang Environmental Protection Industry Co., Ltd.	Nantong	Nantong	Environmental protection board service	No	–	20.00%
Xia'men CIMC	Xia'men	Xia'men	Container repair service	No	–	45.00%
Dalian Jilong Logistics	Dalian	Dalian	Logistics service	No	–	30.00%
Tianjin the first agricultural East animal husbandry Co. Ltd	Tianjin	Tianjin	Logistics service	No	–	30.00%
Ningbo Beilun	Ningbo	Ningbo	Container service	No	–	21.00%
Guangzhou Jinyuan Metals Corporation	Guangzhou	Guangzhou	Metal industry	No	–	10.00%
Xuzhou CIMC Wood Industry Co., Ltd.	Xuzhou	Xuzhou	Wood	No	–	35.00%
Xinyang Wood Industry	Hongkong	Hongkong	Wood	No	–	20.00%
Senjv Technology	Jiangmen	Jiangmen	Materials business	No	–	24.00%
Qingdao Port International Trade Logistics Co., Ltd.	Qingdao	Qingdao	Logistics service	No	–	30.00%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information of other related parties

Other Related Parties	Relationship
Florens Container Services Ltd.	Subsidiary of significant shareholder
Florens Container Corporation S.A.	Subsidiary of significant shareholder
Florens Maritime Limited	Subsidiary of significant shareholder
Shenzhen China Merchants Real Estates Co., Ltd	Subsidiary of significant shareholder
Gasfin Investment S.A	Minority shareholder of subsidiary
COSCO Container Industries Limited	Significant shareholder
China Merchant International Ltd.	Significant shareholder
Mitsui & Co., Ltd.	Minority shareholder of subsidiary
Shanxi Heavy Duty Automobile Co., Ltd.	Minority shareholder of subsidiary
Sumitomo Corporation	Minority shareholder of subsidiary
Shunde Furi Real Estate Investment Co., Ltd	Minority shareholder of subsidiary
Zhejiang Tenglong Bamboo Industry Group	Minority shareholder of subsidiary
Tianjin Port International Logistics Development Co., Ltd.	Minority shareholder of subsidiary
Frigstad Deepwater Holding Limited	Minority shareholder of subsidiary
Eighty Eight Dragons Limited	Minority shareholder of subsidiary
Quercus Limited	Minority shareholder of subsidiary
Shiny Laburnum Limited	Minority shareholder of subsidiary
Inland Services B.V. (Netherlands)	Minority shareholder of subsidiary
Asahi Trading Co., Ltd	Minority shareholder of subsidiary
Wuhu Tairui Investment Ltd.	Minority shareholder of subsidiary

Note: Significant shareholders represent shareholders holding more than 5% (inclusive) of the Company's shares.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions

The following transactions with related parties were conducted under normal commercial terms or relevant agreements.

(1) Purchase of goods and receiving of services

The Group

Name	Nature of the transaction	For the Period from 1 January to 30 June 2015	For the Period from 1 January to 30 June 2014
		A	Amount
C&C Trucks	Purchase of goods	2	217,798
SXHDA	Purchase of goods	200	17,118
Japan Zhaoyang Trading Co., Ltd	Purchase of goods	33,412	9,940
TSC Offshore Group Limited	Purchase of goods	13,053	90,071
Y&C Engine Co., Ltd.	Purchase of goods	175,989	—
Asahi Trading Co., Ltd	Purchase of goods	16,498	—
Qingdao Port International Trade Logistics Co., Ltd.	Purchase of goods	632,782	—
Jiahua Shipping (Hongkong) Co. Ltd.	Purchase of goods	59,886	—
Other related parties	Purchase of goods	27,385	2,745
Sub-total	Purchase of goods	959,205	337,672
Other related parties	Receiving of services	14	217

The Company

Emoluments of the company refer to VIII.5(4).

(2) Sale of goods and rendering of services

The Group

Name	Nature of the transaction	For the Period from 1 January to 30 June 2015	For the Period from 1 January to 30 June 2014
		A	Amount
Florens Container Corporation S.A.	Sale of goods	322,290	348,720
Florens Maritime Limited	Sale of goods	485,396	598,241
SXHDA	Sale of goods	80,804	229,532
COSCO Container Industries Limited	Sale of goods	2	107,062
C&C Trucks	Sale of goods	2	53,458
Sumitomo Corporation	Sale of goods	13,033	—
Other related parties	Sale of goods	2,056	35,808
Sub-total	Sale of goods	903,579	1,372,821
Other related parties	Rendering of services	473	563

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015
(All amounts in RMB'000 unless otherwise stated)
English Translation for Reference Only

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(3) Financing

The Group

		As at 30 June 2015	
		RMB'000	US\$'000
Financing received			
Gasfin Investment S.A.	33,337	19 September 2008	Not fixed repayment date
Eighty Eight Dragons Limited	165,067	7 December 2017	Shareholder loans

Financing received			
Gasfin Investment S.A.	33,337	19 September 2008	Not fixed repayment date
Eighty Eight Dragons Limited	165,067	7 December 2017	Shareholder loans

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions

- (i) The Company adopted a new share options scheme since 28 September 2010 (see Note IX). Details of unexercised share options granted to key management personnel as at 30 June 2015 are as follows:

		(RMB'000)
Mai Boliang	President, Chairman	285
Zhao Qingsheng	Vice Chairman	112.5
Wu Fapei	Vice Chairman	75
Li Yinhui	Vice Chairman	75
Yu Ya	Vice Chairman	75
Liu Xuebin	Vice Chairman	112.5
Zhang Baoqing	Vice Chairman	75
Jin Jianlong	General Manager of Finance Department	75
Zeng Beihua	General Manager of Treasury Department	75
Yu Yuqun	Secretary of the Board	75
Total		1,035

Some key management personnel were not only granted the above share options of the Company but also were granted share options of Enric, the subsidiary of the Company. Details of unexercised share options granted to key management personnel as at 30 June 2015 are as follows:

		(RMB'000)
Zhao Qingsheng	Vice Chairman	163.5
Wu Fapei	Vice Chairman	50
Yu Ya	Vice Chairman	25
Jin Jianlong	General Manager of Finance Department	140
Zeng Beihua	General Manager of Treasury Department	300
Yu Yuqun	Secretary of the Board	129.8
Total		808.3

For detailed information for fair value of the granted share options aforesaid, please refer to Note IX.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

(ii) Directors' and key management personnel's emoluments

Directors' and key management personnel's emoluments For the period ended 30 June 2015 are as follows:

Director/Key Management Personnel	Salaries and Fees	Director's Remuneration	Supervisors' Remuneration	Other Key Management Personnel's Remuneration	Retirement Insurance	Health Insurance	Other Benefits	Total
Directors								
Li Jianhong	└	└	└	└	└	└	└	└
Zhang Liang	└	└	└	└	└	└	└	└
Wang Hong	└	└	└	└	└	└	└	└
Mai Boliang	└	1,310	20	3,284	└	└	13	4,627
Wu Shuxiong	└	└	└	└	└	└	└	└
Wang Guixun	100	└	└	└	└	└	└	100
Li Kejun Note (i)	83	└	└	└	└	└	└	83
Pan Chengwei	100	└	└	└	└	└	└	100
Sub-total	283	1,310	20	3,284	└	└	13	4,910
Supervisors								
Wang Zhixian Note (ii)	└	└	└	└	└	└	└	└
Huang Qianru Note (ii)	└	└	└	└	└	└	└	└
He Jiale	└	└	└	└	└	└	└	└
Xiong Bo	└	85	15	54	└	└	6	160
Sub-total	└	85	15	54	└	└	6	160
Other key management personnel								
Wu Fapei	└	612	25	600	└	└	13	1,250
Li Yinghui	└	461	24	600	└	└	13	1,098
Liu Xuebin	└	669	25	244	└	└	13	951
Zhang Baoqing	└	640	24		└	└	13	677
Yu Ya	└	669	13	600	└	└	8	1,290
Jin Jianlong	└	562		600	└	└	└	1,162
Zeng Beihua	└	568		600	└	└	└	1,168
Yu Yuqun	└	630	20	2,051	└	└	13	2,714
Sub-total	└	4,811	131	5,295	└	└	73	10,310
Total	283	6,206	166	8,633	└	└	92	15,380

Note (i): Mr. Li Kejun began to serve as director of the company on 8 June 2015.

Note (ii): Ms. Huang Qianru resigned from the position of supervisor and Mr. Wang Zhixian was elected to serve as supervisor of the company on 8 June 2015.

The five individuals whose emoluments are the highest are included aforesaid in the period.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

(ii) Directors' and key management personnel's emoluments (Continued)

Directors' and key management personnel's emoluments for the period ended 30 June 2014 are as follows:

Name	Remuneration	Salary and allowance	Pension	Bonus	Sign-off bonus	Termination benefits	Others	Total
Directors								
Mai Boliang	–	1,250	19	–	–	–	12	1,281
Li Jianghong	–	–	–	–	–	–	–	–
Xu Minjie Note (i)	–	–	–	–	–	–	–	–
Zhang Liang Note (i)	–	–	–	–	–	–	–	–
Wang Hong	–	–	–	–	–	–	–	–
Wu Shuxiong	–	–	–	–	–	–	–	–
Wang Guixun	60	–	–	–	–	–	–	60
Li Kejun	60	–	–	–	–	–	–	60
Pan Chengwei	60	–	–	–	–	–	–	60
Sub-total	180	1,250	19	–	–	–	12	1,461
Supervisors								
Huang Qianru	–	–	–	–	–	–	–	–
He Jiale	–	–	–	–	–	–	–	–
Xiong Bo	–	92	14	36	–	–	5	147
Sub-total	–	92	14	36	–	–	5	147
Other key management personnel								
Zhao Qingsheng	–	630	–	–	–	–	–	630
Wu Fapei	–	582	19	600	–	–	12	1,213
Li Yinhui	–	582	18	600	–	–	12	1,212
Liu Xuebin	–	659	19	500	–	–	12	1,190
Zhang Baoqing	–	630	18	–	–	–	12	660
Yu Ya	–	659	18	600	–	–	12	1,289
Jin Jianlong	–	522	19	600	–	–	12	1,153
Zeng Beihua	–	532	–	600	–	–	–	1,132
Yu Yuqun	–	604	19	425	–	–	12	1,060
Sub-total	–	5,400	130	3,925	–	–	84	9,539
Total	180	6,742	163	3,961	–	–	101	11,147

Note(i): Mr. Xu Minjie no longer serve as director of the company from 7 March 2014. Mr. Zhang liang serve as director of the company on 7 March 2014.

The five individuals whose emoluments are the highest are included aforesaid for the period ended 30 June 2014.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables from and payables to related parties

Details of accounts receivable please refer to Note IV.4.
 Details of other receivables please refer to Note IV.5.
 Details of advance to suppliers please refer to Note IV.6.
 Details of accounts payable please refer to Note IV.26.
 Details of other payables please refer to Note IV.32.
 Details of advances from customers please refer to Note IV.27.

7. Commitments in relation to related parties

As at 30 June 2015, there are no commitments in relation to related parties contracted for but not yet necessary to be recognised on the balance sheet by the Group.

IX. SHARE-BASED PAYMENTS

1. Information about share-based payments

Total equity instruments granted during the period	No share options were granted during the period.
Total equity instruments exercised during the period	The total number of share options exercised was 17,814,465 in the period. The number of share options exercised in company and Enric were 14,456,465 and 3,358,000 respectively in the period.
Total equity instruments forfeited during the period	The total number of share options forfeited was 985,000 in the period. The number of share options forfeited in company and Enric were 955,000 and 30,000 respectively in the period.
The exercise price of outstanding share options at the end of the period and residual life of the share options contracts	<ol style="list-style-type: none"> Equity-settled share options granted by Enric in 2009, 2011 and 2014: HKD4, HKD2.48 and HKD11.24 per share respectively, the residual life of contract is 4.33, 6.32 and 8.94 years respectively; Equity-settled share options granted by the Company in 2010 and 2011: RMB10.77 (after adjustment) and RMB16.30 per share respectively (after adjustment), the residual life of contracts is both 5.24 years.
The price of other outstanding equity instruments at the end of the period and residual life of relevant contracts	–

Expenses recognised for the period arising from share-based payments are as follows:

	For the Period from 1 January to 30 June 2015	For the Period from 1 January to 30 June 2014
Equity-settled share-based payment	31,665	35,288

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IX. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payment

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

Enric, a subsidiary of the Company, carried out a share options plan (the "Plan I"), which was approved by the shareholders' meeting on 11 November 2009. According to the Plan, the key management personnel and other employees in Enric were granted share options of Enric at nil consideration to subscribe for shares of Enric. The options are 50% exercisable after one year from the date of grant and are then 100% exercisable after two years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in Enric. The total number of share options granted was 43,750,000, with the exercise price of HKD4 per share.

Enric carried out another share options plan (the "Plan II"), which was approved by the shareholders' meeting on 28 October 2011. According to Plan II, the board of directors of the Company was authorised to grant share options to the key management personnel and other employees of Enric at nil consideration to subscribe for shares of Enric. The options are 40% exercisable after one year from the date of grant and, 70% exercisable after 2 years from the date of grant, and then 100% exercisable after 3 years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in Enric. The total number of share options granted was 38,200,000, with exercise price of HKD2.48 per share.

Enric, a subsidiary of the Company, carried out a share options plan (the "Plan III"), which was approved by the shareholders' meeting on 5 June 2014. According to the Plan, the key management personnel and other employees in Enric were granted share options of Enric at nil consideration to subscribe for shares of Enric. The options are 40% exercisable after two years from the date of grant, 70% exercisable after three years from the date of grant and 100% exercisable after four years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in Enric. The total number of share options granted was 38,420,000, with the exercise price of HKD11.24 per share.

Movement of share options of Enric:

	30 June 2015 '000	31 December 2014 '000
Beginning balance	90,863	58,638
Granted in current period	—	38,420
Exercised in current period	(3,358)	(5,595)
Cancelled in current period	(30)	(510)
Forfeited in current period	—	(90)
Ending balance	87,475	90,863

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IX. SHARE-BASED PAYMENTS (CONTINUED)

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

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

A share options scheme (the "Scheme") was approved in the shareholders' meeting of the Company held on 28 September 2010. According to the Scheme, the board of directors of the Company was authorised to grant share options to the key management personnel and other employees to subscribe for shares of the Company. The effective period of the Scheme is ten years from the first grant date of share options. The options are exercisable in two periods. The options are 25% exercisable from the first transaction date after 24 months since the grant date to the last transaction date after 48 months since grant date. The remaining 75% are exercisable from the first transaction date after 48 months since grant date to the last transaction date of the Scheme. Each option gives the holder the right to subscribe for one ordinary share in the Company. In addition, the holder must simultaneously satisfy all the conditions as follows:

- (a) The holder should pass the previous year's evaluation.
- (b) The increase of net profit attributable to ordinary shareholders of the Company after deducting nonrecurring profit or loss should not be lower than the 6% and the average return on net assets after deducting non-recurring profit or loss should not be lower than 10% for the previous year of the exercise date.
- (c) During the waiting period, the net profit attributable to ordinary shareholders of the Company and the net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss should not be lower than the average figures of the three fiscal years before the grant day or negative.

The total number of share options granted was 60,000,000, 54,000,000 among which were for the initial grant with exercise price of RMB12.39 per share while the remaining 6,000,000 options were for reservation.

The Company distributed a cash dividend of RMB0.35 per share, RMB0.46 per share, RMB0.23 per share, RMB0.27 per share and RMB0.31 per share on 31 May 2011, 21 June 2012, 28 June 2013, 27 June 2014 and 22 July 2015 respectively to ordinary shareholders. In accordance with the Scheme, upon the implementation of the annual dividend distribution plan for 2010, 2011, 2012, 2013 and 2014, the Board of Directors would adjust the exercise price of the aforementioned 54,000,000 share options granted on 28 September 2010. The adjusted exercise price is RMB10.77 per share.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IX. SHARE-BASED PAYMENTS (CONTINUED)

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

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

According to the resolution approved by the Shareholders' General Meeting on 22 September 2011, the aforementioned 6,000,000 share options for reservation in the Scheme on 28 September 2010 were granted with exercise price of RMB17.57 per share. Upon the implementation of annual dividend distribution plan for 2011, 2012, 2013 and 2014 to ordinary shareholders with cash dividend of RMB0.46, RMB0.23, RMB0.27 and RMB0.31 respectively, the adjusted option exercise price is RMB16.30.

Movement of share options of the Company:

	30 June 2015 '000	31 December 2014 '000
Beginning balance	46,259	59,617
Exercised in current period	14,456	(10,233)
Cancelled in current period	—	—
Forfeited in current period	—	(3,125)
Ending balance	60,715	46,259

(3) Equity-settled share-based payment of CIMC Tianyu

In 2013, CIMC Tianyu, one subsidiary of the Group, implemented an equity trust scheme. Through this program, employees, who participated in the scheme, bought 8% stake of CIMC Tianyu from CIMC SD, who is the direct holding company of CIMC Tianyu, through Chang'an International Trust Co. Ltd.

Since CIMC Tianyu is an unlisted company that its shares are less liquid, therefore it is hard to exit this plan because of restrictions. Also the fair value of this share-based payment is low. Therefore, the Group did not recognise corresponding equity-settled share-based payments as to this equity trust scheme.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IX. SHARE-BASED PAYMENTS (CONTINUED)

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

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

At each balance sheet date during the vesting period, the Company makes the best estimation according to the latest information of the number of employees who are granted to vest and revises the number of equity instruments expected to vest. On vesting date, the estimate shall be equal to the number of equity instruments that ultimately vested.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

IX. SHARE-BASED PAYMENTS (CONTINUED)

3. Information on cash-settled share-based payment (Continued)

The SARs are exercisable in 2 instalments periods after 2 years from the rights grant date upon the satisfaction of exercisable conditions:

- (1) The SARs are up to 25% exercisable from the first transaction date after 24 months since grant date to the last transaction date after 48 months since grant date.
- (2) The remaining SARs up to 75% are exercisable from the first transaction date after 48 months since grant date to the last transaction date of the Scheme.

Raffles will write off the unexercised SARs after each exercise period expires if the SARs being requested for exercise by the grantee satisfying exercise conditions is less than the number of effective SARs during each period.

Raffles will write off unexercised SARs, which was granted but invalid due to un-satisfaction of the exercise condition during the exercise period, after each period expires.

The amount of accrued liabilities to cash-settled share-based payment amounted to RMB477,970. As at 30 June 2015 and the expenses recognised for cash-settle share-based payment was nil for the period.

The movement of cash-settled share options:

	30 June 2015	31 December 2014
Beginning balance	150,000	150,000
Cancelled in current period	—	—
Ending balance	150,000	150,000

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

X. CONTINGENCIES

1. Contingent liabilities

CIMC Raffles (a subsidiary of the Company) and its subsidiaries entered into vessel construction contracts and vessel leasing contracts with relevant purchasers, which involve terms of compensation for delivery postponement and termination terms. According to the relevant term of joint venture memorandum signed on 12 March 2014, the owner's compensation liability for CIMC Raffles of delivery delay will be discharged after the joint venture memorandum between them is signed and take effect. While the results depend on signing of a final joint venture agreement, the amount of the compensation for delivery postponement from contracted delivery date to future estimated actual delivery date that CIMC Raffles and its subsidiaries may need to assume a total of approximately RMB54,655,584.

2. Guarantees provided for external parties

CIMC Vehicle Group, a subsidiary of the Group, signed contracts with Bank of Communications, Bank of China, China Everbright Bank and China Merchants Bank, pursuant to which relevant banks provided guarantees in respect of banking facilities granted to the distributors and customers of CIMC Vehicle Group and its subsidiaries arising from purchase of vehicle products. As at 30 June 2015, as approved by the Board of the Company, the aggregate amount of credit facilities in respect of which CIMC Vehicle Group and its subsidiaries provided guarantees to the distributors and customers was RMB692,886,000 (31 December 2014: RMB847,892,000).

C&C Trucks and C&C Marketing Service, subsidiaries .5 0 0 8.5 79.3atauechant pnk of .042 Tcnications, Bank of aCsimg from purChina

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

X. CONTINGENCIES (CONTINUED)

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

The Group does not recognise bills payable or letter of credit issued as deposits. Corresponding inventories, advance to suppliers and notes payable are recognised at the earlier of the date of delivery of goods and the maturity date of the bills issued.

As at 30 June 2015, the Group had bills issued but not accounted for and outstanding letters of credit totalling RMB688,557,000 (31 December 2014: RMB1,412,328,000).

As at 30 June 2015, TAS had outstanding balance of guarantees issued by relevant banks totalling RMB298,568,000 of which balance of performance guarantees, bid guarantees, quality guarantees and guarantees provided to suppliers was RMB230,545,000, RMB30,099,000, RMB37,924,000 (total balance as at 31 December 2014: 213,478,000).

As at 30 June 2015, the Company had outstanding balance of guarantees issued by relevant banks USD1,344,000 (equivalent to approximately RMB8,217,000), which were all payment guarantees.

As at 30 June 2015, Nantong CIMC Large-sized Tank Co., Ltd. had outstanding balance of guarantees issued by relevant banks totalling RMB3,430,000, of which balance of performance guarantees and quality guarantees was RMB2,992,000; of which balance of prepayment guarantees was RMB438,000.

4. Significant pending litigations

As at 30 June 2015, there was no significant pending litigation.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XI. COMMITMENTS

1. Significant commitments

(1) Capital commitments

	30 June 2015	31 December 2014
Significant fixed assets purchase contracts entered into under performance or preparation of performance	52,604	2,657
Investment contracts entered into but not performed or performed partially	324,513	150,355
Significant contracts entered into for Ships to be manufactured for sales or lease	221,092	519,242
External investment approved by the Board of Directors	72,801	24,062
Total	671,010	696,316

Capital commitments authorised by the management but are not yet contracted for

	30 June 2015	31 December 2014
Buildings, machinery and equipment	72,801	24,062

The Group's share of the joint ventures' own commitments for capital expenditure are Nil (31 December 2014: Nil).

(2) Operating lease commitments

The future minimum lease payments due under the signed irrevocable operating leases contracts are summarised as follows:

	30 June 2015	31 December 2014
Within 1 year (inclusive)	84,690	30,888
Over 1 year but within 2 years (inclusive)	38,692	28,315
Over 2 years but within 3 years (inclusive)	30,639	13,974
Over 3 years	58,287	65,873
Total	212,308	139,050

Operating lease recognised as expenses in the period is RMB65,711,000 (from 1 January to 30 June 2014: RMB35,949,000).

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XII. EVENTS AFTER THE BALANCE SHEET DATE

(1) Progress of the Non-public Additional Issue

The Company received the Approval of the Issue of Additional Overseas Listed Foreign Shares by China International Marine Containers (Group) Co., Ltd. (Zheng Jian Xu Ke [2015] No. 1749) from the CSRC on 22 July 2015 pursuant to which, the CSRC approved the Company to issue up to 286,096,100 additional overseas listed foreign shares, all of which are ordinary shares having a par value of RMB1 each.

(2) Completion of the Transaction with CFSE

The announcements, namely the Announcement of China International Marine Containers (Group) Co., Ltd. in relation to Entering into a Memorandum of Understanding with CFSE, the Supplementary Announcement of China International Marine Containers (Group) Co., Ltd. in relation to Entering into a Memorandum of Understanding with CFSE and the Announcement of China International Marine Containers (Group) Co., Ltd. in relation to Entering into an Acquisition Agreement with CFSE, were respectively disclosed on 19 November 2014, 21 November 2014 and 28 February 2015. The Company proposed to sell its 40% equity interests in Albert Ziegler GmbH ("Ziegler", a wholly-owned subsidiary of the Company) to CFSE, and as consideration, CFSE would issue new shares to the Company (the "Potential Transaction"). The new shares to be issued would be not less than 30% of the enlarged issued share capital of CFSE.

Certain conditions precedent of the acquisition mentioned above have been satisfied and the acquisition was completed on 10 July 2015.

Immediately following completion of the acquisition, Ziegler became an associated company of CFSE and also an indirect non-wholly-owned subsidiary of the Company. Through CIMC Top Gear B.V. (an indirect wholly-owned subsidiary of the Company), the Company became the single largest shareholder of CFSE and owned 1,223,571,430 shares of CFSE, accounting for 30% of the issued share capital of CFSE as at the date of the Announcement. CFSE became an associated company of the Company. Any increase in the voting rights of CFSE by the Company and/or CIMC Top Gear B.V. upon completion of the acquisition is subject to 2% creeper of Rule 26.1 of The Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong. The 2% creeper is calculated based on the lowest percentage holding of the Company and/or CIMC Top Gear B.V. in CFSE within 12 months prior to the date of completion of increase in relevant voting rights.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIII. SEGMENT REPORTING

In accordance with the Group's internal organisation structure, management requirement and internal reporting process, nine reportable segments are identified by the Group including Containers, Road transportation vehicles, Energy, chemistry and food equipment, Offshore business, Airport facilities, Logistic services, Finance, Property development and Heavy trucks. Each reportable segment is an independent business segment providing different products and services. Independent management is applied to individual business segment as different technical and market strategy are adopted. The Group reviews the financial information of individual segment regularly to determine resources allocation and performance assessment.

1. Segment profits, losses, assets and liabilities

In order to assess the segment performance and resources allocation, the Group's management review segment revenue, expenses, assets and liabilities of each segment regularly. The preparation basis of such information is detailed as follows:

Segment assets include tangible assets, intangible assets, other long-term assets and accounts receivable, etc, but exclude deferred tax assets and other un-allocated headquarter assets. Segment liabilities include payables, bank loans, provision, special payables and other liabilities, while deferred tax liabilities are exclude.

Segment profit represents revenue (including external revenue and inter-segment revenue), offsetting segment expenses, depreciation and amortisation, impairment losses, interest expenses and income attributable to individual segment. Transactions conducted among segments are under normal non-related party transaction commercial terms.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIII. SEGMENT REPORTING (CONTINUED)

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

Information to be disclosed on each of the Group's reportable segment (including management's periodically reviewed information and disclosure required by accounting standard) that the Group uses in measuring segments' profit/(losses), assets and liabilities is set out as follows:

Item	30 June 2015																							
	30 June 2015																							
	30 June 2015																							
	30 June 2015																							
	30 June 2015																							
	30 June 2015																							
External transaction	12,175,096	6,615,446	4,498,517	2,587,488	883,084	4,148,284	825,057	238,713	293,853	371,751	△	△	32,637,289											
Inter segment transaction	303,536	66,669	275,915	2,455,787	△	119,526	△	△	102,237	320,941	(3,644,611)	△	△											
Cost of sales from main operations	10,454,994	5,416,408	3,936,848	4,959,077	580,479	3,912,129	263,627	140,211	357,033	461,202	(3,207,478)	△	27,274,530											
Investment income/(losses) in joint ventures and associates	38	176	(1,006)	△	△	7,961	6,494	148,650	(5,838)	3,469	△	(150)	159,794											
impairment loss for the period	5,527	24,038	(6,943)	(54)	386	3,786	108,790	△	△	△	△	△	135,530											
Depreciation and amortization expenses	193,223	156,965	152,581	116,710	22,876	100,092	114,941	3,762	100,768	16,356	-	35,260	1,013,534											
Interest income	130,687	30,179	17,747	104,377	983	5,326	83,019	8,082	2,896	391,070	(579,182)	372	195,556											
Interest expenses	31,352	48,882	27,721	218,638	9,815	18,343	166,596	14,198	43,512	13,212	(442,111)	468,531	618,689											
Segment operating profit/(losses)	959,864	391,336	348,313	19,768	(44,643)	86,490	610,912	148,113	(142,248)	(22,849)	199,110	(476,688)	2,077,478											
Income tax expenses	249,855	72,610	88,859	1,110	2,602	29,016	20,608	8,997	(3,455)	747	△	(45,881)	425,068											
Net profit/(losses)	710,009	318,726	259,454	18,658	(47,245)	57,474	590,304	139,116	(138,793)	(23,596)	199,110	(430,806)	1,652,411											
Segment total assets	19,789,115	11,284,269	11,489,721	26,842,408	2,798,186	4,413,656	15,637,555	4,169,390	4,027,447	4,703,838	(14,032,690)	4,470,594	95,593,489											
Segment total total liabilities	12,264,598	6,244,818	6,350,415	26,243,460	2,051,089	3,013,666	11,914,351	3,326,028	3,650,603	2,151,726	(42,665,054)	30,816,921	65,362,621											
Supplementary information:																								
– Segment expenditures/(income) other than depreciation and amortization	(176,825)	11,370	(18,690)	(102,921)	(2,479)	5,400	107,511	△	(782)	(41,743)	△	208,096	(11,063)											
– Long-term equity investment of joint ventures and associates	52,939	50,331	4,000	2	△	483,639	159,888	260,326	197,969	47,047	△	212,226	1,468,367											
– Segment expenditures raising from additions of non-current assets	600,101	255,948	179,549	222,533	433,695	368,983	11,028,575	71	16,659	5,324	△	80,912	13,192,350											

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIII. SEGMENT REPORTING (CONTINUED)

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

Information to be disclosed on each of the Group's reportable segment (including management's periodically reviewed information and disclosure required by accounting standard) that the Group uses in measuring segments' profit/(losses), assets and liabilities is set out as follows (Continued):

Item	Containers for the Period from 1 January to 30 June 2014	Road transportation for the Period from 1 January to 30 June 2014	Energy, chemistry and liquid food equipment for the Period from 1 January to 30 June 2014	Offshore business for the Period from 1 January to 30 June 2014	Airport facilities for the Period from 1 January to 30 June 2014	Logistic services for the Period from 1 January to 30 June 2014	Others for the Period from 1 January to 30 June 2014	Elimination between segments for the Period from 1 January to 30 June 2014	Unallocated items for the Period from 1 January to 30 June 2014	Total for the Period from 1 January to 30 June 2014
External transaction	11,397,544	7,018,972	5,461,093	3,095,649	750,752	3,318,339	1,003,779	-	-	32,046,128
Inter segment transaction	107,704	125,976	366,167	2,570,140	-	106,581	205,121	(3,481,689)	-	-
Investment income/(losses) in joint ventures and associates	-	920	-	-	-	5,985	63,819	-	(45,561)	25,163
Impairment loss for the period	9,818	17,468	1,149	(36,225)	(2,343)	5,915	7,500	-	-	3,282
Depreciation and amortization expenses	176,001	121,106	123,174	80,368	2,328	67,339	42,543	-	19,560	632,419
Interest income	86,679	26,467	219	2,759	1,459	4,930	329,092	(386,096)	612	66,121
Interest expenses	41,743	42,720	24,143	237,113	8,574	15,438	103,052	(386,096)	410,817	497,504
Segment operating profit/(losses)	411,753	308,131	510,949	49,620	(45,111)	62,651	134,678	159,046	(323,490)	1,268,227
Income tax expenses	89,033	82,404	22,009	152	980	21,245	(239,925)	-	6,210	(17,892)
Net profit/(losses)	322,720	225,726	488,940	49,467	(46,091)	41,406	374,604	159,046	(329,699)	1,286,119
Segment total assets	18,760,172	11,879,226	11,520,569	18,490,096	2,056,364	4,415,124	18,369,004	(5,554,667)	2,558,308	82,494,196
Segment total liabilities	12,492,313	7,126,888	6,943,115	18,024,275	1,449,925	3,125,197	5,174,106	(23,094,020)	26,231,281	57,473,080
Supplementary information:										
- Segment expenditures/(income) other than depreciation and amortization	261,787	18,025	9,466	(419)	(3,048)	10,272	7,315	-	14,256	317,654
- Long-term equity investment of joint ventures and associates	5,786	44,760	6,057	-	-	359,792	244,959	-	513,376	1,174,730
- Segment expenditures raising from additions of non-current assets	616,372	220,795	249,046	1,039,833	41,602	205,523	7,576,983	-	31,702	9,981,856

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIII. SEGMENT REPORTING (CONTINUED)

2. Geographic information

The following table sets out information about the geographical information of the Group's revenue from external customers and the Group's non-current assets (excluding financial assets and deferred tax assets, same for the below). The geographical locations of customers are based on the location at which the services were provided or the goods were delivered. The geographical locations of the specified non-current assets are based on the physical location of the assets (for fixed assets), or the location of the business to which they are allocated (for intangible assets and goodwill), or the location of operations of the associates and joint ventures.

Geographic information (according to the receiving part division)

	From 1 January to 30 June 2014	From 1 January to 30 June 2014	30 June 2015	31 December 2014
P.R.China	12,516,030	12,789,775	33,549,938	30,283,289
Asia (exclusive of China)	6,105,303	5,931,166	350,252	308,237
America	6,891,033	6,572,921	5,809,613	5,764,622
Europe	6,445,230	5,807,915	1,131,415	1,215,473
Others	679,693	944,351	45,609	69,072
Total	32,637,289	32,046,128	40,886,827	37,640,693

XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group has exposure to the following risks from its use of financial instruments in the normal course of the Group's operations, which mainly include:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk

This note presents information about the Group's exposure to each of the above risks and their sources, the Group's objectives, policies and processes for measuring and managing risks and etc.

The Group aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The internal audit department of the Group undertakes both regular and ad-hoc reviews of risk management controls and procedures.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to cash at bank, receivables, debt investments and derivative financial instruments entered into for hedging purposes and etc. Exposure to these credit risks are monitored by management on an ongoing basis.

The cash at bank of the Group is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

In respect of receivables, the risk management committee of the Group has established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the external ratings of the customers and their bank credit records where available and previous payment records (if available). Receivables are due within from 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers, but earnest or prepayment money is requested sometimes due to the customer's situation.

Most of the Group's and the Company's customers have been transacting with the Group or the Company for a long time, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to some factors, such as ageing and maturity date. This Group has made the provision for the significant overdue receivables at 30 June 2015.

Guideline from the Group basis to the assets of associates and jointly controlled, profit forecast of development project provide fund to associates and jointly controlled entity and continue to monitor the project progress and its operating to ensure the recoverability of the fund.

In addition, the debtors of the Group those are neither past due nor impaired mainly due to a wide range of customers for whom there was no recent history of default.

The Group's exposure to credit risk is influenced mainly by the individual characteristics and industries of each customer rather than country or area in which the customers operate and therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. At the balance sheet date, the Group and the Company had a certain concentration of credit risk, as 5.15% (2014: 10.55%) of the total accounts receivable and other receivables were due from the five largest customers of the Group.

Investments are normally made only in liquid securities quoted on a recognised stock exchange, except where entered into for long-term strategic purposes. Transactions involving derivative financial instruments are made with counterparties of sound credit standing and with whom the Group has a signed netting ISDA agreement (International Swap Derivative Association). Given their high credit standing, management does not expect any investment counterparty to fail to meet its obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. Except for the financial guarantees given by the Group as set out in Note X, the Group and the Company do not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in Note X.

As at 30 June 2015, except the note IV.4 disclosed, the Group has no major overdue receivables (31 December 2014: Nil).

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

2. Liquidity risk

Liquidity risk is the risk that an enterprise may encounter deficiency of funds in meeting obligations associated with financial liabilities. The Company is responsible for the cash management, including short term investment of cash surpluses and the raising of loans to cover expected cash demands, for individual subsidiaries subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the balance sheet date of the Group's financial assets and financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or if floating, based on prevailing interest rates at 30 June) and the earliest date the Group can be required to pay:

	30 June 2015					Total
	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years		
Financial assets						
Cash at bank and on hand	3,989,482	∠	∠	∠	3,989,482	3,989,482
Financial assets at fair value through profit or loss	258,329	∠	∠	∠	258,329	258,329

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

2. Liquidity risk (Continued)

At the balance sheet date, the Group and the Company had a certain concentration of credit risk, as 5.15% (2013: 10.55%) of the total accounts receivable and other receivables were due from the five largest customers of the Group.

	31 December 2014					Balance sheet carrying amount
	Contractual undiscounted cash flow					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	
Financial assets						
Cash at bank and on hand	3,667,387	–	–	–	3,667,387	3,667,387
Financial assets at fair value through profit or loss	427,669	–	–	–	427,669	427,669
Accounts receivable and other receivables	14,055,440	–	–	–	14,055,440	14,055,440
Current portion of non-current assets	2,388,975	–	–	–	2,388,975	2,388,975
Long-term receivables	2,602,713	1,565,159	1,925,888	257,261	6,351,021	3,449,542
Sub-total	23,142,184	1,565,159	1,925,888	257,261	26,890,492	23,989,013
Financial liabilities						
Financial liabilities at fair value through profit or loss	177,541	–	–	–	177,541	177,541
Short-term borrowings	11,239,527	–	–	–	11,239,527	11,239,527
Debentures payable	689,383	4,209,200	–	–	4,898,583	4,455,080
Accounts payable and other payables	16,651,855	–	–	–	16,651,855	16,651,855
Current portion of non-current liabilities	4,052,854	–	–	–	4,052,854	4,052,854
Long-term borrowings	395,562	5,672,657	6,922,858	–	12,991,077	11,110,296
Long-term payables	237,504	195,967	162,655	134,947	731,073	672,562
Sub-total	33,444,226	10,077,824	7,085,513	134,947	50,742,510	48,359,715
Net total	(10,302,042)	(8,512,665)	(5,159,625)	122,314	(23,852,018)	(24,370,702)

Bank and other borrowings are analysed by repayment terms as follows:

	30 June 2015		31 December 2014	
	Wholly repayable within five years	Other borrowings	Bank borrowings	Other borrowings
Wholly repayable within five years	29,862,172	–	24,400,701	–

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

3. Interest rate risk

The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure.

(1) As at 30 June, the Group held the following interest-bearing financial instruments:

	30 June 2015		31 December 2014	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Fixed rates interest-bearing financial instruments				
Financial assets				
– Long-term receivables	2.58%-17.53%	5,563,364	2.58%-17.53%	3,449,542
– Current portion of non-current assets	2.58%-17.53%	2,475,515	2.58%-17.53%	2,388,975
Financial liabilities				
– Short-term borrowings	1.20%-7.28%	4,977,139	1.08%-7.28%	2,645,497
– Current portion of debentures payable	5.23%	3,997,452	4.43%	2,000,000
– Current portion of long-term borrowings	3.65%-4.10%	1,029,937		
– debentures payable	5.00%	458,520	5.00%-5.23%	4,455,080
– Long-term borrowings	2.47%-6.00%	2,371,614	2.53%-6.4%	2,146,526
Total		(4,795,783)		

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

3. Interest rate risk (Continued)

(2) Sensitivity analysis

As at 30 June 2015, it is estimated that a general increase/decrease of 25 basis points (31 December 2014: 25 basis points) in interest rates, with all other variables held constant, would increase/decrease the Group's net profit by RMB34,358,000 (2014: RMB31,151,000), and equity by RMB34,358,000 (2014: RMB31,151,000).

The sensitivity analysis above indicates the instantaneous change in the net profit and equity that would arise assuming that the change in interest rate had occurred at the balance sheet date and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the balance sheet date. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the net profit and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis was performed on the same basis for the previous year.

4. Foreign exchange risk

The major currency received by the Group is USD and the major currency paid out is RMB. In order to avoid the risks resulting from the fluctuation of the exchange rate of RMB, in respect of accounts receivable and payables denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

- (1) Besides the exposure to currency risk arising from financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss disclosed in Note IV.2 and IV.24, the Group's exposure as at 30 June to currency risk arising from recognised assets or liabilities denominated in foreign currencies is follows. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the balance sheet date. Differences resulting from the translation of the financial statements denominated in foreign currency are excluded.

	30 June 2015				31 December 2014			
	USD	EUR	HKD	JPY	USD	EUR	HKD	JPY
Cash at bank and on hand	239,232	31,535	66,584	85,558	309,333	1,125,553	23,375	34,955
Receivables	6,171,271	790,086	75,187	20,170	4,816,325	1,090,811	95,060	40,387
Short-term borrowings	(15,041,266)	(400,625)	—	—	(9,528,809)	(439,287)	(35,499)	—
Long-term receivables	2,802,257	—	—	—	1,474,677	—	—	—
Long-term borrowings	(10,267,033)	—	(79,084)	—	(10,119,293)	—	—	—
Payables	(2,227,117)	(655,949)	(85,817)	(1,444)	(2,532,955)	(1,124,128)	(97,735)	(5,877)
Provisions	(349,484)	(40,748)	(61)	—	(85,462)	(91,467)	(13)	—
Current portion of non-current liabilities	(785,598)	—	—	—	(685,440)	—	(574,102)	—
Gross balance sheet exposure	(19,457,738)	(275,701)	(23,191)	104,284	(16,351,624)	561,482	(588,914)	69,465

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (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:

	30 June 2015	For the Period from 1 January to 30 June 2014	30 June 2015	30 June 2014
USD	6.1275	6.1501	6.1136	6.1528
EUR	6.8166	8.4175	6.8699	8.3946
HKD	0.7903	0.7929	0.7886	0.7938
JPY	0.0509	0.0604	0.0501	0.0608

(3) Sensitivity analysis

Assuming all other risk variables remained constant, -5.60%, -4.80%, 0.47% and 2.25% strengthening of the RMB against the USD, EUR, HK dollar and Japanese Yen respectively at 30 June 2015 (-1.00%, 13.00%, 1.00% and 6.00% strengthening of the RMB against the USD, EUR, HK dollar, and Japanese Yen respectively at 31 December 2014) would have increased (decreased) equity and net profit by the amount shown below; whose effect is in RMB and translated using the spot rate at the balance sheet date:

	30 June 2015	31 December 2014
30 June 2015		
USD	(817,225)	(817,225)
EUR	(9,925)	(9,925)
HKD	82	82
JPY	(1,760)	(1,760)
Total	(828,828)	(828,828)
31 December 2014		
USD	(100,562)	(100,562)
EUR	(54,239)	(54,239)
HKD	2,297	2,297
JPY	(3,105)	(3,105)
Total	(155,609)	(155,609)

5.60%, 4.80%, -0.47% and -2.25% weakening of the RMB against USD, EUR, HK dollar and Japanese Yen respectively at 30 June 2015 (1.00%, -13.00%, -1.00% and -6.00% weakening of the RMB against the USD, EUR, HK dollar, and Japanese Yen respectively at 31 December 2014) would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

4. Foreign exchange risk (Continued)

(3) Sensitivity analysis (Continued)

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date, the analysis excludes differences that would result from the translation of the financial statements denominated in foreign currency. The analysis is performed on the same basis for the previous year.

The above sensitive analysis does not include exposure to currency risk arising from foreign future contracts, Japanese Yen exchange option and swap contract for interest rate disclosed in Notes IV.2 and IV.24 about financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, but the change in exchange rate may have effect on shareholders' equity and net profit.

5. Other price risks

Other price risks are stock price risk. As at 30 June 2015, the Group held 40,414,000 tradable shares of Qingdao Port International Co., Ltd.

As at 30 June 2015, it is estimated that a general increase/decrease of the comprehensive index of H-shares 5.00% (31 December 2014: 5.00%), with all other variables held constant, would increase/decrease the Group's shareholders' equity by RMB7,282,000 (31 December 2014: RMB10,399,000).

The sensitivity analysis above arise assuming that the change in the comprehensive index of H-shares occurred at the balance sheet date is reasonable and had been applied to re-measure those investments in securities held by the Group. The sensitivity analysis is also based on another assumption, namely, the fair value of the investments in securities held by the Group is relevant to composite index of stock market, and available-for-sales securities investment has same risk factor as trading securities investment, and all other variables held constant. 20.00% change in the comprehensive index of H-shares is a reasonable expectation of the Group for the period from the balance date to the next balance sheet date.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

6. Estimates of fair value of financial instruments

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

(1) assets continuously measured at fair value

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 30 June 2015:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Investments in equity instrument held for trading	IV.2	150,864	∠	∠	150,864
Derivative financial assets	IV.2	∠	106,856	∠	106,856
Hedging Instrument	IV.2	∠	609	∠	609
Sub-total		150,864	107,465	∠	258,329
Available-for-sale financial assets	IV.10	4,320	∠	∠	4,320
Total		155,184	107,465	∠	262,649

Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	IV.24	∠	(36,703)	∠	(36,703)
Hedging Instrument	IV.24	∠	(3,590)	∠	(3,590)
Financial guarantee contracts	IV.24	∠	∠	(46,221)	(46,221)
Total		∠	(40,293)	(46,221)	(86,514)

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

6. Estimates of fair value of financial instruments (Continued)

(1) assets continuously measured at fair value (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value in the above three levels as at 31 December 2014:

Assets	Note	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Investments in equity instrument held for trading	IV.2	403,709	–	–	403,709
Derivative financial assets	IV.2	–	22,741	–	22,741
Hedging Instrument	IV.2	–	1,219	–	1,219
Sub-total		403,709	23,960	–	427,669
Available-for-sale financial assets	IV.10	6,514	–	–	6,514
Total		410,223	23,960	–	434,183

Liabilities	Note	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	IV.24	–	(148,669)	–	(148,669)
Hedging Instrument	IV.24	–	(10,384)	–	(10,384)
Financial guarantee contracts	IV.24	–	–	(18,488)	(18,488)
Total		–	(159,053)	(18,488)	(177,541)

The Group make the date when matters occurred which result in significant transfers between instruments in the three levels as the point of transfer. During the period, there were no significant transfers between instruments in Level 1 and Level 2 neither nor Level 2 and Level 3.

For traded in active markets financial instruments, the group measures its fair value at an active market price; For not traded in active markets financial instruments, the group uses valuation techniques to determine the fair value. Valuation model mainly used are the discounted cash flow model and market comparable company model etc.. Input values of the valuation techniques include the risk free interest rate, benchmark interest rate, exchange rate, credit spreads, liquidity premium, EBITDA multiplier, the lack of liquidity discount etc.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

6. Estimates of fair value of financial instruments (Continued)

(2) Assets and liabilities not measured at fair value but disclosed at the fair value

Financial assets and liabilities in the group measured by the amortized cost method of including: accounts receivable, short-term borrowings, accounts payable, long-term borrowings, debentures payables, long-term payables etc.

As at 30 June 2015, All financial instruments are carried at amounts not materially different from their fair value.

There is an active market for bonds payable and fair value is determined by the quotations in the active market, which belongs to the first level. Fair value of long-term borrowings, long-term payables and debentures payables with no active market is determined by the discounted future cash flow of the contract in accordance with interest that is comparable and offer the same cash flow under the same conditions, which belongs to the third level.

(3) Estimation and assumption of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, available-for-sale financial assets on the balance sheet date.

(a) *Equity investments*

Fair value is based on quoted market prices at the balance sheet date for fair values of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss (excluding derivatives), and available-for-sale financial assets if there is an active market.

(b) *Receivables*

The fair value is estimated as the present value of the future cash flows, discounted at the market interest rates at the balance sheet date.

(c) *Borrowings, debentures payable, long-term payables and other non-derivatives financial liabilities*

The fair value of borrowings, debentures payable, long-term payables and other non-derivatives financial liabilities is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

(d) *Derivatives*

The fair value of forward exchange contracts is either based on their listed market prices or by discounting the contractual forward price and deducting the current spot rate. The fair value of interest rate swaps is based on broker quotes. The quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar interest rate instrument at the measurement date.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XIV. FINANCIAL RISK AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

6. Estimates of fair value of financial instruments (Continued)

(3) Estimation and assumption of fair values (Continued)

(e) Financial guarantees

The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that the lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

(f) Interest rates used for determining fair value

The interest rates used to discount estimated cash flows are based on same term loans' rates announced by People's Bank of China at the balance sheet date plus an adequate credit spread and are as follows:

	30 June 2015	31 December 2014
Borrowings	1.75%-5.99%	1.75%-5.99%
Receivables	5.40%-6.55%	5.60%-6.55%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XV. CAPITAL MANAGEMENT

The Group's objectives of managing capital are to safeguard the group's ability of sustainable development in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital of the group is shareholders' equity shown in the consolidated balance sheet. The group is not subject to external mandatory capital requirements, and use debt to asset ratio to monitor capital.

The Group monitors capital on the basis of Debt-Asset ratio. This ratio is calculated as total liabilities divided by total assets.

As in 2015 the Group manages capital status by controlling the Debt-Asset ratio not to exceed 70%(2014: 70%). The Debt-Asset ratio as at 30 June 2015 and 31 December 2014 were as follows:

	30 June 2015	31 December 2014
Total liabilities	65,362,621	60,494,066
Total assets	95,593,491	87,776,181
Asset-liability ratio	68%	69%

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS

1. Cash at bank and on hand

	30 June 2015	31 December 2014
Bank deposits	1,442,650	1,773,195
Other cash balances	271,860	2,454
	1,714,510	1,775,649
Including: cash abroad	8	8

As at 30 June 2015, restricted cash at bank and on hand of the Company amounted to 2,436,000 (31 December 2014: 2,437,000).

As on 30 June 2015, the fixed deposit of the company in the financial company, a subsidiary of the group, was RMB942,000,000 (31 December 2014: RMB942,000,000).

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XVI.NOTES TO

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

4. Other receivables

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

	30 June 2015	31 December 2014
Amounts due from associates	9,236,841	7,194,648
Deposits	20,166	20,166
Others	276,516	7,440
Subtotal	9,533,523	7,222,254
Less: provision for bad debts	(4,580)	(4,580)
Total	9,528,943	7,217,674

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

	30 June 2015	31 December 2014
Within 1 year (Inclusive)	6,361,647	3,836,672
1 to 2 years (Inclusive)	3,116,234	3,329,930
2 to 3 years (Inclusive)	29,196	29,206
Over 3 years	26,446	26,446
Sub-total	9,533,523	7,222,254
Less: provision for bad debts	(4,580)	(4,580)
Total	9,528,943	7,217,674

The ageing is counted starting from the date the other receivable is recognized.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

4. Other receivables (Continued)

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

Note	30 June 2015				31 December 2014			
	Amount		Provision for bad debts		Ending balance		Provision for bad debts	
	A		B		Amount		Amount	
	%		%		% of total balance		% of total balance	
Other receivables with amounts that are individually significant	(4)	9,475,917	99.40%	—	7,176,065	99.36%	—	—
Other receivables with amounts that are not individually significant		57,606	0.60%	4,580	46,189	0.64%	4,580	9.92%
Total		9,533,523	100.00%	4,580	7,222,254	100.00%	4,580	0.06%

There were no collaterals that the Company held for other receivables that were made impairment aforesaid.

(4) As at 30 June 2015, other receivables with amounts that are individually significant and that the related provision for bad debts is provided on the individual basis

As at 30 June 2015, the Company has no other receivables with amounts that are individually significant and that the related provision for bad debts is provided on the individual basis (31 December 2014: Nil).

(5) As at 30 June 2015, other receivables with amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis.

As at 30 June 2015, the Company has no other receivables with amounts that are not individually significant but that the related provision for bad debts is provided on the individual basis (31 December 2014: Nil).

(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 2015			31 December 2014		
	Amount in thousands of US dollars		Ratio	Ending balance	Provision for bad debts	
	Provision for bad debts				Amount	
	A	A			Amount	Amount
Within 1 year	43,426	—	—	31,999	—	—
1 to 2 years	8,935	—	—	8,935	—	—
2 to 3 years	665	—	—	675	—	—
3 to 4 years	—	—	—	—	—	—
4 to 5 years	2,000	2,000	100%	2,000	2,000	100%
Over 5 years	2,580	2,580	100%	2,580	2,580	100%
Total	57,606	4,580	7.95%	46,189	4,580	9.92%

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

4. Other receivables (Continued)

(7) The recovery of provision in current period

There were no other receivables that the related provision for bad debts had been provided in full amount or in large proportion in previous years but are collected or reversed in full amount or in large proportion in current year (2014: Nil).

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

There were no material other receivables that are written off in current period (2014: Nil).

(9) As at 30 June 2015, the five largest other receivables are analysed as follows:

		Amount	Age	% of total other receivables	Provision
CIMC HK	fund transfer, daily transfer	2,026,610	Within 1 year	21.26%	—
CIMC SD	fund transfer	1,283,074	Within 1 year, 1 to 2 years	13.46%	—
C&C Trucks	fund transfer	898,819	Within 1 year	9.43%	—
Hongxin Berg	fund transfer	760,038	Within 1 year	7.97%	—
CIMC SD	fund transfer	436,319	Within 1 year, 1 to 2 years	4.58%	—
Total		5,404,860		56.69%	—

The Company's five largest other receivables as at 31 December 2014 amounted to RMB3,330,368,000 accounting for 46.12% of the total other receivables.

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

As at 30 June 2015, no amount due from shareholders holding more than 5% (including 5%) of the voting rights of the Company is included in the above balance of other receivables.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

4. Other receivables (Continued)

(11) Other receivables from related parties

		Amount	%
Associates	Associates	34,204	0.36%
Subsidiaries	Subsidiaries	9,202,792	96.53%
Total		9,236,996	96.89%

(12) Other receivables derecognised due to transfer of financial assets

There were no other receivables derecognised due to transfer of financial assets of the Company in this period (2014: Nil).

(13) Amount of assets and liabilities recognised due to the continuing involvement of securitised other receivable

There were no securitised other receivables during this period (2014: Nil).

5. Available-for-sale financial assets

	30 June 2015 '000	31 December 2014 RMB'000
Measured at cost		
Available-for-sale equity instruments ⁽¹⁾	391,970	391,970
Less: provision for impairment	(3,065)	(3,065)
	388,905	388,905

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

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

(1) Related information analysis of available-for-sale financial assets is as follows:

Available-for-sale financial assets measured at cost:

	31 December 2014	Increase in this period	Reduction in this period	30 June 2015	Share holding (%)	Cash dividend declared
Available-for-sale equity instruments						
– cost						
– Bockm Schroder Stolt Fund Management	8,125	–	–	8,125	5.00%	–
– China Railway United Logistics	380,780	–	–	380,780	10.00%	–
– Guangdong Samsung	1,365	–	–	1,365	0.09%	–
– Beihai Yinjian	1,700	–	–	1,700	1.01%	–
Sub-total	391,970	–	–	391,970		–
Less: provision for impairment	(3,065)	–	–	(3,065)		–
Total	388,905	–	–	388,905		–

- (2) Available-for-sale financial assets measured at cost held by the group are mainly unlisted equity investments with no active market price and their reasonable fair value estimates has large variation range; the probability determining the fair value estimate can not be reasonably determined so their fair value cannot be reliably measured. The group has no disposal of the investment plan.

6. Long-term equity investments

(1) Long-term equity investments are analysed by categories as follows:

	30 June 2015 '000	31 December 2014 RMB'000
Subsidiaries		
– Unlisted companies ⁽²⁾	8,194,997	8,426,789
Joint ventures, unlisted ⁽³⁾	3,575	3,655
Subtotal	8,198,572	8,430,444
Less: provision for impairment	–	–
Total	8,198,572	8,430,444

There is no restriction on sale of the long-term equity investments held by the Company.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015
(All amounts in RMB'000 unless otherwise stated)
English Translation for Reference Only

XVI. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

6. Long-term equity investments (Continued)

(3) Long-term equity investments in associates and joint ventures are as follows:

Investee	Investment cost	31 December 2014	Current period movement	30 June 2015	Share holding (%)	Voting rights (%)	Explanation of disparity between percentages of share holding and voting rights	Provision for impairment	Impairment provided in the current period	Cash dividend declared
Equity method – Cooperatives										
SCSCRC	9,000	3,655	(80)	3,575	50%	50%	–	–	–	–
Sub-total	9,000	3,655	(80)	3,575	50%	50%	–	–	–	–

Important financial information for the Company's associates and joint ventures please refer to disclosure Note VI.2.

7. Financial liabilities at fair value through profit or loss

	30 June 2015 '000	31 December 2014 RMB'000
Derivative financial liabilities – Interest swap contract	17,830	21,307

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

8. Employee benefits payable

	30 六月 2015	31 December 2014
Short-term wages	980,757	861,156
Defined contribution plans	492	492
	981,249	861,648

(1) Short-term wages

	31 December 2014	Increase during the period	Decrease during the period	30 六月 2015
Wages and salaries, bonuses, allowances and subsidies	350,000	182,970	(59,128)	473,842
Profit-sharing bonus and Senior management bonus	511,156	–	(4,241)	506,915
Housing funds	–	1,638	(1,638)	–
Labor union funds and employee education funds	–	585	(585)	–
Staff welfare and others	–	1,144	(1,144)	–
Including: Medical insurance	–	921	(921)	–
Work injury insurance	–	85	(85)	–
Maternity insurance	–	138	(138)	–
Other short-term wages	–	164	(164)	–
Total	861,156	186,501	(66,900)	980,757

As at 30 June 2015, no defaulted payables are included in the balance of employee benefits payable and they will be paid in 2015.

(2) Defined contribution plans

	31 December 2014	Increase during the period	Decrease during the period	30 六月 2015
Basic pensions	492	2,373	(2,373)	492
Unemployment insurance	–	54	(54)	–
	492	2,427	(2,427)	492

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

9. Taxes payable

	30 June 2015 '000	31 December 2014 RMB'000
Enterprise income tax payable	1,867	1,867
Withholding individual income tax	1,790	1,402
Business tax payable	4,293	3,609
Others	517	433
Total	8,467	7,311

10. Interest payable

	30 June 2015	31 December 2014
Interest of long-term borrowings with periodic payments of interest and return of principal at maturity	1,846	1,955
Interest of corporate debentures	22,663	180,669
Total	24,509	182,624

11. Other payable

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

	30 June 2015	31 December 2014
Amounts due to subsidiaries	7,992,402	6,504,627
Advance received	30,000	30,000
Quality guarantees	485	434
Accruals	4	481
Others	2,162	1,677
Total	8,025,049	6,537,219

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XVI.NOTES TO THE H

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

13. Long-term borrowings

(1) The analysis of the Company's long-term loans is as follows:

	30 June 2015	31 December 2014
Bank borrowings		
– Unsecured	1,595,000	861,000

As at 30 June 2015, the Company has no long-term borrowings not wholly repayable within five years.

As at 30 June 2015 there were no overdue long-term borrowings of which the durations are extended (As at 31 December 2014 Nil).

As at 30 June 2015, the interest rate of long-term borrowing ranges from 3.40% to 4.35%(2014: 3.90% to 4.92%).

14. Debentures payable

	31 December 2014	Carry interest by par value	Premium and discount amortization	The notes payable due within one year	30 June 2015
Medium-Term notes	3,996,080	104,600	(103,228)	3,997,452	4,000,000

Related information is as follows:

Debenture name	Par value	Issuance date	Maturity	Issuance amount
Medium-term notes -11 CIMC MTN1	4,000,000	May/23/2011	5 years	4,000,000
				4,000,000

Information for the Company's debentures payable please refer to Note IV.37.

For the period from 1 January 2015 to 30 June 2015
(All amounts in RMB'000 unless otherwise stated)
English Translation for Reference Only

15. Deferred tax assets and deferred tax liabilities

- | | 30 دسمبر 2015 | 31 December 2014 |
|-------------|---------------|------------------|
| • • • • • / | | |

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

16. Capital surplus

	31 December 2014 (Restated)	Increase during the period	Decrease during the period	30 June 2015
Share premiums	317,168			

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

17. Other comprehensive income

	The amount of the current period			30 June 2015
	31 December 2014 (Restated)	Pre-tax amount incurred in current period	Post-tax amount attributable to the Company	
Item that may be reclassified subsequently to profit and loss:				
– Property revaluation reserve	43,754	–	–	43,754
	43,754	–	–	43,754

	The amount of the current period			31 December 2014
	1 January 2014 (Restated)	Pre-tax amount incurred in current year	Post-tax amount attributable to the Company	
Item that may be reclassified subsequently to profit and loss:				
– Property revaluation reserve	43,754	–	–	43,754
	43,754	–	–	43,754

18. Revenue and cost of sales

(1)	30 June 2015	from 1 January to 30 June 2014
Revenue from other operations	149,885	159,046
Cost of sales from other operations	–	–

(2) Revenue and cost of sales from other operations

	30 June 2015	from 1 January to 30 June 2014	
		Revenue from other operations	Cost of sales from other operations
Commission	149,638	158,824	–
Others	247	222	–
Total	149,885	159,046	–

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

19. Profit/(losses) from changes in fair value

	1 January to 30 June 2015	from 1 January to 30 June 2014
Financial assets held for trading:		
– Changes in fair value during the period	34,932	(46,385)
– Profit/(losses) for derecognized financial assets held for trading	(116,263)	–
Subtotal	(81,331)	(46,385)
Financial liabilities held for trading:		
– Changes in fair value during the period	3,477	1,046
Total	(77,854)	(45,339)

20. Investment income

(1) Investment income by categories

	1 January to 30 June 2015	from 1 January to 30 June 2014
Income from long-term equity investment under cost method	2,418	802,775
Income from long-term equity investment under equity method	(80)	(52,729)
(Losses)/income from disposal of long-term equity investment	3,208	–
Loss from disposal of financial assets at fair value through profit or loss for the current period	116,263	–
Total	121,809	750,046

Investment income from listed investments in the period amount to RMB116,263,000 (For the period ended 30 June 2014: Nil); and investment income from non-listed investments in the period amount to RMB5,546,000 (For the period ended 30 June 2014: investment income: RMB750,046,000).

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

21. Non-operating income

(1) Non-operating income by categories:

	Note	1 January to 30 June 2015	from 1 January to 30 June 2014
Government grants	(2)	7,148	165
Others		186	8
Total		7,334	173

(2) Details of government grants

	1 January to 30 June 2015	from 1 January to 30 June 2014	Related to assets/earnings
Financial subsidies	7,148	165	Related to earnings
Total	7,148	165	

22. Income tax expenses

	1 January to 30 June 2015	from 1 January to 30 June 2014
Current income tax calculated based on tax law and related regulations	—	—
Deferred income tax	(49,364)	6,210
Total	(49,364)	6,210

Reconciliation between income tax expenses and accounting profits is as follows:

	1 January to 30 June 2015	from 1 January to 30 June 2014
Total profit	(223,879)	691,482
Income tax expenses calculated at applicable rates	(55,970)	172,871
Expenses not deductible for tax purposes	658	48,674
Tax effect of tax loss for which no deferred tax asset was recognised in this Reporting Period	6,533	—
Unrecognised tax losses in last Reporting Period	—	(14,641)
Income not subject to tax	(585)	(200,694)
Income tax expenses	(49,364)	6,210

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

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

23. Notes to the consolidated cash flow statement

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

(a) Reconciliation from net profit to cash flows from operating activities:

	1 January to 30 June 2015	from 1 January to 30 June 2014
Net profit	(174,515)	685,272
Add : Depreciation of fixed assets	8,196	7,587
Amortisation of intangible assets	129	125
Amortisation of long-term prepaid expenses	2,032	1,159
Gains on disposal of fixed assets, intangible assets	62	–
Profit on change in fair value	77,854	45,339
Financial expense	183,587	220,846
Investment income	(121,809)	(750,046)
Share-based payment expenses	3,499	30,275
Decrease/(Increase) in deferred tax assets	(49,364)	6,210
Increase in operating receivables	(2,311,269)	2,035,467
Decrease/(Increase) in operating payables	1,770,955	(336,105)
Net cash flows from operating activities	(610,643)	1,946,129

(b) Net increase in cash and cash equivalents:

	1 January to 30 June 2015	from 1 January to 30 June 2014
Cash and cash equivalents at the end of the period	770,074	870,354
Less: cash and cash equivalents at the beginning of the year	831,212	386,732
Net increase in cash and cash equivalents	(61,138)	483,622

(2) Cash and cash equivalents

	1 January to 30 June 2015	from 1 January to 30 June 2014
I. Cash		
including: Cash at bank that can be readily drawn on demand	500,650	870,321
Other monetary fund that can be readily drawn on demand	269,424	33
II. Cash and cash equivalents at the end of the period	770,074	870,354

Note: Aforesaid "Cash at bank and on hand" excluded restricted cash and short-term investment.

Notes to the Financial Statements

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

XVII. NET CURRENT ASSETS

	30 June 2015	31 December 2014
Current assets	47,540,126	45,172,177
Less: current liabilities	51,085,383	43,340,077
Net current assets	(3,545,257)	1,832,100

	30 June 2015	31 December 2014
Current assets	15,526,717	13,510,335
Less: current liabilities	14,176,670	10,227,084
Net current assets	1,350,047	3,283,251

XVIII. TOTAL ASSETS LESS CURRENT LIABILITIES

	30 June 2015	31 December 2014
Total assets	95,593,491	87,776,181
Less: current liabilities	51,085,383	43,340,077
Total assets less current liabilities	44,508,108	44,436,104

	30 June 2015	31 December 2014
Total assets	24,509,657	22,685,293
Less: current liabilities	14,176,670	10,227,084
Total assets less current liabilities	10,332,987	12,458,209

SUPPLEMENTARY INFORMATION

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

1. STATEMENT OF NON-RECURRING PROFIT OR LOSS

	30 June 2015
Loss on disposal of non-current assets	(18,377)
Government grants recognised in profit or loss for the current period	49,571
Gains or losses from changes in fair value arising from holding financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, and investment gains arising from disposal of financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets, except for the effective hedging activities related to the Group's ordinary activities	396,253
Other non-operating income and expenses other than the above items	19,540
Effect of income tax	(40,249)
Effect of minority interests (after tax)	(23,049)
Total	383,689

Note: Aforesaid non-recurring profit or loss was presented at amount before taxation.

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

Under the requirements in Explanatory announcement No. 1 on information disclosure by companies offering securities to the public – non-recurring profit or loss [2008] from CSRC, non-recurring profit or loss refer to those arises from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are extraordinary and not expected to recur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of an enterprise.

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with Interpretive Pronouncement on the Preparation of Information Disclosures of Companies Issuing Public Shares No. 9 – Earnings per share and return on net assets (2010 revised) and relevant requirements of accounting standard, the calculation of earnings per share and return on net assets of the Company is listed as follows:

	Return on net assets (%)	Earnings per share (RMB)	
Net profit attributable to ordinary shareholders of the Company	6.59%	0.5681	0.5627
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	4.92%	0.4245	0.4202

SUPPLEMENTARY INFORMATION

For the period from 1 January 2015 to 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

English Translation for Reference Only

3. EXPLANATIONS OF IRREGULAR FLUCTUATIONS AND RELATED REASONS ON MAJOR ITEMS OF THE FINANCIAL STATEMENTS

A 附注:	30 六月 2015	31 December 2014	Fluctuation amount and percentage	
			Amount	%
Current assets:				
Financial liabilities at fair value through profit or loss (1)	242,877	427,669	(184,792)	(43%)
Advances to suppliers (2)	3,389,329	5,223,351	(1,834,022)	(35%)
Non-current assets:				
Long-term receivables (3)	5,563,364	3,449,542	2,113,822	61%
Development costs (4)	90,249	41,705	48,544	116%

(1) Financial assets at fair value through profit or loss: mainly due to the disposal of transactional equity instruments during the current period.


(2) Advances to suppliers: mainly due to carry-forward of advances to suppliers for equipment purchases in the previous period upon receipt of relevant equipment purchased in the current period.


(3) Long-term receivables: mainly due to increase in the scale of finance leases in the current period.

(4) Development costs: mainly due to increase in development costs in the current period.

Chapter IX Documents Available for Inspection

- I. The original copies of the interim report of the Company for 2015 signed by the Company's legal representative.
- II. The original copies of the unaudited financial report of the Company for the six months ended 30 June 2015 prepared under CASBE duly signed and under the seal of the Company's legal representative, the person-in-charge of accounting affairs, and accounting person-in-charge (General Manager of Financial Management Department).
- III. The original copies of the documents and announcements of the Company published in the newspaper stipulated by the China Securities Regulatory Commission during the Reporting Period.
- IV. The English and Chinese versions of the 2015 interim report of the Company published on the website of the Hong Kong Stock Exchange.


Chairman



September 2015

创·造·新价值

Driving new value Moving the world

China International Marine Containers (Group) Co., Ltd.
CIMC R&D Center, No.2 Gangwan Avenue, Shekou,
Nanshan District, Shenzhen, Guangdong, P.R.C

Tel: 86-755-26691130

Fax: 86-755-26692707

www.cimc.com