

IMPORTANT NOTICE

The Board, Senior Management and Directors, Senior Management and Senior Management of the Company and all employees have taken effective measures to ensure the accuracy and reliability of the 2017 Interim Report, and in particular, we have fully complied with the relevant laws, regulations and contractual obligations of the information disclosed in the Report.

The Report has been reviewed and approved at the 11th meeting of the eighth session of the Board in 2017 (the Meeting). Mr. Wang Yuhang, Vice Chairman, responsible for the Meeting, and the authorized Mr. Li Chong, non-executive Director, on behalf of the Board, approved 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 2017 Interim Financial Report) of the Group for the period ended 30 June 2017 prepared in accordance with CASBE in the Report have not been audited.

Mr. Wang Heng, Chairman of the Company and Chairman of the Board, Mr. Mai Biliang, CEO and Director, and Mr. Zeng Han, General Manager of the financial management department, Chairman of the Accounting Affairs and Head of the Accounting Department (the financial controller), hereby affirm the accuracy, reliability and completeness of the Report and the 2017 Interim Financial Report.

Neither an controlling shareholder (including subsidiary) nor a significant shareholder (including subsidiary) of the Company has any undisclosed relationship with the Company.

The Company does not have any undistributed cash dividends or other undistributed cash dividends for the period ended 30 June 2017 (the period ended 30 June 2016: Nil).

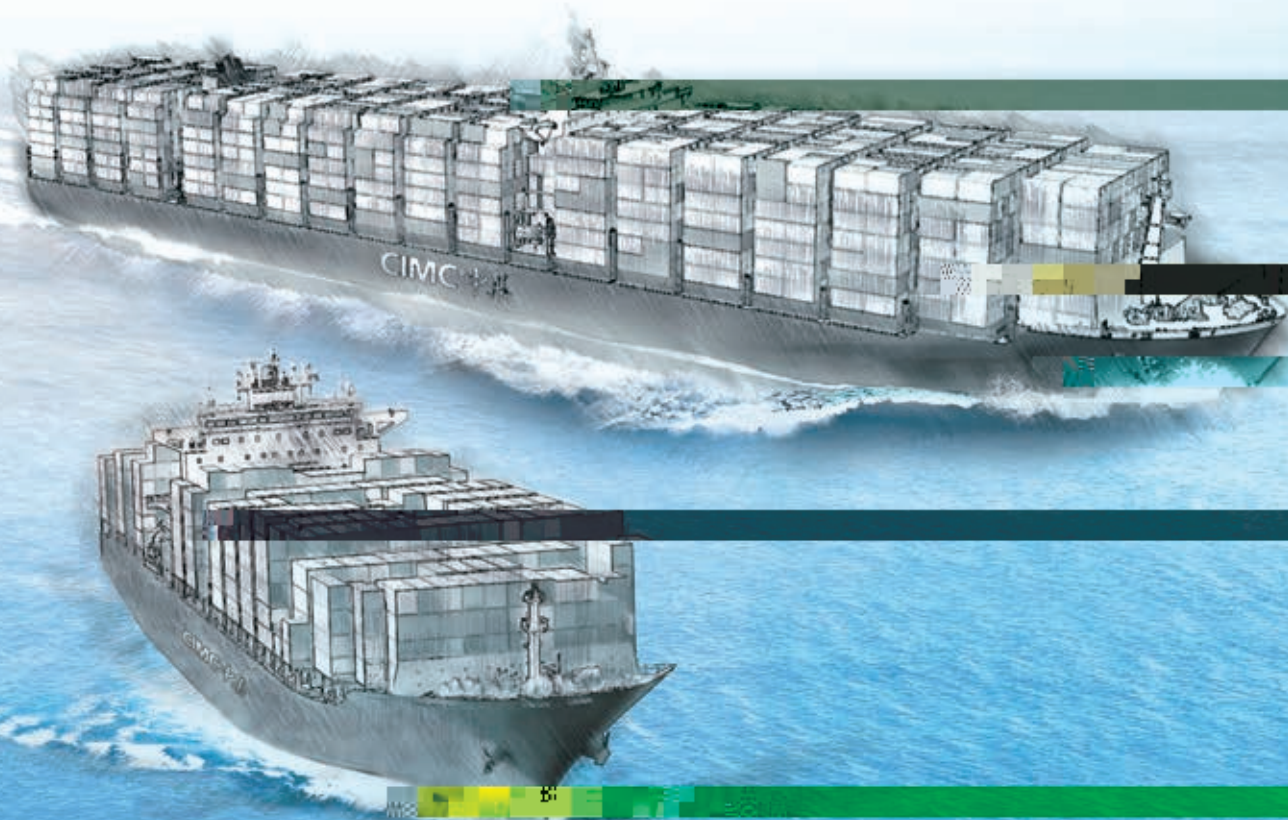
The Report contains certain forward-looking statements made on the basis of the best estimates and judgments of the Company's management and employees in relation to the financial condition, performance and business of the Group, which are subject to various risks, uncertainties and other factors that may be beyond the Company's control and, to a high degree of uncertainty, in nature. Therefore, the actual performance may differ materially from that of the forward-looking statements. Such forward-looking statements are not intended to constitute an offer of securities and are not intended to be a basis for investment decisions and do not constitute an offer of securities. In addition, the Company should be able to build a strong and reliable relationship with the information market lead in the industry.

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



CONTENTS

Definitions	02	Chapter VI	Significant Events	49	
Glossary	05	Chapter VII	Changes in Share Capital and Information on Substantial Shareholders	70	
Chapter I	Corporate Profile	06			
Chapter II	Summary of Accounting Data and Financial Indicators	08	Chapter VIII	Information on Directors, Supervisors and Senior Management	78
Chapter III	Report of the Board	12	Chapter IX	2017 Interim Financial Report (Unaudited)	81
Chapter IV	Operation Discussion and Analysis Prepared in Accordance with the Domestic Securities Regulatory Rules	29	Chapter X	Documents Available for Inspection	304
Chapter V	Management Discussion and Analysis Prepared in Accordance with Hong Kong Securities Rules	43			



02 Definitions

For the purpose of this Regulation, the following definitions shall have the meaning specified:

Items	Definitions
A Share (A RMB-denominated Ordinary Share)	domestic ordinary share issued by the Company in a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi.
A Share Share Option Incentive Scheme	Share Option Incentive Scheme of China International Marine Container (Group) Co., Ltd. adopted and approved at the general meeting of the Company on 17 September 2010.
Articles of Association	The Articles of Association of China International Marine Container (Group) Co., Ltd.
Bald	the Bald of the Company.
C&C Truck	C&C Truck Co., Ltd. (集瑞聯合重工有限公司), a company incorporated in the PRC with limited liability on 12 March 2009 and a non-holding subsidiary of the Company.
CASBE	Accounting Standards for Business Enterprises – Basic Standards and 38 Specific Accounting Standards issued by the Ministry of Finance of the People's Republic of China on 15 February 2006, and a licensing guidance and interpretation of CASBE and related regulations by the State.
CFSE	China File Safe Enterprise Group Limited, a company listed on the main board of the Hong Kong Stock Exchange (stock code: 445) and an associated company of the Company.
China COSCO Shipping	China COSCO Shipping Container Line Limited, a company incorporated in the PRC with limited liability in February 2016 and an indirect subsidiary of the Company.
China Merchants Group	China Merchants Group Limited, a company incorporated in the PRC with limited liability on 14 October 1986 and an indirect subsidiary of the Company.
CIMC Company	China International Marine Container (Group) Co., Ltd. (中國國際海運集裝箱集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, which are listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange.
CIMC Enlic	CIMC Enlic Holding Limited (中集安瑞科控股有限公司), a company incorporated in the Cayman Islands with limited liability on 28 September 2004 and listed on the main board of the Hong Kong Stock Exchange (stock code: 3899) and a non-holding 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 holding subsidiary of the Company.

CIMC Financial Leasing Company Limited	CIMC Financial Leasing Co., Ltd., a company incorporated in the PRC with limited liability on 30 July 2007 and a wholly-owned subsidiary of the Company.
CIMC Hong Kong	China International Marine Container (Hong Kong) Limited (中國國際海運集裝箱香港有限公司), a company incorporated in Hong Kong with limited liability on 30 July 1992 and a wholly-owned subsidiary of the Company.
CIMC M Lim'dai Tan De el men Co., Ltd.	CIMC M Lim'dai Tan De el men Co., Ltd. (中集多式聯運發展有限公司), a company incorporated in the PRC with limited liability on 29 March 2016 and a non-wholly-owned subsidiary of the Company.
CIMC Offshore Engineering	CIMC Offshore Engineering Co., Ltd., a company incorporated in the PRC with limited liability on 21 July 2016 and a wholly-owned subsidiary of the Company.
CIMC Raffles Offshore	CIMC Raffles Offshore (Singapore) Limited, a company incorporated in Singapore with limited liability on 7 March 1994 and a wholly-owned subsidiary of the Company.
CIMC Skyspace Real Estate Development Co., Ltd.	Shenzhen CIMC Skyspace Real Estate Development Co., Ltd., a company incorporated in the PRC with limited liability on 24 November 1998 and a non-wholly-owned subsidiary of the Company.
CIMC Tianda	Shenzhen CIMC-Tianda Airport Equipment Co., Ltd. (深圳中集天達空港設備有限公司), a company incorporated in the PRC with limited liability on 18 July 1992 and a non-wholly-owned subsidiary of the Company.
CIMC Vehicle (Group) Co., Ltd.	CIMC Vehicle (Group) Co., Ltd. (中集車輛集團有限公司), a company incorporated in the PRC with limited liability on 29 August 1996 and a non-wholly-owned subsidiary of the Company.
China Finance Capital	The Finance Capital Group Limited is incorporated in the Hong Kong with limited liability on 14 February 1994.
CSRC	China Securities Regulatory Commission.
Director	the director of the Company.
Group and Subsidiaries	the Company and its subsidiaries.
H Shares (Ordinary Shares of the Company) and Foreign Shares	The ordinary shares of the Company listed on the Shanghai Stock Exchange and the foreign shares of the Company listed on the Hong Kong Stock Exchange and listed in Hong Kong dollars.
Hong Kong	The Hong Kong Special Administrative Region of the PRC.
Hong Kong Listing Rules	The Listing Rules of the Securities and Futures Commission of the Hong Kong Stock Exchange of the Hong Kong Limited.

04 Definitions

H'ng K'ng S'ck E change

The S'ck E change f H'ng K'ng Limi.ed.

M'del C'de

.h M'del C'de f Sec 'i.i. T'ac'i b Di/ec. f L.ed e' c'n.a'ed in A'endi 10 f .h H'ng K'ng L'ing R l.

PRC /, China

.h Pe'le' Re' blic f China.

P.e'.

P.e' Gl'bal Limi.ed a c'm an inc' 'a.ed in 1979 and a n'n- h'll - ned ' d'ia' f .h C'm an .

Re 'ing Pe'i'd

.h 'i m'n. 'a'ing f' m 1 Jan a' 2017 and ending 'n 30 J'ne 2017, hich ' a' called .h fi' 'alf f 2017.

RMB

Renminbi, .h la f l c //enc f .h PRC.

SFO

.h Sec 'i.i. and F' 'e' O'dinance, Cha .e' 571 f .h La' f H'ng K'ng.

Sha'eh' Ide'.

.h h' Ide' f 'ha'e' f .h C'm an , incl ding .h h' Ide' f A Sha'e' and H Sha'e'.

Shen hen L'ing R l.

R l. G'. el'ning .h L'ing f Sec 'i.i. 'n .h Shen hen S'ck E change.

Shen hen S'ck E change

.h Shen hen S'ck E change.

S e' .

.h e' . f .h C'm an .

S e' . C'mmi.e'e

.h S e' . C'mmi.e'e f .h C'm an .

US\$ /, U.S. d'la'.

Uni.ed S.a. d'la', .h la f l c //enc f .h Uni.ed S.a. f Ame'ica.

Ziegle'

Albe' Ziegle' GmbH, a c'm an inc' 'a.ed in Ge'man i.h 'imi.ed liabili. and a n'n- h'll - ned ' d'ia' f .h C'm an .

This glossary contains definitions of technical terms used in the Reconnec Initiative. Some of these definitions may differ and should be defined in the page.

Items	Definitions
CNG	Compressed Natural Gas
FLNG	Floating Liquefied Natural Gas
FPSO	Floating Production Storage and Offloading.
FSRU	Floating Storage and Regasification Unit
HSE	Health, Safety and Environment
GSE	Ground Support Equipment, aerial equipment used in the flight safe. This includes equipment for aircraft maintenance and flight safety equipment including mechanical, electrical and special ground equipment.
Jack- Drilling Platform	A jack-drilling platform is a mobile drilling rig normally used for shallower depths. Most jack-rigs are in a depth range from 250 to 400 feet. This drilling equipment is generally used for mining machines, equipment, equipment and accommodation facilities for drilling and completion. It is a platform for floating in the sea.
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
Modular Building	Modular building manufactured in a factory environment and transported to the site to be installed.
ONE Model	One Model is the lean management system of the Reconnec Initiative.
QHSE	A management system based on quality and continuous improvement in the areas of Quality, Health, Safety and Environmental protection.
Semi-submersible Drilling Platform	A semi-submersible drilling platform is a mobile drilling platform with a hull structure, a deck and a hull structure. It is a platform for floating in the sea. When in operation, the platform is submerged in the sea. A semi-submersible platform is generally used in deep water depths ranging from 600-3,600m. The platform is called a dynamic positioning system.
TEU	Twenty-foot equivalent unit, known as a standard unit, is a length of 20 feet, a height of 8 feet, and 6 inches and a width of 8 feet, being used to measure the volume of a container.
VOEG	Volcanic Organic Compound

06 Chapter I Corporate Profile

I. COMPANY PROFILE

Legal Chinese Name:	中國國際海運集裝箱集團股份有限公司
Abbreviated Chinese Name:	中集集團
English Name:	China International Marine Container (Group) Co., Ltd.
Abbreviated English Name:	CIMC
Legal Representative:	Wang Hong
Authorized Representative:	Mai Biliang, Yuyun
Registered Address and Address of Head Office:	8th Floor, CIMC R&D Centre, 2 Gang'an Avenue, 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 Infinite Plaza, 199 Des Voeux Road Central, Hong Kong
Unified Social Credit Code:	91440300618869509J

II. CONTACT PERSONS AND MEANS OF COMMUNICATION

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

III. INFORMATION DISCLOSURE AND LOCATIONS FOR DOCUMENTS FOR INSPECTION

Designated News and Information Disclosure: A Designated Website on which Relevant Information Made Available: Company Website: Place at which Relevant Information Available:

A Share: China Securities Journal, Securities Times and Shanghai Securities News
 A Share: <http://www.cninfo.com.cn>
 H Share: <http://www.hkexnews.hk>
www.cimc.com
 Office of the Secretary of the Board of CIMC, 9/F, CIMC R&D Centre, 2 Gang'an Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal Code: 518067)

IV. STOCK INFORMATION OF THE COMPANY

Stock Exchange in which A Shares are Listed: Abbreviated Stock Name of A Shares: Stock Code:

Shenzhen Stock Exchange

CIMC
000039

Stock Exchange in which H Shares are Listed: Abbreviated Stock Name of H Shares: Stock Code:

Hong Kong Stock Exchange

CIMC, ZJHD (New)
2039, 299901 (New)

Note: Both the abbreviated stock name and the stock code are initially used by the original B Shareholder of the Company in the PRC in the early stage of H Shares of the Company after H Shares of the Company were listed in the Hong Kong Stock Exchange.

Whether the registered and office addresses, postal code, telephone and email address of the Company have changed during the Reporting Period

Applicable, Not Applicable

Whether the information disclosure and calculation methods in the financial statements have changed during the Reporting Period

Applicable, Not Applicable

Whether the legal representative has changed during the Reporting Period

Applicable, Not Applicable

Whether the telephone and information have changed during the Reporting Period

Applicable, Not Applicable

Chapter II Summary of Accounting Data and Financial Indicators

I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

Reported accounting data and financial indicators of the Company are as follows:

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

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

Unit: RMB hundred thousand

Consolidated cash flow statement items	The Reporting Period (January – June 2017) (unaudited)	The same period of the previous year (January – June 2016) (unaudited)	Changes from the same period of the previous year to the Reporting Period (%)
	Net cash flow from/(used in) operating activities	(668,216)	933,732	(171.56%)
Net cash flow from/(used in) investing activities	(1,507,729)	(5,376,277)	71.96%
Net cash flow from/(used in) financing activities	1,875,660	5,570,910	(66.33%)

	As at the end of the Reporting Period 30 June 2017 (unaudited)	As at the end of previous year 31 December 2016 (audited)	Changes from the end of previous year to the end of the Reporting Period (%)
Balance of cash and cash equivalents at the end of the period	5,940,423	6,338,667	(6.28%)

Key Financial Indicators

	The Reporting Period (January – June 2017) (unaudited)	The same period of the previous year (January – June 2016) (unaudited)	Changes from the same period of the previous year to the Reporting Period (%)
Basic earnings per share attributable to shareholders of the Company (RMB/share)	0.2554	(0.1444)	276.87%
Diluted earnings per share attributable to shareholders of the Company (RMB/share)	0.2544	(0.1444)	276.18%
Weighted average return on net assets (%)	2.76%	(1.64%)	4.40%
Weighted average return on net assets attributable to shareholders of the Company (%)	3.00%	(2.11%)	5.11%
Net cash flow from/(used in) operating activities attributable to shareholders (RMB/share)	(0.22)	0.31	(170.97%)

	As at the end of the Reporting Period (30 June 2017) (unaudited)	As at the end of previous year (31 December 2016) (audited)	Changes from the end of previous year to the end of the Reporting Period (%)
Net assets attributable to shareholders of the Company (RMB/share)	10.01	9.83	1.83%
Geographical (%) (Net)	69.21%	68.60%	0.61%

Note: The geographical calculation is based on the geographical distribution of the company's operations.

10 Chapter II Summary of Accounting Data and Financial Indicators

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

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

Accountable, Non-accountable

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

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

Accountable, Non-accountable

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

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

Accountable, Non-accountable

III. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNT

Item	Amount (January – June 2017) (unaudited)
Gain/(Loss) on disposal of non-current assets	13,739
Gain/(Loss) recognized in financial assets held for trading	91,032
Gain/(Loss) 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 in connection with disposal of financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets, and gain/(Loss) from changes in fair value of investment in equity instruments held for trading	(20,332)
Net gain/(Loss) from foreign exchange in income	(25,460)
Other non-recurring income and expense	38,201
Other financial instruments defined non-recurring financial instruments	(105,549)
Effective income tax	(30,200)
Effective financial instruments (after-tax)	(29,616)
Total	(68,185)

Non-recurring income/(expense) from financial instruments (held for trading, held for effective financial instruments (after-tax)) and open-ended amount of other non-recurring items.

Recurring and non-recurring income/(expense) in the Company's non-recurring financial instruments defined under the Enterprise Income Tax Law (Announcement No. 1 on Income Tax Implementation Rules for the Company and Offering Securities) and the Public Non-recurring Profit/(Loss) (the Enterprise Income Tax Law (Announcement No. 1)) and the financial instruments which are held as non-recurring financial instruments under the Enterprise Income Tax Law (Announcement No. 1).

A liability, Non-liable

The Company did not define the non-recurring financial instruments as defined and held under the Enterprise Income Tax Law (Announcement No. 1) and financial instruments defined under the Re-issuing Period.

12 Chapter III Report of the Board

I. BUSINESS SUMMARY

The Group is principally engaged in the manufacture of modern container, energy, chemical and liquid feed equipment, engineering equipment, and auxiliary facilities, as well as the provision of telecommunication, including the design, manufacture and service

The Group's overall performance and operating conditions have remained stable and engaged in important significant Dinghe Reporting Period, the Group's revenue amounted to RMB33,387.152 million (same period in 2016: RMB23,542.843 million), increasing significantly year-on-year by 41.81%. Among the principal businesses, the revenue of the main manufacturing, advanced automobile and health care businesses included significant growth. The revenue of the energy, chemical and liquid feed additives manufacturing facilities and the engineering and financial businesses maintained stable growth while the revenue of the real estate business slightly decreased. Affected by an industry downturn, the revenue of the engineering business significantly declined. Dinghe Reporting Period, the Group's net profit attributable to shareholders and the earnings per share of the common shares amounted to RMB796.898 million (same period in 2016: RMB378.034 million), rising by 111% year-on-year, while the net profit in the same period of the previous year mainly due to the large amount of non-recurring income derived from the Sin Pacific Overseas & Engineering Co., Ltd. (南通太平洋海洋工程有限公司) (SOE) of CIMC Enric.

2. REVIEW OF THE PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

Container Manufacturing Business

The Group's container manufacturing business mainly deals with various types of container leasing and social leasing. The Group has been successfully listed on the Shanghai Stock Exchange since the independent effectiveness of the listing. Social leasing included 53-fifty inland New American container, European side container, bulk container, social leasing container, foldable container and other types. Dinghe Reporting Period, the Group remained a No. 1 in terms of sales of container in the industry.



In the first half of 2017, the company has achieved a global leading position in the global container industry. The growth of the company's revenue is high, but the revenue is still unbalanced between supply and demand. In the first half of the year, the company's revenue increased significantly in the container leasing business. The company's revenue in the container leasing business is mainly due to the increase in the demand for container leasing. The company's revenue in the container leasing business is mainly due to the increase in the demand for container leasing. The company's revenue in the container leasing business is mainly due to the increase in the demand for container leasing. The company's revenue in the container leasing business is mainly due to the increase in the demand for container leasing.

During the Reporting Period, the accumulated sales volume of containers reached 535,700 TEU (same period in 2016: 238,300 TEU), the operating asset increase of 124.80%; the accumulated sales volume of containers reached 35,100 TEU (same period in 2016: 22,300 TEU), the operating asset increase of 57.40%. The container business of the Group recorded a revenue of RMB10,049.055 million (same period in 2016: RMB4,898.648 million), the operating asset increase of 105.14%; and the net profit of RMB681.102 million (same period in 2016: recording a net loss of RMB139.632 million), gaining profit again from the loss recorded in the period.

In the first half of 2017, the demand in the inland domestic container industry of the Group increased, and the number of orders was high, and the order backlog of inland container business increased. The Group ended in the inland domestic container manufacturing enterprises in China for the first half of 2017, the container domestic production line experienced the peak of inland container business. The Group's inland container business line's production capacity and meeting the demand of clients. The Group is able to proceed in the inland domestic container manufacturing industry. Meanwhile, the market share had increased in the inland container market. In addition, in the inland container business, the Group made great achievements in HSE in the container manufacturing business during the Reporting Period. The inland container business had reached a high level. The production of containers in Fonggang of Dongguan City grew in an absolute and relative sense. Phase I of the production will be initiated at the beginning of the next year.

Road Transportation Vehicle Business

With the local manufacturing global operation, local wisdom and innovation, CIMC Vehicle (Group), a subsidiary of the Group, is a global leading manufacturer of road transportation vehicle manufacturing, providing industrial vehicle, agricultural vehicle and special vehicle, special vehicle and special vehicle. CIMC Vehicle (Group) has established 25 subsidiaries and research and development bases in China, North America, Europe and emerging markets and developed different kind of special vehicle, covering 10 series and more than 1,000 models, including container semi-trailer, flatbed/tracked/trailer/trailer, flatbed/trailer, vehicle loaded trailer, crane, truck, truck, truck, truck and special vehicle, covering major domestic and international markets.

In the first half of 2017, the global manufacturing industry and trade have merged and the Chinese economy gradually became stable. There is a noticeable trend in the replacement of truck for global leading industrial vehicle benefiting from the extended impact of implementation of the policy of the government and the limitation of dimensions, weight and maximum speed of trailer and combination of vehicle (GB1589-2016) from the central government in 2016 and the continued domestic production and export again. Meanwhile, the domestic information technology commenced construction, which brought the global demand for intelligent equipment. In the emerging market, although the rising of the demand in the North American market remained strong, the local demand for semi-trailer declined. With the economic recovery in Europe, the demand in the local market in emerging markets is abundant.

During the Reporting Period, both the Chinese and the American markets achieved sales of 81,468 new cars in 2016: 58,231 new cars, representing a year-on-year increase of 39.90%. Total sales of RMB9,719.601 million in 2016: RMB7,013.354 million, representing a year-on-year increase of 38.59%, and achieved net profit of RMB568.016 million in 2016: RMB361.893 million, representing a year-on-year increase of 56.96%.

During the Reporting Period, CIMC Vehicle (Group) continued to improve global sales management, enhanced the operational efficiency of each business unit and the cost-effectiveness and focused on the innovation and development of incremental business and the innovation business of each business unit. In the PRC market, CIMC Vehicle (Group) fully implemented the energy-saving and emission-reduction policy and enlarged its market share and made a significant contribution to the company's overall performance. In the first half of the year, the company's net profit increased by 55% of the annual average level of the industry and the company's net profit in the first half of the year exceeded the industry's net profit in the first half of the year. In the overseas market, the company effectively reduced the cyclical decline in the market. CIMC Vehicle (Group) accelerated its development in the North American market and focused on leading the development of the American market.

16 Chapter III Report of the Board

During the Reporting Period, the major business segments of CIMC Enlic developed in line with the company's overall strategy and business needs, implementing the overall strategy and enhancing business efficiency. (1) The energy business segment carried out in-depth market research and exploration, and strengthened management. It achieved unified management in marketing, improving marketing and sales capabilities. The segment also introduced the new business and new service models, took business opportunities from the high-end energy market, and expanded the general EPC business, increasing leads and achieving a breakthrough. (2) During the Reporting Period, against the backdrop of global high-end overall market demand, the company in the chemical energy business segment has taken a proactive business strategy of CIMC Enlic delivery and production, maintaining efficiency amid fierce market competition. Satisfied with the general market, gas, LNG, and rail all recorded excellent performance. (3) After completing Ziemann and Bigger Group Limited, the listed subsidiaries of the energy business segment had become a pillar of the company's main business. The segment has achieved a breakthrough in the lithium battery field, and has made significant progress in China and Europe and expanded its market share in China and Europe. It has also completed the acquisition of Ziemann Helioka Asia Company Limited.

The company issued in 2016 the 2016 Annual Report and the interim announcement of the company, in 2016, CIMC Enlic finalized the acquisition of all equity interests in SOE firm, ending and the company's financial assistance. SOE did not fail to fulfill its obligations. The acquisition agreement with SOEG PTE LTD, Jiang Pacific Shipping Group Co., Ltd. and E. Green Group Co., Ltd., and the ending of the relationship with the aid of the bank and SOE. In the plan and the general bank plan. After the company's completion and completion of the

implementation and completion of the acquisition, CIMC Enlic made an investment of RMB1,214.880 million in the company, ending and SOE in the end of 2016, and made a total investment of RMB1,362.915 million for the whole year. Accordingly, CIMC Enlic incurred net loss in the end of 2016 and the end of 2016, and the company recorded a net loss in the end of 2016 and a significant decline in net profit for the year 2016.

Considering the SOE and the company's receivable and business and other matters, the company and the company's business of CIMC Enlic, in July 2017, CIMC Enlic, through the company's subsidiary CIMC Enlic Investment (Shenzhen) Co., Ltd., entered into the Receivable Transfer Agreement with SOE and SOE Bank Co. and Liquidation Team* (南通太平洋破产清算组) to acquire the receivable of SOE. On 4 August 2017, the SOE Receivable Transfer Plan was approved by SOE's creditors at the creditors' meeting and was approved by the court in China in accordance with the relevant laws in China. SOE will implement the Receivable Transfer Plan under the supervision of the Receivable Transfer Plan administrator of CIMC Enlic and the Receivable Transfer Agreement and has become an independent subsidiary of CIMC Enlic and the Receivable Transfer Agreement and has become an independent subsidiary of the Group. SOE is named as 南通中集太平洋海洋工程有限公司 (NanTong CIMC Sin Pacific Offshore & Engineering Co., Ltd.*). Finally, the company's interim announcement was issued by the company on 6 July 2017 and 16 August 2017. Accordingly, the company's financial results were recorded by the Receivable Transfer Agreement. The company's investment in SOE of CIMC Enlic was RMB190.521 million as of 30 June 2017. Accordingly, CIMC Enlic will make additional investment of RMB105.549 million for the investment of the Reporting Period. The company's acquisition included in the 2017 acquisition of the investment of the company.

Heavy Truck Business

C&C T' cr, a b'ia/ f h' G/ e/a. h' h'ea. ck b'ine C&C T' cr. 'd c' in h' mid-end high-end h'ea. ck ma'ke. in h' in.e'na.inal ma'ke. and h' high-end h'ea. ck ma'ke. in h' d' m'e'ic ma'ke. 'd c' d'el' men. 'a'eg' f' leading d' m'e'ic e'chni e' and f'ill' ing f' foreign e'chni e' and h' d'el' men. 'a'eg' f' making high-end 'd c' 'iding 'ali. 'i'ce, and clea'ng f' b'and. 'ke 'd c' 'e' kin' incl ding d'iel and 'il, and f' 'e' incl ding 'ac' 'mi e' 'cr, d m' 'cr, cal' 'cr and' ecial- 'e. e'ic'.

In h' fi' half f 2017, b' i' e' f h' im lemen.a'in f h' ne. 'na.inal and d' GB1589-2016, g'e'rance n' ehicle. e'l' ad, h'ing 'ell' -label ehicle and h' fac' and affec' b' h' im lemen.a'in f' ac. i' e' financial 'lic' b' h' g'e'rcmen. h' d' m'e'ic h'ea. ck ma'ke. c'n'ed 'deli. e' e'ellen. e' f'ormance. In ligh' f' h' 'adi.inal eak' n' f' h' h'ea. ck ma'ke. in ea' h' ea' and h' c'mmencemen. f' inf' 'c. 'e' 'ec. in. a'f' 'ofec. 'e. le. el. ci. 'e, h' 'c' lemen. dema' f' h'ea. 'cr' increased, h'ch facili. a'ed h' 'gnifican. g' h' f' h' 'ale' f' h'ea. 'cr.

D'ling h' Re 'ing Pe'i'd, h' 'ale' f' C&C T' cr am' n'ed 4,438 ni' 'ame e'l'd in 2016: 3,003 ni' 'e le' en. ing a' 'gnifican. 'e. n- ea' increase f' 47.79%, h'g' main. a'ined 'gnifican. 'ale' g' h' ' 'ec. i' e' ea' The 'ale' 'e. en. e' am' n'ed RMB1,283.201 milli'n 'ame e'l'd in 2016: RMB860.359 milli'n, 'e le' en. ing a' 'gnifican. 'e. n- ea' increase f' 49.15%, and h' ne. 'ed ced RMB42.814 milli'n 'ame e'l'd in 2016: ne. ' f' RMB96.523 milli'n, 'ec' ding a' de'ea' f' f' f' 55.64% a' c'm' a'ed i. h' h' 'ame e'l'd f' h' 'e. i' 'e'.

D'ling h' Re 'ing Pe'i'd, C&C T' cr ke. making change' be. be. et and 'n' 'e eff' in 'ale' b' 'ec' n' lida. ing 'e' 'c' and i' n' 'd c' im' 'emen. channel b'ilding, in.e'na.inal ma'ke. ' a' n' end ma'ke. d'el' men. 'am' h' and 'm' 'e' ic' and h' ma'ke. ing c'mbina. in. In 'e' ec. f'

h' d' m'e'ic ma'ke. C&C T' cr 'n. in ' eff' in 'd c' ad' 'men. and 'in. a. in and f' c' 'ed n' h' ma'ke. dema' and h' maj' 'd c' in 'e'g' n' 'de. el' ma'ke. able 'd c' ' ' in. 'd ce c' 'e' f' 'e' 'd c' and c' m' 'ehen. i. el. enhance h' ehigle deli. e' ca' aci. The ne. ma'ke. ing m' del' f' in. e'ne. + L' g' i' c' + Man fac. 'ing + Finance + Af. e' ma'ke. Sel. 'ice' achie. ed 'elimina' 'e' ' and dee. ened 'g' e' 'el. In h' fi' half f' h' ea' h' h' e' f'ormance and b' and influence im' 'ed. C&C T' cr a' a' d'ed h' 'minen. 'adema'k' f' Anh i' P' 'ince. ' n' h' 'ee maj' a' a' d' incl ding h' 2017 Ha' d' ' Chemical Vehicle M' del M' L' T' 'e' b' T' ck O' ne' in China. ' n' h' 'g' i' c' Techn' 'g' Inn' a' in A' a' d' in 2017 G' bal L' g' i' c' Techn' 'g' C' n' f' e' nce in Chengd' a' a' membe' f' h' G' ' C&C T' cr a' h' nl h'ea. ck man fac. 'e' a' i' c' a. ing in h' in. e' m' dal A' a' 2017 in Shanghai. C&C T' cr a' a' i' c' a' ed in China T' ck Racing Cham i' n' h' i' and 'n h' cham i' n' in h' d' m'e'ic ca. e' g' ' h' cham i' n' in 12L g' f' f' h' ea' and h' 'nne' - in. e' n' f' 'acing eam' e' f'ormance. In 'e' ec. f' h' in. e' na.inal ma'ke. affec' b' g' ading in em' n' and a' d' a' c' n' 't in ca. i. a' 'i' ck and h' fac' h' ga' in. e' na.inal 'ale' a' g' e' f' C&C T' cr a' i. e' ta' g' e' in h' fi' half f' h' ea'. N' ne. h' e' i' 'e' ec. ed h' b' 'ine' ill achie. e' 'ale' g' h' and make h' ga' b' a'king me' 'e' 'ch 'im' 'ing channel ca' aci. R&D f' ne. ' 'd c' and ' 'ec. im' lemen.a'in in h' 'ec' nd half f' h' ea'.

Airport Facilities Equipment Business

The G' ' ai' ' facili. i' e' b' 'ine' ' main 'e' a. ed b' P. e' 'i' ' CIMC Tianda, Ziegler and 'e' b' 'ia/ i' e' . The G' ' a' in. e' g' a' e' and achie. e' n' e'g' i' h' 'e' b' 'ia/ CFSE 'e' h' ad. an. a' g' e' f' 'e' 'c' e' The 'in. ci. al b' 'ine' incl de' b' a' ding b' idg' e' , a' 'ima. e' d' 'g' i' c' ' 'n' e' n' and G' ' nd S' ' ' E' i' men. (GSE) b' 'ine' (incl ding 'h' 'e' b' 'e' and lif. ing 'a. f' m' ehicle e. c.), file 'cr and h' 'e' c' e ehicle a' ell a' p' ma' 'a' king b' 'ine' .

In the first half of 2017, the regulatory policies in real estate in the real estate market in China kept tightening, in the implementation of strengthening the supervision and lending policies and the regulatory measures. The government introduced the regulatory measures to deal with the outstanding and hidden financial risks in the real estate market. Under the guidance of the tightened policies, the real estate market maintained a moderate and steady growth. The overall level of housing market remained a certain decline in the first half of the year.

During the Reporting Period, the Group's real estate business achieved a revenue of RMB297.664 million (same period in 2016: RMB315.698 million), realizing a year-on-year decline of 5.71% and net profit of RMB65.035 million (same period in 2016: RMB42.775 million), realizing a year-on-year increase of 52.04%, which is mainly due to the receipt of agency service fees and the increase of the end of the Reporting Period.

In the first half of 2017, CIMC Strategic Real Estate strengthened its efforts in the acquisition of industrial parks, and the model of industrial parks became more mature. In March 2017, it established a joint venture with an industrial park in Beijing and accelerated the implementation of an industrial real estate project in the New Shijiazhuang City of Hebei Province in Beijing. In April, CIMC (Ei. e. A. a. m. e. n.) in Shijiazhuang Lake, D. n. g. g. a. l. T. 0. 1. 2. T. D. [70]. of 5.71%, year-on-year 5. (i. c. ta.) 18 (d.) 4.5 (i. n. g.) 18 (e.) 2.7 (A. / Oh.) 18 (ch. 2

In the second half of 2017, the Group made breakthroughs in building business in the container manufacturing market including the U.K. and Australia and achieved a significant efficiency in the African market. The Group also made breakthroughs in the domestic market. The implementation of the Belt and Road, the construction of Xi'ng'an Ne Area and the national pilot will bring about new opportunities for the Group's business of CIMC. A number of large projects will commence construction in China. The Group will strengthen its collaboration with leading enterprises in the field of implementation of the "Internet of Things" and the implementation of the "Industrial Internet of Things" in the field of intelligent manufacturing. The Group will also actively participate in the construction of the "Belt and Road" in China in order to realize the goal of internationalization. The Group will also actively participate in the construction of the "Belt and Road" in China in order to realize the goal of internationalization.

In the second half of 2017, the Group's overall operating indicators continued to show a steady upward trend. The aging structure of assets and the realization of mobile income and the new technology, the Group's efficiency in the construction of the Group will accelerate the construction of the Group's channels and the implementation of the Group's business. The Group will continue to expand its business in the field of mobile income and the new technology and the construction of the Group's channels and the implementation of the Group's business.

III. FUTURE DEVELOPMENT AND OUTLOOK

1. Macroeconomic Environment and Policies

In the second half of 2017, the global economic recovery continued to be maintained, and the international trade continued to grow. China will continue to deepen and improve its reform and opening up, accelerate the implementation of the "Belt and Road" initiative and the "Internet of Things" and the "Industrial Internet of Things" and the construction of the "Belt and Road" in China will continue to be maintained and favorable measures will be taken.

2. Industry Development Trend and Market Outlook

In respect of the container manufacturing business, based on the long-term trend of CLARKSON (an authoritative organization in the industry), the Group's global container trade will be a high growth in 2017. It is a relatively high level of growth in the recent years. The economic recovery and the demand for the global shipping industry will continue to be maintained in the second half of the year, and the growth of container shipping companies will continue to be significant. The shipping companies will continue to expand their business and the demand for container will continue to increase.

The Group's subsidiary CIMC Multimodal Transport Development Co., Ltd. (中集多式聯運發展有限公司) (CIMC Multimodal Transport Co., Ltd.) is engaged in multimodal transport business in the field of international trade, logistics, finance and insurance. The advanced technology and efficient link differentiation strategy and the Group's leadership in the field of multimodal transport will lead to the construction of the Group's multimodal transport business. The Group's multimodal transport business will continue to be maintained and favorable measures will be taken. The Group will continue to expand its business in the field of multimodal transport and the construction of the "Belt and Road" in China will continue to be maintained and favorable measures will be taken.

24 Chapter III Report of the Board

In respect of the road transportation vehicle

business, in the second half of 2017, the physical demand of the semi-trailer industry in the United States will begin to experience downturn. The economic in Europe will mainly be driven by the recovery. There will be big segments of the economic of emerging markets in the demand in certain regional markets. The Chinese market will still be stable and favorable economic momentum. In the field of the new energy in fuel cell and infuse in the electric vehicle demand for market will continue to decline. At the same time, the implementation of public measures, high include advancing the management, the development, the adjustment, the adjustment, the adjustment of the traffic, the adjustment of the change of the label vehicle, the green-label vehicle, the ban on the improvement and improvement of the emission and the adjustment of the vehicle and so on, will accelerate the development of the industry and gradually adjust the industry.

In respect of the energy, chemical and liquid

food equipment business, after the implementation of the 13th Five Year Plan in Energy Development in 2016, the National Development and Reform Commission in China will implement the "Opinion of Accelerating the Development of National Gas" and accelerate the development of national gas in the gas industry, the gas industry, the gas industry, the gas industry.

In respect of the airport facilities equipment business, in the second half of 2017, the global aircraft manufacturing equipment and the global high-speed rail equipment in American market and Africa and the United States and the United Kingdom will grow. The second half of the year will be affected by the fiscal budget cut in the United States and the United Kingdom. The second half of the year will be affected by the fiscal budget cut in the United States and the United Kingdom. The second half of the year will be affected by the fiscal budget cut in the United States and the United Kingdom.

In respect of the real estate development business, in the second half of 2017, the real estate market in China will continue to be affected by the housing market. The real estate market will be more volatile, and the supply and demand will be more imbalanced. In the second half of the year, the real estate market will continue to be affected by the housing market. The real estate market will be more volatile, and the supply and demand will be more imbalanced.

In respect of the financial business, in the second half of 2017, the global market environment will continue to be volatile. The Federal Reserve will increase the global economic and financial market. The second half of the year will be affected by the fiscal budget cut in the United States and the United Kingdom. The second half of the year will be affected by the fiscal budget cut in the United States and the United Kingdom.

3. Overall Operation Targets and Initiatives for Main Business Segments

In the second half of 2017, the overall operation targets and initiatives for main business segments are as follows: (1) Aircraft manufacturing business: The second half of the year will be affected by the fiscal budget cut in the United States and the United Kingdom. The second half of the year will be affected by the fiscal budget cut in the United States and the United Kingdom. (2) Real estate development business: The real estate market in China will continue to be affected by the housing market. The real estate market will be more volatile, and the supply and demand will be more imbalanced. (3) Financial business: The global market environment will continue to be volatile. The Federal Reserve will increase the global economic and financial market.

In respect of the container manufacturing business, in the second half of 2017, the global container market will continue to be affected by the shipping market. The container market will be more volatile, and the supply and demand will be more imbalanced. In the second half of the year, the container market will continue to be affected by the shipping market. The container market will be more volatile, and the supply and demand will be more imbalanced.

In respect of the road transportation vehicle business, in the second half of 2017, it will continue to focus on the domestic market and the global market. While focusing on semi-trailer business and mining equipment business, the Group will continue to improve efficiency in the mining business, expand and improve business, and take a full advantage of the changing trends and demands in the global market and realize the continuous alliance of the In domestic market, the Group will seek for developing new fields, such as building machinery, bridge, heavy equipment, and leasing. In North American market, the Group will actively expand the geographical coverage of its products. In the cyclical downturn in the European market, the Group will continue to give full play to the advantages of its equipment in the domestic market, collaborate with leading manufacturers, and actively expand the market share in the key market.

In respect of the energy, chemical and liquid food equipment business, in the second half of 2017, it will continue to focus on the domestic market and the global market. It will continue to improve the efficiency of its equipment business, expand and improve business, and make full use of the innovation in new business, new technology and business model to achieve independent grade. After the energy equipment, CIMC Enric will continue to improve the efficiency of its equipment in the domestic market and enhance R&D investment in the energy field, expand the chemical equipment business, CIMC Enric will actively develop a series of new products while actively expanding the domestic market and actively expanding the R&D of special new products, mainly in China and Europe; after the liquid food equipment business, CIMC Enric will continue to improve the brand and expand the market share of Ziemann Helioka, Menghen in the field of Bligg Group Limited and full play to the equipment market share.

In respect of the offshore engineering business, in the second half of 2017, it will actively expand the offshore engineering business, focus on the oil and gas industry and expand in the offshore engineering business. It will continue to develop the advanced management, integrated and high-end offshore engineering services, form the drilling services, integrated drilling and mining, pile driving, building and leasing. It will actively expand the business of the national economy and the oil and gas industry. In the national economy and the oil and gas industry, it will actively expand the offshore engineering business and the national economy and the oil and gas industry. It will actively expand the offshore engineering business and the national economy and the oil and gas industry. It will actively expand the offshore engineering business and the national economy and the oil and gas industry.

In respect of the logistics services business, in the second half of 2017, it will focus on the long-term strategic cooperation and improve the business model and management model; enhancing the efficiency and the ability of the lean management in the logistics business, continue to improve the management in business management, full play to the management in the financial management, full play to the development of information in the integration of the idea of the future. The Group will actively expand the long-term cooperation with the leading industrial companies, and actively expand the long-term and the national economy and the oil and gas industry and the national economy and the oil and gas industry. It will actively expand the long-term and the national economy and the oil and gas industry. It will actively expand the long-term and the national economy and the oil and gas industry.

In respect of the heavy truck business, in the second half of 2017, C&T continued to improve its overall operating performance, further enhanced efficiency of management, management and operation, and in special cases, the need for management will be reduced and achieved the expected results and results, i.e. decreasing in revenue, decreasing receivables and decreasing debt. C&T continued to improve the overall performance of the company and the overall efficiency of the company, management and operation. The company will continue to improve the efficiency of the company, management and operation, and will continue to improve the efficiency of the company, management and operation.

In respect of the airport facilities equipment business, in the second half of 2017, the company continued to improve its overall operating performance and achieved the expected results and results. The company will continue to improve the efficiency of the company, management and operation, and will continue to improve the efficiency of the company, management and operation.

In respect of the real estate development business, in the second half of 2017, the company continued to improve its overall operating performance and achieved the expected results and results. The company will continue to improve the efficiency of the company, management and operation, and will continue to improve the efficiency of the company, management and operation.

In respect of the financial business, in the second half of 2017, CIMC Financial continued to improve its overall operating performance and achieved the expected results and results. The company will continue to improve the efficiency of the company, management and operation, and will continue to improve the efficiency of the company, management and operation.

4. Main Risk Factors for Future Development of the Group

Risk of economic periodic fluctuations and trade protection: The industry is affected in the financial business, the overall operating performance and the overall operating performance of the company will be affected. The U.S. economic policies may affect the overall operating performance of the company, management and operation, and will continue to improve the efficiency of the company, management and operation.

28 Chapter III Report of the Board

Risk of industry policy upgrade: China's economic entered into the normal and high growth period of China's economic development and the main objective of reform is to deepen reform and further expand the market and upgrade of economic structure. The new industrial policy, agricultural policy, financial policy, ecological and land policy, etc. have a huge

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

I. BUSINESS OVERVIEW

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

The principal business engaged by the Company and its related entities during the Reporting Period, lease fee, etc. Business Smmal and II. Re.ie f Pinci al B*inees d,ing hē Re,ing Peli'd del' Cha et III Re,ing hē B'ald in hē Re

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

1. Significant Changes in the Major Assets

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

2. Main Overseas Assets

Available Non-liable

(III) Analysis of Core Competitive Advantages

Strategic Positioning of "Manufacture + Service + Finance"

The Company has formed an industrial alliance spanning both global and energy fields, and has developed major business segments in industrial leading and global economy, and will continue to explore and develop in emerging industries which help give full play to the Company's advantages. While reinforcing its edge in traditional industries, the Company has met a certain demand-oriented business expansion from manufacturing to financial services, offered comprehensive services to the entire life cycle of a product and established the strategic planning and industrial ecosystem for manufacturing + service + finance.

Development Philosophies of Business Diversification and Globalisation

The Company has always been committed to reasonable business diversification and global development. The Company's existing financial business covers a wide range of manufacturing business, including traditional vehicle business, energy, chemical and liquid food items business, high-end engineering business, logistics service business, health business, air conditioning facilities and financial business, real estate development business and other emerging businesses. It has led in various lead markets such as Asia, Europe, North America and Australia, and has business networks in the world's major countries and regions. In addition, the Company's business continues to take the lead in the industry in the field of traditional vehicle, energy and chemical items and high-end engineering business. It has long been a competitive edge of the Company's business diversification and global development efficiency. The adoption of effective financial services of the global market is an essential part of the Company's development.

A Standardised and Effective Corporate Governance System

The Company has developed a set of effective governance model covering business philosophy, governance structure and management mechanism. A standardized and effective corporate governance system has been implemented and effectively improved the Company's sustainable and healthy development. Since 2010, the Company has launched the strategic development plan for building an emerging large-scale sustainable and healthy development of CIMC. According to the organizational structure main direction of strategic management, the Company has established a free-market management model of the economic committee, special committee and the Board of Directors, a 5S system management system, and introduced the lean management concept. As a result, the Company has established an innovation and full-risk management system, which has formed a sustainable and healthy development of the business.

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

II. OPERATION DISCUSSION AND ANALYSIS

(I) Overview

The following table provides a summary of the Company's financial performance during the Reporting Period, compared to the corresponding period in the previous year and the same period in the previous year.

(II) Analysis of Principal Businesses

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

Unit: RMB hundred thousand

	As at the end of the Reporting Period (30 June 2017) (unaudited)	As at the end of the Reporting Period (31 December 2016) (audited)	Change (%)	Reason for change
Dividend payable	253,412	16,746	1,413.27%	Mainly due to the increase of dividend payable for the period ended at the end of the Reporting Period.
Other financial liabilities	2,612,280	1,687,762	54.78%	Mainly due to the increase of the commercial bank loans in the Reporting Period.

	The Reporting Period (January to June 2017) (unaudited)	Same period in 2016 (January to June 2016) (audited)	Change (%)	Reason for change
Financial expenses	594,251	304,944	94.87%	Mainly due to the increase of interest expenses and exchange losses in the Reporting Period.
Provision for impairment	234,437	1,267,501	(81.50%)	Mainly due to the large base in the same period of financial assets available for sale and impairment provision on a few of the termination of acquisition of SOE by CIMC Enlic in the same period of financial assets.
(Loss) / Profit from changes in fair value	(32,626)	137,104	(123.80%)	Mainly due to the change in fair value of derivative financial instruments in the Reporting Period.
Income tax expense	(10,628)	(87,328)	87.83%	Mainly due to the decrease of income tax expense of derivative financial instruments in the same period of financial assets.

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

	The Reporting Period (January to June 2017) (unaudited)	Same period in 2016 (January to June 2016) (audited)	Change (%)	Reason for change
Cash received from operations	21,903	241,771	(90.94%)	Mainly due to the receipt of dividends from subsidiaries in the same period of last year.
Cash paid for acquisition	142,020	791,687	(82.06%)	Mainly due to the greater amount of acquisition in the same period of last year.
Net cash paid for acquisition	5,000	764,577	(99.35%)	Mainly due to the cash paid for the acquisition of Re-Jian Man factoring Limited and Beijing G... Limited in the same period of last year.
Cash received from capital contribution	33,776	1,542,157	(97.81%)	Mainly due to the receipt of investment from the legal entities in the period covered by the Company and subsidiaries including CIMC Vehicle (Group) and Shen hen CIMC Electric Commerce and Logistics Technology Co., Ltd. in the same period of last year.

There is a material change in financial position of the Company and its Reporting Period. A...licable, N...licable

There is no material change in financial position of the Company and its Reporting Period.

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

2. Composition of Principal Businesses during the Reporting Period

Unit: RMB hundred thousand

	Revenue (unaudited)	Cost of sales (unaudited)	Gross profit margin (unaudited)	Changes in revenue from the same period of previous year	Changes in cost of sales from the same period of previous year	Changes in gross profit margin from the same period of previous year
By industry/product						
Construction	10,049,055	8,254,228	17.86%	105.14%	96.75%	3.50%
Road and air transportation	9,719,601	7,952,957	18.18%	38.59%	39.75%	(0.68%)
Energy, chemical and medicine	5,060,511	4,191,438	17.17%	16.65%	18.76%	(1.47%)
Other engineering	1,214,509	1,347,363	(10.94%)	(67.21%)	(59.41%)	(21.32%)
Airport facilities	1,180,919	954,996	19.13%	4.65%	5.78%	(0.86%)
Logistics	3,751,202	3,371,872	10.11%	16.55%	19.29%	(2.07%)
Financial business	1,148,040	498,703	56.56%	3.02%	36.13%	(10.57%)
Real estate	297,664	162,201	45.51%	(5.71%)	3.57%	(4.88%)
Healthcare	1,283,201	1,206,432	5.98%	49.15%	44.01%	3.35%
Others	1,394,177	1,170,585	16.04%	368.91%	429.55%	(9.61%)
Combined	(1,711,727)	(1,869,211)	-	(48.84%)	(35.97%)	-
Total	33,387,152	27,241,564	18.41%	41.81%	42.43%	(0.35%)
By region (by receiver)						
China	14,794,349	-	-	74.98%	-	-
Asia (region including China)	3,384,378	-	-	84.09%	-	-
America	6,645,230	-	-	89.69%	-	-
Europe	7,341,001	-	-	(11.38%)	-	-
Others	1,222,194	-	-	(16.47%)	-	-
Total	33,387,152	-	-	41.81%	-	-

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

(III) Analysis of Non-Principal Businesses

Applicable Non-applicable

Unit: RMB hundred thousand

Item	Amount	Proportion in total profit	Explanation on the formation	Sustainable or not
Income	(10,628)	(0.67%)	Mainly income from the sale of fixed assets and disposal of long-term investments in the Reporting Period.	Not sustainable
Profit from change in fair value	(32,626)	(2.07%)	Mainly change in fair value of derivative financial instruments in the Reporting Period.	Not sustainable
Income from operation	234,437	14.87%	Mainly income from the operation of CIMC Enric's SOE in the Reporting Period.	Not sustainable
Non-operating income	84,343	5.35%	Mainly gain from disposal of non-current assets in the Reporting Period.	Not sustainable
Non-operating expense	32,404	2.06%	Mainly loss from disposal of non-current assets in the Reporting Period.	Not sustainable

(IV) Assets and Liabilities

1. Significant Changes in Assets

Unit: RMB hundred thousand

Item	Amount	% of total assets	As at the end of the Reporting Period		Change from end of the Reporting Period (%)	Decision of material change
			Amount	% of total assets		
Cash in bank and on hand	5,737,102	4.43%	6,325,998	5.08%	(0.65%)	Material change
Accounts receivable	16,371,018	12.64%	11,526,075	9.25%	3.39%	Material change
Inventory	18,336,871	14.16%	17,409,515	13.97%	0.19%	Material change
Income tax receivable	1,722,065	1.33%	1,752,608	1.41%	(0.08%)	Material change
Long-term investments	2,249,428	1.74%	2,162,217	1.74%	0.00%	Material change
Fixed assets	21,674,735	16.74%	22,037,261	17.68%	(0.94%)	Material change
Construction in progress	23,804,653	18.38%	22,769,189	18.27%	0.11%	Material change
Share-based payment	17,945,748	13.86%	15,729,787	12.62%	1.24%	Material change
Long-term borrowings	23,665,089	18.27%	27,023,222	21.69%	(3.42%)	Material change

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

2. Assets and Liabilities Measured at Fair Value

Assetable Non-Assetable

Unit: RMB hundred thousand

Item	Amount at the beginning of the period	Profit or loss changes in fair value arising from Reporting Period	Cumulative changes in fair value recognised in equity	Impairment provision for the Reporting Period	Purchases for the Reporting Period	Sales for the Reporting Period	Amount at the end of the Reporting Period
Financial assets:							
1. Financial assets measured at fair value (including derivative financial assets)	138,072	29,834					180,357
2. Derivative financial assets	326,969	(71,939)					251,402
3. Hedging instruments	1,306		6,152				4,392
4. Available-for-sale financial assets	33,244		(3,585)				52,847
Subtotal of financial assets	499,591	(42,105)	2,567				488,998
Intangible assets	1,752,608		481,051				1,722,065
Total identifiable intangible assets	2,252,199	(42,105)	483,618				2,211,063
Financial liabilities	(203,041)	9,479					(192,490)
Total	2,049,158	(32,626)	483,618				2,018,573

When the measurement method of the main assets of the Company changed during the Reporting Period, Yes No

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

At the end of the reporting period, the Company has no restricted asset rights as at the end of the reporting period, please refer to the IV.24 Chapter IX 2017 Interim Financial Report (Unaudited) in this Report.

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

(V) Analysis of Investments during the Reporting Period

1. General Information

A licable, N/A licable

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

2. Material Equity Investments during the Reporting Period

A licable, N/A licable

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

A licable, N/A licable

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

4. Financial Asset Investments

()

A licable N a licable

Uni.: RMB h and

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

()

8A licable N a licable

Uni.: RMB h and

A Lian S.ck E change: 07	0.2	Enel/g	13,480	13,521	1319%	1,761				(625)	Available-for-sale financial assets	Self-funded
H'ng K'ng S.ck E change: 206	206	TSC G/	167,591	92,800	13.42%	206,567						Self-funded
H'ng K'ng S.ck E change: 445	445	CFSE	467,498	1,223,571	30.00%	514,993						Self-funded

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

()

A licable Nā licable

Uni-RMB h and

Name of the derivatives investment operator	Relationship with the Group	Related party or not	Type of derivatives investment	Initial investment amount of derivatives investment	Date of commencement	Date of termination	Investment amount at the beginning of the period	Amount acquired during the Reporting Period	Amount sold during the Reporting Period	Provision for impairment (if any)	Investment amount at the end of the period	Company at the end of the Reporting Period	Proportion of Investment amount at the end of the period to net assets of the	Actual profit or loss during the Reporting Period
													Investment amount at the end of the Reporting Period	
HSBC, Sāndā'd Chā'elēd and 'hē' bankē	Nil	N	Foreign exchange	-	2015/1/29	2018/4/16	219,820	-	-	-	236,667	0.79%	9,452	
China C'ā'ā' Bank, HSBC and 'hē' bankē	Nil	N	Interest rate	-	2010/1/20	2021/6/28	10,302,060	-	-	-	9,849,606	33.03%	(74,075)	
Sāndā'd Chā'elēd, Ind'ā'ā' and 'hē' bankē	Nil	N	Foreign exchange	-	2017/6/23	2017/12/20	-	-	-	-	154,473	0.52%	333	
T'ā'	-	-	-	-	-	-	10,521,880	-	-	-	10,240,746	34.34%	(64,290)	

Self-need funds

Nā licable

28 March 2017

Nil

As a 30 June 2017, the derivative financial instruments held by the Company are mainly foreign exchange derivatives, interest rate derivatives and commodity derivatives. The foreign exchange derivatives are mainly forward foreign exchange contracts, foreign exchange swap contracts and foreign exchange options. The interest rate derivatives are mainly interest rate swap contracts. The commodity derivatives are mainly oil derivatives. The Company has entered into derivative financial instruments mainly for hedging purposes and to manage the Company's foreign exchange risk, interest rate risk and commodity price risk. The Company has not entered into derivative financial instruments for speculative purposes.

From January 2017, the Company has entered into derivative financial instruments for hedging purposes. The Company has not entered into derivative financial instruments for speculative purposes.

The Company has not entered into derivative financial instruments for speculative purposes.

The Company has not entered into derivative financial instruments for speculative purposes.

The Company has not entered into derivative financial instruments for speculative purposes.

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

(VI) Disposal of Substantial Assets and Equity Interests

1. Disposal of Substantial Assets

A. licable, N. a. licable

2. Disposal of Substantial Equity Interests

A. licable, N. a. licable

(VII) Analysis of Principal Subsidiaries and Associates

A. licable, N. a. licable

Details on acquiring and disposing subsidiaries during the Reporting Period

A. licable, N. a. licable

During the Reporting Period, the Group did not acquire or dispose any major subsidiaries. Furthermore, the Group has begun and ceased to be consolidated in the accounts of the Group during the Reporting Period, please refer to the Chapter IX Interim Financial Report (Unaudited) in the Reporting Period.

Details on the principal subsidiaries

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

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

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

Unit: RMB 10,000

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

(VIII) Structured Body Controlled by the Company

Applicable, Not applicable

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

Warning and explanation in the forecast of the possible aggregate net profit from the beginning of the year to the end of the year will be reduced becoming a loss and a significant change compared to the same period of the previous year.

Applicable, Not applicable

(X) Risk Exposures of the Company and Responsive Initiatives

Please refer to the explanation made in Section 3. Overall Operation Targets and Initiatives for Main Business Segments and 4. Main Risk Factors for the Development of the Group for III. Overall Financial Development and Chapter III Risk Factors for the Board of Directors for the development of the company and the responsive initiatives.

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

(XI) Reception of Research, Communications and Interviews

A licable N a licable

Date of reception	Mode of reception	Type of party received	Brief description on research
9 Jan a/ 2017	Tele h'ne c/nferece	Wa. e/and Sec /i. i. e in Tai an	P/inci al b' i. n. e. c/ n. d. i. e. in. e. m. e. n. g. i. e. n. i. n. d. i. a. l. d. e. e. m. e. n. d. i. n. d. i. a. l. k
11 Jan a/ 2017	S. a. e. i. e. c/ n. f. e. r. e. n. c. e / I. n. d. i. a. l. S. e. c. / i. i. e	I. n. d. i. a. l. S. e. c. / i. i. e and / h. e / g. a. n. a. i. n	Same a/ ab / e
13 Feb/ a/ 2017	Field / e. s. e. a. / c. h	P. e. r. f. o. r. m. a. n. c. e. A. g. e. n. c. y. C. h. i. n. a. M. e. / c. h. a. n. c. e. S. e. c. / i. i. e and C. h. i. n. a. S. / h. e. n. F. u. n. d.	Same a/ ab / e
13 Feb/ a/ 2017	TF Sec / i. i. e. T. e. l. e. h' n. e. C/ n. f. e. r. e. n. c. e / n. S. h. i. n. g. and C/ n. a. i. n. e. / M. a. n. f. a. c. t. i. n. g	TF Sec / i. i. e and / h. e / g. a. n. a. i. n	Same a/ ab / e
14 Feb/ a/ 2017	Bank / f. C. h. i. n. a. M. a. c. h. i. n. e. / M. a. c. h. i. n. e. / T. e. l. e. h' n. e. C/ n. f. e. r. e. n. c. e	Bank / f. C. h. i. n. a. S. e. c. / i. i. e and / h. e / g. a. n. a. i. n	Same a/ ab / e
15 Feb/ a/ 2017	Field / e. s. e. a. / c. h	GF Sec / i. i. e, S. h. e. n. i. n. & W. a. n. g. S. e. c. / i. i. e, J. i. / z. h. i. C. a. i. a. l. (玖. 石. 資. 本), P. i. n. g. A. n. S. e. c. / i. i. e, Z. h. / n. g. / i. n. g. F. u. n. d., S. h. e. n. Z. h. / M. I. n. e. m. e. n. C. h. i. n. a. M. e. / c. h. a. n. c. e. S. e. c. / i. i. e, P. e. n. g. h. a. F. u. n. d., Y. i. n. h. a. F. u. n. d., H. / n. g. / I. n. n. o. v. a. t. i. o. n. (紅. 土. 創. 新), P. a. c. i. f. i. c. S. e. c. / i. i. e, H. a. n. n. i. n. g. A. g. e. n. c. y. O. f. i. e. n. S. e. c. / i. i. e, Y. / h. o. n. g. C. a. i. a. l. (雲. 嵩. 資. 本) and H. a. i. h. e. n. A. g. e. n. c. y. (懷. 真. 資. 產)	Same a/ ab / e
16 Feb/ a/ 2017	Field / e. s. e. a. / c. h	B. / o. e. / a. F. u. n. d.	Same a/ ab / e
17 Feb/ a/ 2017	L. i. n. c. h. e. / n. and / h. e	A. l. h. a. l. e. C. a. i. a. l. M. a. n. a. g. e. m. e. n. t. / H. i. g. h. C. a. i. a. l. M. a. n. a. g. e. m. e. n. t. / D. e. / S. i. c. h. e. A. g. e. n. c. y. M. a. n. a. g. e. m. e. n. t. (H. K), T. e. m. / e. / i. n. A. g. e. n. c. y. M. a. n. a. g. e. m. e. n. t. / L. B. N. A. d. / v. e. r. e. / s. e. and V. a. l. e. P. a. / d. e. /	Same a/ ab / e
20 Feb/ a/ 2017	Tele h'ne c/nferece	F. u. n. d. C. a. i. a. l.	Same a/ ab / e
20 Feb/ a/ 2017	H. a. i. / i. n. g. S. e. c. / i. i. e. M. a. c. h. i. n. e. / S. / a. e. i. e. T. e. l. e. h' n. e. C/ n. f. e. r. e. n. c. e	H. a. i. / i. n. g. S. e. c. / i. i. e	Same a/ ab / e
21 Feb/ a/ 2017	Field / e. s. e. a. / c. h	Z. h. e. n. g. h. a. n. g. F. u. n. d.	Same a/ ab / e
22 Feb/ a/ 2017	V. i. d. e. o. - 45201 4	A. l. 3-5i603. e/ ab / e. 20 F. i. n. a. n. c. e. / h. a. i. T. d. [(C. a. i. a. l. M. a. M. 235 Td[S. a. i. n. e. 7)]TJ10.985 0 TdB37]	

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

Date of reception	Mode of reception	Type of party received	Brief description on research
24 Feb/ al/ 2017	Video Interview in Zhangjiagang	Exchange Sec/ Liian	B/ineen c/ndi.i/ and ind/ial de. el/ men/ in ene/g and chemical b/ineen
11 A/ il/ 2017	Field Research	O/en D/ Ca. i. al/	P/inci al b/ineen c/ndi.i/ in. en/ men/ /g/een/ /ecen/ ind/ial de. el/ men/ and ind/ial/ /k
28 A/ il/ 2017 17 Ma/ 2017	Tele/ h/ ne c/ nference Field Research	CICC and i/ c/ / me/ / Exchange Sec/ Liian	E/ change/ n Q1/ en/ / P/inci al b/ineen c/ndi.i/ in. en/ men/ /g/een/ /ecen/ ind/ial de. el/ men/ and ind/ial/ /k
18 Ma/ 2017	Video Interview in K/ /han and Shanghai	Teb/ n Sec/ Liian, ICBC C/ edi. S/ /ee F/ nd, Bin Y/ an Ca. i. al/, TF Sec/ Liian, Zh/ ng. ai/ Sec/ Liian Re/ ea/ ch In/ i. /e, Shanghai Green A/ ee, Exchange Sec/ Liian, Han/ n In. en/ men/ (瀚倫投資), F/ nde/ Sec/ Liian, UBS Sec/ Liian, G/ ai/ J/ nan, Zh/ e/ zhang F/ nd, China AMC, Tian/ ng A/ ee. Managemen/, Hai/ ng Sec/ Liian, H/ a. ai/ Sec/ Liian, H/ a/ Ch/ ang Sec/ Liian, BOC In. e/ na. i. /nal, Win/ igh/ Ca. i. al/, CIB F/ nd, CITIC Sec/ Liian, Ind/ ial Sec/ Liian, ABC Financial Ser/ vice, Fenghe A/ ia, Ping An Sec/ Liian and G/ ai/ F/ nd	B/ineen c/ndi.i/ and ind/ial/ /k in /g/een a/ /ma. i/ n
23 Ma/ 2017	Video Interview in Shanghai	M/ /gan S. an/ e	B/ineen c/ndi.i/ and ind/ial de. el/ men/ in c/ n. ai/ e/ b/ineen
7 J/ ne/ 2017	Video Interview in K/ /han and Shanghai	HSBC and i/ c/ / me/ /	B/ineen c/ndi.i/ and ind/ial/ /k in /g/een a/ /ma. i/ n

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

The following content of the financial statements prepared in accordance with the applicable Hong Kong Accounting Rules, The following disclosure and analysis shall be read together with the chairman's and the 2017 Interim Financial Report (inaudited) of the Group in this Report.

CHANGES IN ACCOUNTING POLICIES FOR THE REPORTING PERIOD

On 28 August 2017, the consolidated and audited balance sheet of the eighth month of the Board of Directors of the Company for 2017 and the meeting of the eighth month of the Special Committee for 2017, the Company revised the accounting policies of the Company and announced the implementation of the new revenue recognition accounting standards of the Board of Directors of the Company. The new revenue recognition accounting standards of the Board of Directors of the Company are: 16. Government Standard (Cai Kai [2017] No. 15) issued by the Ministry of Finance (MOF) of the People's Republic of China and the implementation of the new accounting standards of the Board of Directors of the Company. 42. Non-current Assets Held for Sale, Disposal Group and Termination of Operation (Cai Kai [2017] No. 13) issued by MOF, and in which, (1) the Company has implemented the new revenue recognition accounting standards of the Board of Directors of the Company since 12 June 2017. Government Standard (Cai Kai [2017] No. 15) issued by MOF since 12 June 2017. Government Standard (Cai Kai [2017] No. 15) issued by MOF shall be included in the income based on the nature of economic substance. Government Standard (Cai Kai [2017] No. 15) issued by MOF shall be included in non-operating income and expense. The related accounting method shall be used for the accounting treatment of the government standard issued on 1 January 2017 of the Group. Adjustments shall be made for the government standard issued from 1 January 2017. The effective date of the change is the date of the financial statements of the Group for January to June 2016. (2) The Company has implemented the new revenue recognition accounting standards of the Board of Directors of the Company. 42. Non-current Assets Held for Sale, Disposal Group and Termination of Operation issued by MOF since 28 March 2017. The change in accounting policies did not have a significant impact on the financial statements of the Company during the Reporting Period. For details, please refer to the 33 of Chapter IX 2017 Interim Financial Report (Unaudited) in this Report.

CONSOLIDATED OPERATING RESULTS

During the Reporting Period, the Group recorded revenue of RMB33,387,152 million (same period in 2016: RMB23,542,843 million), the operating profit increased by 41.81%, and the attributable profit and the earnings per share of the Company of RMB796,898 million (same period in 2016: recording a profit of RMB378,034 million). For details, please refer to the financial statements headed "Chairman's Summary of Accounting Data and Financial Indicators" and "II. Revenue of Principal Business" during the Reporting Period under "Chairman's Summary of Board" in this Report.

SEGMENT INFORMATION

For details of the segment information of the Group during the Reporting Period, please refer to "II. Revenue of Principal Business" during the Reporting Period under "Chairman's Summary of Board" and note XIII of Chapter IX 2017 Interim Financial Report (Unaudited) in this Report.

GROSS PROFIT MARGIN AND PROFITABILITY

During the Reporting Period, the gross profit margin of the Group was 18.41% (same period in 2016: 18.76%), the operating profit margin decreased by 0.35%. Among the principal businesses, the gross profit margin of consumer manufacturing and healthcare increased, the gross profit margin of the engineering business declined. The gross profit margin of the remaining segments remained basically stable. The gross profit margin of the declined segment decreased compared with the same period last year. For details, please refer to the 2. Company under "Principal Business" during the Reporting Period. (III) Analysis of Principal Business for the Operation Direction and Analysis for the Operation Direction and Analysis. Please refer to the 33 of Chapter IX 2017 Interim Financial Report (Unaudited) in this Report.

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

NON-OPERATING INCOME

During the Reporting Period, the Group's non-operating income amounted to RMB84.343 million (same period in 2016: RMB167.289 million), representing a year-on-year decrease of 49.58%, which is mainly attributable to the recognition of the government grant relating to the acquisition of the Group's 100% shareholding in the subsidiary. The Group's non-operating income also included the net gain on disposal of government grant related to the CASBE during the Reporting Period. For details, please refer to Note 60 of Chapter IX 2017 Interim Financial Report (Una di.ē) in the Report.

TAX EXPENSE

During the Reporting Period, the income tax expense of the Group was RMB509.633 million (same period in 2016: RMB375.316 million), representing a year-on-year increase of 35.79%, which is mainly due to the increase in consolidated income tax calculated according to the applicable laws and regulations of the significant increase in the profit of the Group during the Reporting Period. For details, please refer to Note 62 of Chapter IX 2017 Interim Financial Report (Una di.ē) in the Report.

TECHNOLOGY DEVELOPMENT COSTS

During the Reporting Period, the technology development cost of the Group was RMB288.459 million (same period in 2016: RMB230.097 million), representing a year-on-year increase of 25.36%, which is mainly due to the increased investment in technology R&D of the Group during the Reporting Period. For details, please refer to Note 18 of Chapter IX 2017 Interim Financial Report (Una di.ē) in the Report.

MINORITY PROFIT OR LOSS

During the Reporting Period, the Group's minority profit included RMB269.611 million (same period in 2016: RMB163.126 million), which is mainly due to the increase in the minority interest in the subsidiary during the Reporting Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash at bank and in hand (including cash and bank deposits) as at 30 June 2017, the Group's cash at bank and in hand amounted to RMB5,737.102 million (31 December 2016: RMB6,325.998 million), representing a decrease of 9.31% compared with the end of the reporting period. For details, please refer to Note 1 of Chapter IX 2017 Interim Financial Report (Una di.ē) in the Report. The Group's funds mainly derived from the net generalised form of equity and bank borrowings. The Group's financial management policies and main aimed efficient and a stable cash in hand. The bank loans are falling due and the debt structure is diversified.

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

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

BANK LOANS AND OTHER BORROWINGS

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

Unit: RMB hundred thousand

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

In the first half of 2017, the net bank loans available to the Group amounted to RMB2,798.256 million (same as in 2016: RMB5,324.877 million), representing a year-on-year decrease of 47.45%. The Group's bank borrowings are mainly denominated in U.S. dollars, which are in line with the main business of the Group. As at 30 June 2017, the Group's bank borrowings included fixed-rate borrowings of a total amount of RMB11,035.941 million (31 December 2016: RMB8,123.960 million), representing an increase of 35.84% as compared with the end of the reporting period, which are mainly due to the financing arrangements made by the Group to meet the working capital requirements of the Group's subsidiaries of RMB35,466.310 million (31 December 2016: RMB38,154.759 million), representing a decrease of 7.05% as compared with the end of the reporting period. As at the end of the reporting period, the long-term borrowings are mainly due to the financial leases, details are set out in sections IV. 38 and XIV. 3 of Chapter IX 2017 Interim Financial Report (Unaudited) in this Report.

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

CAPITAL STRUCTURE

The Group's capital structure consists of equity and available-for-sale financial assets and liabilities. As of 30 June 2017, the Group's equity and available-for-sale financial assets amounted to RMB39,871,883 million (31 December 2016: RMB39,134,792 million) in aggregate, the total liabilities amounted to RMB89,626,971 million (31 December 2016: RMB85,479,956 million) and the total assets amounted to RMB129,498,854 million (31 December 2016: RMB124,614,748 million). The Group's committed main financing arrangement consists of equity and debt in order to maintain an effective capital structure and provide maximum flexibility.

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

FOREIGN EXCHANGE RISK AND RELEVANT HEDGE

The major currency of the Group's business is the U.S. dollar, while most of the revenue is made in RMB. As the exchange rates of RMB are affected by domestic and international economic and political conditions and the demand and supply of RMB, the Group is exposed to the risk of foreign exchange rate fluctuation. The change in RMB against the currencies, which may affect the Group's operating results and financial condition. The management of the Group has closely monitored the foreign exchange rate and taken appropriate measures to avoid foreign exchange risk. Full details of the foreign exchange hedging contracts held by the Group during the Reporting Period, please refer to the TV. 2 and IV. 26 of Chapter IX 2017 Interim Financial Report (Unaudited) in this Report.

INTEREST RATE RISK

The Group is exposed to the market interest rate change risk relating to the interest-bearing bank loans and the borrowings. To minimize the impact of interest rate risk, the Group entered into interest rate swap contracts with the local bank in the PRC, please refer to the TV. 2 and IV. 26 of Chapter IX 2017 Interim Financial Report (Unaudited) in this Report.

CREDIT RISK

The Group's credit risk is limited as it is mainly with a bank and, in hand, receivable, deferred financial instruments entered into for hedging purposes, etc. The Group has a credit risk management policy and management in an ongoing basis. Full details, please refer to the TV. 1 of Chapter IX 2017 Interim Financial Report (Unaudited) in this Report.

PLEDGE OF ASSETS

As at 30 June 2017, the pledged assets of the Group total amount to RMB8,902.078 million (31 December 2016: RMB9,756.883 million), representing a decrease of 8.76% compared with the end of the previous year. Full details, please refer to the TV. 24 of Chapter IX 2017 Interim Financial Report (Unaudited) in this Report.

CAPITAL COMMITMENTS

As at 30 June 2017, the Group had capital commitments of a total amount of RMB494.514 million (31 December 2016: RMB417.786 million), representing an increase of 18.37% compared with the end of the previous year, which is mainly related to the investment in the joint venture entered into with the local government-owned company. Full details, please refer to the TV. XI. 1. (1) of Chapter IX 2017 Interim Financial Report (Unaudited) in this Report.

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

CONTINGENT LIABILITY

As at 30 June 2017, the Group had contingent liabilities of approximately RMB59,028 million (31 December 2016: RMB83,248 million), representing a decrease of 29.09% compared with the end of the reporting period. For details, please refer to Note X.1 of Chapter IX 2017 In.letim Financial Report (Undated) in the Report.

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

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

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND EXPECTED SOURCES OF FUNDING

For the interim period, Tan of the financial backbone of the Group in the second half of the year, please refer to 3. Overall Operating Targets and Initiatives of Main Business Segments of III. Future Development and Outlook under Chapter III Report of the Board in the Report. The operating and capital expenditure of the Group are mainly financed by internal funds and external financing. The Group will also adopt measures to enhance its operating cash flow. The Group has no intention of funding investment or capital expenditure and raising capital.

CAPITAL EXPENDITURE AND FINANCING PLAN

Based on changes in the economic environment and external environment, all the elements of the Group's strategic grade and business development, the economic cycle end of the Group in 2017 is approximately RMB7,900 million, among which approximately RMB500 million is allocated in the first half of the year, which is mainly used for acquisition of fixed assets, intangible assets and long-term investment. Valuation of financing arrangements will continue to be considered by the Group in the second half of the year.

On 31 March 2016, the Group completed and adopted the shareholders' general meeting, the Company issued a non-public offering of new A-shares eligible in the first round of RMB6,000 million (the Non-public Offering of A-shares). On 17 January 2017, the Company made a public offer, the Company will need to be listed, the Company will be an applicant of the CSRC for the non-public offering of A-shares. On 9 June 2017, in order to improve the implementation of the plan, the Company will hold a special annual general meeting of 2016 and the first 2017 class meeting of A-shares and the first 2017 class meeting of H-shares, the Company issued the notice of the non-public offering of A-shares and entered the alidation period of the non-public offering of A-shares. The shareholders' general meeting of the Company will hold the mandatory general meeting of the Board. For details, please refer to III. Future Development and Outlook under Chapter VII Changes in Share Capital and Information on Shareholders of the Report. As at the end of the Reporting Period, the Non-public Offering of A-shares is still in progress.

Chapter VI Significant Events

During the Reporting Period, the Board, comprising 8 Directors, held 5 meetings, of which 1 meeting was held online, 4 meetings were held in a face-to-face manner. In 2017, the Board held 5 meetings, of which 1 meeting was held online, 4 meetings were held in a face-to-face manner. The Board discussed and decided on the company's major business management matters, the annual work plan of the Board, the annual financial budget, the annual financial report, and the annual general meeting of the company, and the Board's decisions were made in accordance with the provisions of the Charter.

Under Article A.1.1 of the Charter, the Board should hold regular meetings and special meetings. During the Reporting Period, the Board held 5 Board meetings, of which 1 meeting was held online. The special meeting of the Board and the Board's major business management matters were discussed and decided on in accordance with the Charter. According to the Charter, the Board's decisions were made in accordance with the provisions of the Charter. The Board's decisions were made in accordance with the provisions of the Charter.

On 7 August 2017, Mr. Wang Zhiqian, an independent Director, resigned from his position as an independent Director and all his offices in the Management Committee and Remuneration and Appraisal Committee of the Board. The change in independent Director's resignation was effective from the date of resignation. The Board held 5 meetings, of which 1 meeting was held online, 4 meetings were held in a face-to-face manner. The Board discussed and decided on the company's major business management matters, the annual work plan of the Board, the annual financial budget, the annual financial report, and the annual general meeting of the company, and the Board's decisions were made in accordance with the provisions of the Charter.

()

During the Reporting Period, 9 meetings were held by the Board Committee. In 2017, the Board Committee held 9 meetings, of which 1 meeting was held online, 8 meetings were held in a face-to-face manner.

()

During the Reporting Period, 3 meetings of the eight members of the Special Committee, comprising the Special Committee, were held. In 2017, the Special Committee held 3 meetings, of which 1 meeting was held online, 2 meetings were held in a face-to-face manner. The Special Committee held 3 meetings, of which 1 meeting was held online, 2 meetings were held in a face-to-face manner. The Special Committee held 3 meetings, of which 1 meeting was held online, 2 meetings were held in a face-to-face manner.

On 7 August 2017, Mr. L. Shenghui, a Special Director, resigned from his position as a Special Director. The change in Special Director's resignation was effective from the date of resignation. The Board held 5 meetings, of which 1 meeting was held online, 4 meetings were held in a face-to-face manner. The Board discussed and decided on the company's major business management matters, the annual work plan of the Board, the annual financial budget, the annual financial report, and the annual general meeting of the company, and the Board's decisions were made in accordance with the provisions of the Charter.

()

On 9 June 2017, the Board held the 2016 annual general meeting, the 2017 Annual Shareholders' Meeting and the 2017 Annual Shareholders' Meeting. The notice, convening, holding and recording of the general meeting were in compliance with the relevant provisions of the PRC Company Law, the Articles of Association and the Hong Kong Listing Rules. The announcement of the general meeting was published in the China Securities Journal, Shanghai Securities Information and Securities Times and China Financial Weekly (China Financial Weekly) on 9 June 2017, and the general meeting of the Hong Kong Stock Exchange (the HK Stock Exchange) and the Board (the Board).

The executive Director, CEO and President, Mr. Mai Biliang and the non-executive Director, Mr. Li Ch'ng and independent non-executive Director, Mr. Pan Cheng ei, Mr. Pan Zhong yi and Mr. Wong Kai H en Albe/ a. ended the abovementioned general meeting. Non-executive Director, Mr. Wang H'ng, Mr. Wang Y hang and Mr. Wang Zhi an (resigned on 7 A. g. 2017) failed to attend the meeting.

()

Code in A.2.7. The chairman shall convene a meeting of the executive Director (including independent Director) in the executive Director. The Chairman, Mr. Mai Biliang, and the Chairman, Mr. Pan Cheng ei, managed and monitored the executive Director. Accordingly, during the Re. ing Pe'i'd, the Chairman held a Board meeting in the presence of the executive Director.

Code in A.6.7. Independent Director and the non-executive Director should attend general meeting and deliver a balanced understanding of the issue. Code in E.1.2. The chairman of the board should attend the annual general meeting. He should also in the chairman of the board, nomination and the committee (audit committee) attend. The three independent Director of the Chairman, all attended the general meeting convened during the Re. ing Pe'i'd. The non-executive Director, Wang H'ng, the Chairman of the Board, Wang Y hang and Wang Zhi an (resigned on 7 A. g. 2017), the Chairman of the Risk Management Committee of the Board, failed to attend the general meeting and the meeting.

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

The Chairman advised the board as described in the Model Code contained in Appendix 10 of the Hong Kong Listing Rules. The code of conduct in dealing in securities by Director and Senior of the Chairman. All the Director and Senior of the Director and Senior confirmed that they had fully complied with the provisions in the Model Code during the Re. ing Pe'i'd.

3. Audit Committee

The Chairman has a independent non-executive Director and established the audit committee. The members of the audit committee are Mr. Pan Cheng ei (chairman of the audit committee), Mr. Pan Zhong yi and Mr. Wong Kai H en, Albe/ financial management (chief accountant), Mr. Pan Zhong yi and Mr. Wong Kai H en, Albe/

On 27 A. g. 2017, the audit committee reviewed the 2017 In. e. i. m Financial Re. and Re. the Group for the period ended 30 June 2017, and agreed to the same as the Board.

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

The changes in information of Director, Senior and chief executive of the Chairman be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules during the Re. ing Pe'i'd, leave the chairman headed. Changes in information of Director and Senior under Chapter VIII Information of Director, Senior and Senior Management. The changes in information be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

Chapter VI Significant Events

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

1. General Meeting Convened during the Reporting Period

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

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

Applicable, Not Applicable

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

Applicable, Not Applicable

The Company adopted a share capital increase plan to increase share capital by transferring capital reserves. The share capital increase plan ended 30 June 2017 (the same period of 2016: Nil).

Implementation of Profit Distribution and Share Capital Increase during the Reporting Period

Chapter VI Significant Events

V. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS

Whether the interim financial reports have been audited by a qualified firm of accountants:

Yes , No

The 2017 Interim Financial Reports have not been audited.

On 9 June 2017, the Company held and attended its 2016 Annual General Meeting, where the Company and its independent members of the Board of Directors of Zhong Tian LLP have decided to disengage the Company from 2017.

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

Applicable , Not Applicable

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

Applicable , Not Applicable

VIII. BANKRUPTCY OR REORGANISATION RELATED ISSUES

Applicable , Not Applicable

The Company has not been involved in any bankruptcy or reorganisation related issues during the Reporting Period.

IX. ARBITRATION EVENTS

Material litigation and arbitration events:

Applicable , Not Applicable

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

Chapter VI Significant Events

Other litigation information

Asset-liability Non-Asset-liability

Basic information of litigation (arbitration)	Amount involved (RMB thousand)	Incurred estimated liabilities or not	Progress of litigation (arbitration)	Judgment result of litigation (arbitration) and its impact	Executive of the judgment of litigation (arbitration)	Disclosure date	Disclosure index
15 c'n. l'ac. ch' 0000 h'e l'in.iff'f' m 2014 .the end f' h'e Re .ling Pe'i'd	337,600	N	In .li'ia'	N' .e'c'ncl ded	.	.	.
9 c'n. l'ac. ch' 0000 h'e l'ep' p'den.iff'f' m 2015 .the end f' h'e Re .ling Pe'i'd	322,200	N	In .li'ia'	N' .e'c'ncl ded	.	.	.

X. PENALTIES AND REMEDIES

Asset-liability Non-Asset-liability

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

Asset-liability Non-Asset-liability

D'ling h'e Re .ling Pe'i'd, h'e e' n' effec.i'e j' d'gemen' f' h'e c' .f'ailed be' wa'ified by h'e C'm an
and i' n' l'ag' n' h'e h' Ide', China Me'chan' G' .l'ela.i'e'l l'ag'e am'n' f' deb't' d'e and .l'anding.

Chapter VI Significant Events

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

1. Summary of Share Option Incentive Scheme

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

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

On 12 March 2015, in the extraordinary general meeting of the Board in 2015, the Company issued the second exercisable period of the First Tranche of Share Options has been exercised and the actual exercisable amount from 2 June 2015 to 27 September 2020 is the actual exercisable amount of 39,660,000 shares. On 9 October 2015, in the extraordinary general meeting of the Board in 2015, the second exercisable period of the Second Tranche of Share Options has been exercised and the actual exercisable amount from 24 October 2015 to 27 September 2020 is the actual exercisable amount of 4,132,500 shares. On 20 July 2017, in the extraordinary general meeting of the Board in 2017 and the implementation of the annual dividend distribution plan of the Company for 2016 on 20 July 2017, the adjusted price for the First and Second Tranche of Share Options is RMB10.49 and RMB16.02, respectively.

During the Reporting Period, the actual exercisable amount of A Share(s) Share Option Incentive Scheme amounted to 1,775,800 shares, representing 3.03% of the total (adjusted) of 58,310,000 shares of the exercisable amount of the First Tranche of Share Options, and 45,000 shares of the exercisable amount of the Second Tranche of Share Options. The implementation of A Share(s) Share Option Incentive Scheme has no material impact on the Company's financial condition and the performance of the Reporting Period and in the future.

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

CIMC Enric adopted and adopted a share option scheme (2006 Share Option Scheme) at the extraordinary general meeting held on 12 July 2006, to grant a total of 120,370,000 shares to the employees and beneficiaries of the company and its eligible employees. The 2006 Share Option Scheme expired in November 2009, October 2011 and June 2014. The 2006 Share Option Scheme expired in 2016. Following the implementation of the share repurchase program of CIMC Enric completed in the exercise of the Hong Kong Stock Exchange and the implementation of the share repurchase program of CIMC Enric completed in the exercise of the Hong Kong Stock Exchange and the Company will also complete the share repurchase program of the Company in the future.

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

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

The CIMC Vehicle (Group) Co., Ltd. ("CIMC Vehicle (Group)") was established and a general meeting of the Company held on 17 October 2007. Pursuant to the decision of the management and the board of directors of the Company and the decision of the CIMC Vehicle (Group) held 20% equity in CIMC Vehicle (Group) by capital increase of RMB220,700,000 through CIMC Vehicle (Group) Co., Ltd. ("CIMC Vehicle (Group) Co., Ltd.") (hereinafter referred to as "CIMC Vehicle (Group) Co., Ltd.") (深圳國際信託投資有限責任公司) (hereinafter referred to as "SZITIC Co., Ltd.") (SZITIC Co., Ltd.). On 30 December 2015, CIMC Vehicle (Group) Co., Ltd. completed capital increase and the CIMC Vehicle (Group) Co., Ltd. ("CIMC Vehicle (Group) Co., Ltd.") was established on 31 March 2016. The Company decided and adopted the "Proposal on the Amendment of the Equity Trust Scheme of CIMC Vehicle (Group) Co., Ltd." (《關於修改〈中集車輛集團有限公司股權信託計劃(草案)〉的議案》) at the 2015 annual general meeting. Following the implementation of the amendment, the Company's shareholding structure of CIMC Vehicle (Group) Co., Ltd. changed and the Company held 15.83% equity in CIMC Vehicle (Group) Co., Ltd. as of the reporting period.

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

Number of shares granted Reporting Period	The first tranche of 54,000,000 shares (among which 4,107,500 shares were cancelled) were granted to 175 management and technical personnel of the Company; the second tranche of 6,000,000 shares (among which 578,125 shares were cancelled) were granted to 38 technical and middle management personnel of the Company.
Total number of shares granted Reporting Period	0
Total number of shares exercised Reporting Period	1,775,800
Total number of shares cancelled Reporting Period	0
Total number of shares exercised Reporting Period	0
Total number of shares exercised by the end of the reporting period in a cumulative basis	23,453,740
Total number of shares exercised and cancelled by the end of the reporting period in a cumulative basis	31,860,635
Adjusted exercise price and exercise price of shares granted and exercised by the end of the reporting period and adjusted exercise price	The initial exercise price of the first tranche was RMB12.39/share which was adjusted to RMB10.49/share after implementation of the dividend distribution in 2011-2016. The initial exercise price of the second tranche was RMB17.57/share which was adjusted to RMB16.02/share after implementation of the dividend distribution in 2011-2016.

58 Chapter VI Significant Events

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

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

On 27 March 2017, the Company granted equity to senior management Mr. Jin Jianping. As at 30 June 2017, Mr. Jin Jianping still had 640,000 unexercised shares of the Company and 1,400,000 unexercised shares of CIMC Enric.

XIII. MATERIAL CONNECTED TRANSACTIONS DISCLOSED ACCORDING TO SHENZHEN LISTING RULES

1. Connected Transactions Relating to Daily Operations

Applicable Not Applicable

Chapter VI Significant Events

Related party	Relationship with the Group	Type of the connected transaction	Details of the connected transaction	Pricing Principle	Price	Amount (RMB'000)	% of the total amount of a similar transaction	Whether approved cap has exceeded	Available market price of a similar transaction	Disclosure date	Disclosure index
							Approved cap (RMB'000)	Settlement method			
Y&C Engine C., Ltd.	Min./i. Sha'eh/idel	P. /ch. /f	P. /ch. /f	Reg. lal' c/ mme/ cial. e/ h. /g	-	309,000	-	-	-	-	-
Shaan J. Hea. D. A. m' b. i. l. e C., Ltd.	Min./i. Sha'eh/idel	P. /ch. /f	P. /ch. /f	Reg. lal' c/ mme/ cial. e/ h. /g	-	49,559	-	-	-	-	-
F. j. i. a. n. Q. i. n. g. c. h. e. n. B. a. m. b. o. P. / d. C. C., LTD	A. p. p. o. i. a. t. e. d. c' m. a. n	P. /ch. /f	P. /ch. /f	Reg. lal' c/ mme/ cial. e/ h. /g	-	8,259	-	-	-	-	-
A. b. a. h. i. T. r. a. d. i. n. g. C., Ltd.	Min./i. Sha'eh/idel	P. /ch. /f	P. /ch. /f	Reg. lal' c/ mme/ cial. e/ h. /g	-	1,855	-	-	-	-	-
X. h. i. C. I. M. C. W. d C., Ltd.	A. p. p. o. i. a. t. e. d. c' m. a. n	P. /ch. /f	P. /ch. /f	Reg. lal' c/ mme/ cial. e/ h. /g	-	394	-	-	-	-	-
O. h. e. l. e. a. e. d. a. l. i. e. g.	-	P. /ch. /f	P. /ch. /f	Reg. lal' c/ mme/ cial. e/ h. /g	-	1,758	-	-	-	-	-
O. h. e. l. e. a. e. d. a. l. i. e. g.	-	R. e. c. e. i. v. i. n. g. / f	R. e. c. e. i. v. i. n. g. / f	Reg. lal' c/ mme/ cial. e/ h. /g	-	15,681	-	-	-	-	-
Shaan J. Hea. D. A. m' b. i. l. e C., Ltd.	Min./i. Sha'eh/idel	S. a. l. e. / f. i. g. / g. o.	S. a. l. e. / f. i. g. / g. o.	Reg. lal' c/ mme/ cial. e/ h. /g	-	93,174	-	-	-	-	-
F. l. e. n. g. M. a. l. i. m. e. L. i. m. i. t. e. d.	S. i. g. n. i. f. i. c. a. n. t. S. h. a. ' e. h. / i. d. e. l.	S. a. l. e. / f. i. g. / g. o.	S. a. l. e. / f. i. g. / g. o.	Reg. lal' c/ mme/ cial. e/ h. /g	-	63,809	-	-	-	2016. 11. 12	. c. r. i. n. i. f. c' m. c. n.
S. m. i. t. i. n. g. C. / i. a. i. n.	Min./i. Sha'eh/idel	S. a. l. e. / f. i. g. / g. o.	S. a. l. e. / f. i. g. / g. o.	Reg. lal' c/ mme/ cial. e/ h. /g	-	59,136	-	-	-	-	-
F. l. e. n. g. C. n. a. i. n. e/ C. / i. a. i. n. S. A.	S. i. g. n. i. f. i. c. a. n. t. S. h. a. ' e. h. / i. d. e. l.	S. a. l. e. / f. i. g. / g. o.	S. a. l. e. / f. i. g. / g. o.	Reg. lal' c/ mme/ cial. e/ h. /g	-	25,676	-	-	-	2016. 11. 12	. c. r. i. n. i. f. c' m. c. n.
F. l. e. n. g. C. n. a. i. n. e/ S. e. l. i. c. e. L. d.	S. i. g. n. i. f. i. c. a. n. t. S. h. a. ' e. h. / i. d. e. l.	S. a. l. e. / f. i. g. / g. o.	S. a. l. e. / f. i. g. / g. o.	Reg. lal' c/ mme/ cial. e/ h. /g	-	12,624	-	-	-	2016. 11. 12	. c. r. i. n. i. f. c' m. c. n.
D. i. n. g. F. a. n. g. I. n. e. h. a. i. n. a. l. C. n. a. i. n. e/ (L. i. a. n. g. a. n. g.) C., Ltd.	S. i. g. n. i. f. i. c. a. n. t. S. h. a. ' e. h. / i. d. e. l.	S. a. l. e. / f. i. g. / g. o.	S. a. l. e. / f. i. g. / g. o.	Reg. lal' c/ mme/ cial. e/ h. /g	-	4,965	-	-	-	2016. 11. 12	. c. r. i. n. i. f. c' m. c. n.
NYK Zhenh a. j. (T. i. a. n. j. i. n.) C., Ltd.	Min./i. Sha'eh/idel	S. a. l. e. / f. i. g. / g. o.	S. a. l. e. / f. i. g. / g. o.	Reg. lal' c/ mme/ cial. e/ h. /g	-	228	-	-	-	-	-
O. h. e. l. e. a. e. d. a. l. i. e. g.	-	S. a. l. e. / f. i. g. / g. o.	S. a. l. e. / f. i. g. / g. o.	Reg. lal' c/ mme/ cial. e/ h. /g	-	8,298	-	-	-	-	-
O. h. e. l. e. a. e. d. a. l. i. e. g.	-	R. e. n. d. e. r. i. n. g. / f	R. e. n. d. e. r. i. n. g. / f	Reg. lal' c/ mme/ cial. e/ h. /g	-	20,078	-	-	-	-	-
T. a. i.	-	-	-	-	-	674,494	-	-	-	-	-

De. a. n. g. b. a. n. j. a. n. g. a. l. i. e. n.

Nil

P. / e. c. e. d. a. l. a. m' n. / i. c' n. n. e. c. e. d. a. i. n. a. c. i. n. b. e' / d. i. n. a. l. c' / f. o. b. i. n. e. d. / i. n. g. b. e' c' / f. e. n. / i. d. b. e. e. a. c. a. i. e. f. / m. a. n. c. e. d. / i. n. g. b. e' R. e. / i. n. g. P. e. / i. d. (i. f. a. n.)

The / e. l. e. a. n. c' n. n. e. c. e. d. a. i. n. a. c. i. n. b. e' / d. i. n. a. l. c' / f. o. b. i. n. e. d. / i. n. g. b. e' R. e. / i. n. g. P. e. / i. d. (i. f. a. n.) C. O. S. C. O. S. H. I. P. P. I. N. G. D. e. a. l' m. e. n. C., L. d. a. n. d. F. l. e. n. g. M. a. l. i. m. e. L. i. m. i. t. e. d. (i. n. c. l. u. d. i. n. g. F. l. e. n. g. M. a. l. i. m. e. L. i. m. i. t. e. d., F. l. e. n. g. C. n. a. i. n. e/ C. / i. a. i. n. S. A., F. l. e. n. g. C. n. a. i. n. e/ S. e. l. i. c. e. L. d. a. n. d. D. i. n. g. F. a. n. g. I. n. e. h. a. i. n. a. l. C. n. a. i. n. e/ (L. i. a. n. g. a. n. g.) C., L. d.) c. e. e. d. e. d. n' m. a. l. l. n. d. e. l. b. e' g. r. e. s. s. i. o. n. e. d. i. n. g. b. e' N. e. / l. a. m. e. / k. A. g. l. e. e. m. e. n. t. e. d. i. n. b. b. h. a. i. n. 11 N. o. v. e. m. b. e. r. 2016. D. i. n. g. b. e' R. e. / i. n. g. P. e. / i. d. b. e' a. g. g. e. g. a. e. d. a. i. n. a. c. i. n. a. m' n. e. e. d. R. M. B. 107,074,000 a. n. d. d. i. d. n' e. c. e. e. d. b. e' c. a. / f. 2017 (R. M. B. 450,000,000).

R. e. a. n. f. b. e' b. a. n. j. a. n. g. d. i. f. f. e. r. e. n. c. e. b. e. e. e. n. a. i. n. a. c. i. n. / i. c. e. a. n. d. / e. f. e. n. i. a. l. m. a. k. e. / i. c. e. (i. f. a. l. i. c. a. b. l. e.)

N' a. l. i. c. a. b. l. e

60 Chapter VI Significant Events

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

Applicable, Not Applicable

3. Connected Transactions Relating to Joint External Investments

Applicable, Not Applicable

4. Claims and Liabilities among the Connected Transactions

Applicable, Not Applicable

When there are no relevant claims and liabilities among the connected transactions, the company should indicate "None".

Yes, Not

Claims receivable from any related party:

Unit: RMB hundred thousand

Related party	Relationship with the Group	Reason	Any appropriation of funds for non-operating purposes	Opening balance	Amount increased during the current period	Amount recovered during the current period	Interest rate	Interest for the current period	Closing balance
Zhejiang CIMC Embellish Real Estate Co., LTD	Associated company	Other receivables	None	824,391	-	320,823	-	6,690	503,568
Shanghai Feng ang Real Estate Development Co., Ltd.	Associated company	Other receivables	None	34,204	-	-	-	-	34,204
Nanjing Ne A Landmark Industry Co., Ltd.	Associated company	Other receivables	None	10,629	-	10,629	-	-	-
Xin ang Waid Hing King Co., Ltd.	Associated company	Other receivables	None	4,361	7,944	-	-	-	12,305
Effective claims among the connected transactions: Nil									
When there are no relevant claims and liabilities among the connected transactions, the company should indicate "None".									

Liabilities payable to any related party:

Unit: RMB hundred thousand

Related party	Relationship with the Group	Reason	Opening balance	Amount increased during the current period	Amount repaid during the current period	Interest rate	Interest for the current period	Closing balance
Guang In. e. i. m. e. n. S.A.	Minority shareholder of the Group	Operating borrowing	46,990	-	1,419	-	522	45,571
Sh. i. n. d. e. F. i. R. e. a. l. e. s. t. e. m. e. n. C. o., L. t. d.	Minority shareholder of the Group	Operating borrowing	56,794	-	29,579	-	-	27,215
Effective liabilities amounting to RMB 103,784 thousand								
Effective liabilities amounting to RMB 103,784 thousand								

5. Other Material Connected Transactions

Applicable, Not Applicable

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

Applicable, Not Applicable

The listed company has no non-operating capital controlled by controlling shareholders and its related parties.

XV. MATERIAL CONTRACTS AND THEIR PERFORMANCES

1. Trusteeship, Contracting or Leasing

(1) Trusteeship

Applicable, Not Applicable

The listed company has no trusts or trusteeship contracts.

62 Chapter VI Significant Events

(2) Contracting

A licable, N/A licable

Dinghe Releasing Period, here, an contracting of the Company generating a liability which contributed 10% of the total liability of the Company and Dinghe Releasing Period.

(3) Leasing

A licable, N/A licable

Dinghe Releasing Period, here, an leasing of the Company generating a liability which contributed 10% of the total liability of the Company and Dinghe Releasing Period.

2. MATERIAL GUARANTEES

A licable, N/A licable

(1) Description of Guarantees

Unit: RMB hundred thousand

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

Name of the guaranteed	Disclosure date of the announcement about the guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related party guaranteed or not
Contract and dealer of subsidiaries of CIMC Vehicle	28 March 2017	2,650,000	1 Jan 2017	794,628	Warranty	1-2 years	No	No
Contract and dealer of C&C Truck and Container	28 March 2017	1,600,000	1 Jan 2017	314,477	Warranty	1-2 years	No	No
Purchase of commodity, inventory of CIMC Skid Steer, Real Estate and Container	28 March 2017	740,000	1 Jan 2017	714,347	Warranty	1-2 years	No	No
Contract of CIMC Raffle	28 March 2017	382,000	1 Jan 2017	334,250	Warranty	1-2 years	No	No
Total financial guarantee provided by the Company (A1)		1,122,000		Total amount of financial guarantee provided by the Company (A2)				1,048,597
Total financial guarantee provided by the Company (A3)		5,372,000		Total balance of financial guarantee provided by the Company (A4)				2,157,702

Chapter VI Significant Events

The Company's guarantees for subsidiaries

Name of the guaranteed	Disclosure date of the announcement about guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Related party guaranteed or not
S. i. d. i. a. l. i. e. n. g. f. C. I. M. C.	28 Ma. r. c. h. 2017	24,172,570	1 Jan. a. r. 2017	5,982,920	Wa. r. a. n. t. i. d. i. c. e.	1-2 ea. r. s.	N	N
O. e. p. e. a. h. i. d. i. n. g. S. i. d. i. a. l. i. e. n. g. f. C. I. M. C.	28 Ma. r. c. h. 2017	30,000,000	1 Jan. a. r. 2017	14,460,910	Wa. r. a. n. t. i. d. i. c. e.	1-2 ea. r. s.	N	N
T. a. l. a. n. g. a. n. e. e. f. a. c. i. l. i. t. i. e. s. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (B1)			35,651,530	T. a. l. a. c. a. l. a. n. e. e. a. m. o. u. n. t. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (B2)				14,623,210
T. a. l. a. n. g. a. n. e. e. f. a. c. i. l. i. t. i. e. s. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (B3)			54,172,570	T. a. l. a. c. a. l. b. a. l. a. n. c. e. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (B4)				20,443,830

Subsidiaries' guarantees for subsidiaries

Name of the guaranteed	Disclosure date of the announcement about guarantee facilities	Guarantee facilities	Actual date (date of the agreement)	Actual amount of guarantee	Type of guarantee	Guarantee period	Fulfilled or not	Guaranteed or not
G. a. l. a. n. e. e. f. i. n. e. n. g. S. i. d. i. a. l. i. e. n. g. f. a. n. b. e. i.	28 Ma. r. c. h. 2017	12,573,650	1 Jan. a. r. 2017	6,254,230	Wa. r. a. n. t. i. d. i. c. e.	1-2 ea. r. s.	N	N
T. a. l. a. n. g. a. n. e. e. f. a. c. i. l. i. t. i. e. s. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (C1)			6,731,980	T. a. l. a. c. a. l. g. a. n. e. e. a. m. o. u. n. t. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (C2)				2,216,770
T. a. l. a. n. g. a. n. e. e. f. a. c. i. l. i. t. i. e. s. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (C3)			12,573,650	T. a. l. a. c. a. l. g. a. n. e. e. b. a. l. a. n. c. e. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (C4)				6,254,230

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

T. a. l. a. n. g. a. n. e. e. f. a. c. i. l. i. t. i. e. s. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (A1+B1+C1)			43,505,510	T. a. l. a. c. a. l. g. a. n. e. e. a. m. o. u. n. t. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (A2+B2+C2)				17,888,577
T. a. l. a. n. g. a. n. e. e. f. a. c. i. l. i. t. i. e. s. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (A3+B3+C3)			72,118,220	T. a. l. a. c. a. l. g. a. n. e. e. b. a. l. a. n. c. e. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (A4+B4+C4)				28,855,762
% f. a. l. a. c. a. l. g. a. n. e. e. a. m. o. u. n. t. (A4+B4+C4) i. n. n. e. t. o. f. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (A4+B4+C4)								96.76%
Of w. h. i. c. h:								
G. a. n. t. e. e. m. o. u. n. t. i. d. e. n. t. i. f. i. e. d. i. n. S. h. a. h. e. h. I. d. e. n. t. i. f. i. c. a. t. i. o. n. a. n. d. f. e. l. a. e. d. a. l. i. e. n. g. (D)								0
Deb. t. o. r. g. a. n. e. e. m. o. u. n. t. i. d. e. n. t. i. f. i. e. d. i. n. e. c. o. n. t. r. a. c. t. s. w. i. t. h. g. e. a. r. a. n. t. e. e. r. s. i. n. t. e. r. e. s. t. f. o. r. 70% (E)								9,013,380
A. m. o. u. n. t. i. d. e. n. t. i. f. i. e. d. i. n. e. c. o. n. t. r. a. c. t. s. w. i. t. h. g. e. a. r. a. n. t. e. e. r. s. i. n. t. e. r. e. s. t. f. o. r. 50% (F)								13,944,356
T. a. l. a. m. o. u. n. t. i. d. e. n. t. i. f. i. e. d. i. n. e. c. o. n. t. r. a. c. t. s. w. i. t. h. g. e. a. r. a. n. t. e. e. r. s. i. n. t. e. r. e. s. t. f. o. r. (D+E+F)								22,957,736
E. l. a. n. a. i. n. g. n. o. n. l. i. a. b. i. l. i. t. i. e. s. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (if an)								0
E. l. a. n. a. i. n. g. n. o. n. l. i. a. b. i. l. i. t. i. e. s. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d. (if an)								0

S. e. p. e. c. i. f. i. c. e. l. a. n. a. i. n. g. f. o. r. c. o. m. p. a. n. y. g. a. n. e. e. m. o. u. n. t. i. n. n. e. t. o. f. f. a. r. a. d. i. t. i. e. n. g. P. e. l. i. d.

64 Chapter VI Significant Events

(2) Irregular External Guarantees

Applicable, Not Applicable

3. OTHER MATERIAL CONTRACTS

Applicable, Not Applicable

XVI.SOCIAL RESPONSIBILITY

1. Performance of Precise Poverty-alleviation Social Responsibility

Applicable, Not Applicable

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

2. Performance of Other Social Responsibilities

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

3. Material Environmental Protection Events

Whether the listed company and its subsidiaries are in the critical pollution change period of environmental protection activities

Yes, Not Applicable

Chapter VI Significant Events

The subsidiary of the Group which exceeded the annual discharge limit is as follows:

Name of subsidiary	Name of major and specific pollutants	Emission method	Number of		Emission concentration	Pollutant emission standards in effect	Total emission	Approved	
			emission outlets	Distribution of emission outlets				total emission	Excessive emission
Shanghai CIMC Lushan E-ship Manufacturing Co., Ltd.	SO ₂ , benzene, toluene and xylene	High-altitude emission	19	13 and 6	0.0001 mg/m ³	China Standards GB16297-1996, In effect	0.0001 mg	0.0001 mg	Nil
Nanjing CIMC Shipbuilding and Manufacturing Co., Ltd. and Nanjing CIMC Social Traffic E-ship Manufacturing Co., Ltd.	SO ₂ , benzene, toluene, xylene, COD, SS and ammonia nitrogen	High-altitude emission	14	10 and 4	0.0001 mg/m ³	China Standards GB16297-1996, In effect	0.0001 mg	0.0001 mg	Nil
Shanghai CIMC Bell Industry Co., Ltd.	SO ₂ , benzene, toluene, xylene, ammonia nitrogen	High-altitude emission	4	4	0.0001 mg/m ³	China Standards GB16297-1996, In effect	0.0001 mg	0.0001 mg	Nil
Shanghai CIMC Yangshan Lushan E-ship Manufacturing Co., Ltd.	SO ₂ , benzene, toluene, xylene, ammonia nitrogen, PH	High-altitude emission	6	6	0.0001 mg/m ³	China Standards GB16297-1996, In effect	0.0001 mg	0.0001 mg	Nil
Shanghai CIMC Social Vehicle Co., Ltd.	SO ₂ , benzene, toluene, xylene, ammonia nitrogen	High-altitude emission	10	10	0.0001 mg/m ³	China Standards GB16297-1996, In effect	0.0001 mg	0.0001 mg	Nil
Nanjing CIMC Tank E-ship Manufacturing Co., Ltd.	SO ₂ , benzene, toluene, xylene, ammonia nitrogen	High-altitude emission	6	6	0.0001 mg/m ³	China Standards GB16297-1996, In effect	0.0001 mg	0.0001 mg	Nil

66 Chapter VI Significant Events

Construction and operation of pollution prevention and control facilities:

Name of subsidiary	Construction and operation of pollution prevention and control facilities
Sihemen CIMC Longmen Manfacturing Co., Ltd.	<p>I. The company has 5 sets of effluent treatment facilities in phase II and 6 sets of effluent treatment facilities and 3 sets of effluent treatment facilities in phase III.</p> <p>II. The company has 1 industrial water recycling facility with a capacity of 450m³/d. All fresh water used in the production process is recycled.</p> <p>III. Domestic sewage is discharged in the municipal sewage network after treatment and finally discharged into the Shanghai Sewerage Treatment Plant.</p>
Nanjing CIMC Shunda Chemical Co., Ltd. and Nanjing CIMC Special Treatment Engineering and Manfacturing Co., Ltd.	<p>I. The company has 1 set of effluent treatment facilities. The domestic wastewater is treated by a combined sandblowing, flocculation, sedimentation, and filtration process and then discharged into the Yangtze River. Rainwater is collected in a dedicated rainwater collection system which is used for irrigation and firefighting. The organic effluent is treated by a combined biological aerated lagoon and organic effluent treatment system and Shunda company's effluent is treated by a combined biological aerated lagoon and organic effluent treatment system. The effluent is treated by a combined biological aerated lagoon and organic effluent treatment system. The effluent is treated by a combined biological aerated lagoon and organic effluent treatment system.</p> <p>II. After treatment, the effluent is discharged into the municipal sewage network after treatment and finally discharged into the Shanghai Sewerage Treatment Plant.</p>
Shanghai CIMC Baell Industrial Co., Ltd.	<p>I. The company has 4 sets of effluent treatment facilities in an aggregate capacity of 308,000m³/h fresh water. The organic effluent is treated by a combined biological aerated lagoon and organic effluent treatment system.</p> <p>II. The company has 1 industrial water recycling facility with a capacity of 6.7d and 140.7d of fresh water and rainwater recycling facility. The industrial water recycling facility is a combined biological aerated lagoon + UASB + MBR technology. All fresh water used in the production process is recycled.</p> <p>III. The company has 1 set of domestic sewage treatment facilities with a capacity of 280.7d. The domestic sewage is treated by a combined biological aerated lagoon and organic effluent treatment system and finally discharged into the municipal sewage network after treatment and finally discharged into the Shanghai Sewerage Treatment Plant.</p>

Name of subsidiary	Construction and operation of pollution prevention and control facilities
Shanghai CIMC Yangshan Liquefied Gas E & I Men's C., Ltd.	<p>I. E ha' gān' II. I'n c'n. T'facili.iē c'm h'e 4'we' f'e ha' gān' leā.mēn. fācili.iē</p> <p>II. The c'm an hān' 1 ind' liāi' ā'e' a.e' leā.mēn. ā.i' i.h' a' leā.mēn. ca' aci' f' 100m³/d. The ind' liāi' ā'e' a.e' leā.ēd' b' xing' hē' c'ag' la'ing' ai' f' a.a.i'n' + f'lame' fil.e' f' f' e' a/a.i'n' f' a.e' and f' e' d' e' + ana'e' bic' bi' chemical' f' eac.i'n' + ae' bic' bi' chemical' f' eac.i'n' + MPR' e'chni' e. All' f' hē' ind' liāi' ā'e' a.e' f' e' d' in' hē' f' rōh' i.h' e' em' n.</p> <p>III. D' mē' ic' e' age' d' ch' a' g' d' in' hē' m' n' ic' a' e' age' ne' k' a' f' e' leā.mēn. in' e' ic' .ān' and final' leā.ēn' hē' e' age' leā.mēn. Tan. f' leā.mēn.</p>
Shen hen CIMC Special Vehicle C., Ltd.	<p>I. The c'm an hān' 5'we' f' e' ha' gān' leā.mēn. fācili.iē h' hē' leā.mēn. e'chni' e' f' a' a.e' fil.e' + aci' ā.ē' ca' b' n' ad' i'n' and high-ā. i' d' e' em' n' f' hē' leā.mēn. e'chni' e' f' chemical' f' eci' i.ā. i'n' f' f' ec' cling' i.h' n' e' e' f' n' al' em' n'.</p> <p>II. The c'm an hān' 1'we' f' d' c' i'n' ā'e' a.e' leā.mēn. fācili.iē h' hē' leā.mēn. e'chni' e' f' chemical' f' eci' i.ā. i'n' f' f' ec' cling' i.h' n' e' e' f' n' al' em' n'.</p> <p>D' mē' ic' e' age' d' ch' a' g' d' in' hē' m' n' ic' a' e' age' ne' k' a' f' e' bi' chemical' leā.mēn.</p> <p>III. The c'm an hān' 2'we' f' d' c' i'n' leā.mēn. fācili.iē h' hē' leā.mēn. e'chni' e' f' high-ā. i' d' e' em' n' f' a' f' e' xing' f' e' fil.e'.</p> <p>IV. The c'm an hān' 2' a' eh' f' ha' a' d' ā'e' h' high' main' f' e' ain' f' e' d' e' and ain' b' cke' S. aff' d' e' i' g' n' a' d' f' hē' II' I'n' c'n. T'facili.iē f' hē' c'm an. The e' i' mēn. e'ā' m' f' hē' h' e' f' main' ēn' ā' n' e' and f' e' a' i' n' The' h' i' f' . h' i' e' f' hē' c' a' i' n' g' line' a' e' f' h' e' f' h' i' e' f' f' a' cili.iē' e' a' i' n'. The' l' i' c' e' n' s' e' d' e' a' g' e' e' a' a' f' e' f' h' e' e' a' i' n' f' hē' f' d' c' i' n' ā'e' a.e' leā.mēn. fācili.iē. The' f' a' cili.iē' a' e' n' d' e' s' and e' a' i' n' and II' ān' em' n' f' c'm I' i. h' hē' ān' d' a' f' e'.</p>
Nanling CIMC Tank E & I Men's C., Ltd.	<p>I. The' f' a' i' n' g' e' ha' f' hē' c'm an' emi.ēd' acc' ding' hē' ān' d' a' f' e' being' leā.ēd' b' hē' a.e' c' f' a' i' n' ā' b' i' i'n' + ain. m' f' i' e' + m' l' i' ā' g' e' ac. i' ā. ēd' ca' b' n' ad' i' n' + ca. ā. i' c' c' m' b' i' n' e'chni' e' The' l' d' e' i' n' g' d' c' i' n' emi.ēd' a' f' e' being' leā.ēd' b' hē' d' c' i' n' leā.mēn. d' e' i' c' e. The' ān' d' i' n' g' e' ha' f' emi.ēd' acc' ding' hē' ān' d' a' f' e' being' leā.ēd' b' high' efficiē' f' i' l' e' e' l' e' m' e' n' t'.</p> <p>II. The c'm an in. ē' d' a' f' a' i' m' a' e' RMB6' milli' n' in' hē' c' h' i' c' i' n' f' a' e' age' leā.mēn. ā. i' n' e' h' hē' ā'e' a.e' f' hē' c'm an' leā.ēd' b' hē' h' i' c' chemical' f' eac.i'n' + bi' chemical' f' eac.i'n' e'chni' e' acc' ding' hē' em' n' ān' d' a' f' e' and f' e' a' c' h' e' hē' D' n' g' g' a' n' g' S' e' a' g' e' f' e' a' mēn. P' t' a' n' f' f' hē' leā.mēn. ā. hē' m' n' ic' a' e' age' ne' k'.</p> <p>III. The c'm an hān' 2' a' eh' f' ha' a' d' ā'e' i. h' ān' a' e' a' f' 300m³' h' h' e' a' e' an' i' ē' e' mēā' f' e' n'.</p>

XVII. EXPLANATION ON OTHER MATERIAL EVENTS

1. On 17 Jan a 2017, a ce... need be... the C'm an ... b... a l... .hē CSRC f... n f... ec.i... f... hē N... blic Offe... f A Sha... On 9 J ne 2017, in /de... e... hē im lemen... f... hē... an... a... al a... hē annal gene... f 2016, hē f... 2017 cla... mee... f A Sha... and hē f... 2017 cla... mee... f H Sha... hē C'm an... e... ance... f... hē N... blic Offe... f A Sha... and e... hē... ali... e... f... hē... i... b... hē... hē... gene... mee... ell... hē... ali... e... f... hē... manda... f... hē B'a... d... F... /ele... an... i... /ma... i... n, lea... e... hē... /ele... an... a... n... cemen... da... 17 Jan a' , 21 A /il and 9 J ne 2017... d... in China Sec... /i... J... /nal, Shanghai Sec... /i... Ne... Sec... /i... Time... Cninf... e... e... (.cninf... c...m.cn), hē C'm an... e... e... (.cimc... c...m) (N... icē N... : [CIMC]2017-002, [CIMC]2017-024 and [CIMC]2017-033) and hē... e... f... hē H'ng K'ng S... c...k E change (... hke ne... hk). A... hē end... f... hē Re... /i... ng Pe... /id, hē N... blic Offe... f A Sha... b... ill... ended.
2. On 7 A /il 2017, China Me... chan... P... /... H'... ding... C'm an... Limi... e... hē f... /me... /... hē C'm an... , /... /... ed al... hē... h... /... ned... /... dia... S'a... e... Limi... e... (indi... ec... L... h... /... ding... hē C'm an... h... /... gh... hē... /... ned... /... dia... China Me... chan... (CIMC) in... /... mēn... Limi... e... China Me... chan... Ind... /... H'... ding... C... /... L... d... b... ag... eemen... /... n... hē c... m... le... i... n... f... /... a... c... i... n... n... 9 J ne 2017, China Me... chan... Ind... /... H'... ding... C... /... L... d... hā... hē c... n... /... ting... /... hē... /... h... /... ned... S'a... e... Limi... e... and... hē... /... g... hē... /... f... hē C'm an... indi... ec... L... b... indi... ec... L... /... ding... 730,557,217 H Sha... f... hē C'm an... (acc... n... i... ng... f... 24.51%... f... hē... /... ed... hē... /... f... hē C'm an...)... h... /... gh... S'a... e... Limi... e... and China Me... chan... (CIMC) in... /... mēn... Limi... e... . A... hē n... mbe... and... e... cen... age... /... hē... /... f... hē C'm an... held b... China Me... chan... G... /... remained... n... ch... e... d... bef... e... and... af... e... hē... /... hē... /... f... S'a... e... Limi... e... China Me... chan... G... /... c... n... i... ed... be... hē... /... g... hē... /... f... hē C'm an... indi... ec... L... F... /... /... ele... an... i... /... ma... i... n, lea... e... hē... /... hē... /... ele... an... a... n... cemen... da... 8 A /il and 9 J ne 2017... d... in China Sec... /i... J... /nal, Shanghai Sec... /i... Ne... Sec... /i... Time... Cninf... e... e... (.cninf... c...m.cn), hē C'm an... e... e... (.cimc... c...m) (N... icē N... : [CIMC]2017-020 and [CIMC]2017-032) and hē... e... f... hē H'ng K'ng S... c...k E change (... hke ne... hk).
3. A... c... /... ed... and... a... /... ed... b... hē... 11... h... mee... i... ng... f... hē... eigh... h... /... n... f... hē B'a... d... f... Di... ec... /... f... hē C'm an... f... 2017 and hē... 6... h... mee... i... ng... f... hē... eigh... h... /... n... f... hē S... e... /... C'mmi... e... f... 2017, hē C'm an... /... ed... hē... acc... n... i... ng... /... icē... f... hē C'm an... /... an... hē... /... e... i... e... mēn... nde... N... icē... n... /... ance... f... Re... /... ed... Acc... n... i... ng... S'a... nda... /... B... i... n... En... e... N... 16... G... e... n... men... S... /... id... (Cai K ai [2017] N... 15) /... ed... b... MOF and... N... icē... n... hē... /... ance... f... hē... Acc... n... i... ng... S'a... nda... /... f... B... i... n... En... e... N... 42... N... n... c... /... en... A... p... e... Held... f... Sale... D... /... al... G... /... and... Te... m... i... n... f... O... e... f... a... i... n... (Cai K ai [2017] N... 13) /... ed... b... MOF and... hā... im... lemen... ed... ch... /... e... /... ed... acc... n... i... ng... /... icē... since... 12 J ne 2017 and 28 Ma... 2017... acc... d... i... ng... hē... /... ele... an... /... e... i... e... mēn... /... ec... i... l... e... F... /... /... ele... an... i... /... ma... i... n, lea... e... hē... /... hē... /... ele... an... a... n... cemen... da... 28 A... g... 2017... d... in China Sec... /i... J... /nal, Shanghai Sec... /i... Ne... Sec... /i... Time... Cninf... e... e... (.cninf... c...m.cn), hē C'm an... e... e... (.cimc... c...m) (N... icē N... : [CIMC]2017-058) and hē... e... f... hē H'ng K'ng S... c...k E change (... hke ne... hk).

Summary of significant events	Date of disclosure	Search index of the tentative announcement disclosure website
1. A l... i... n... f... hē... e... n... f... hē N... blic Offe... f A Sha... and adj... mēn... i... hē... an... f... hē N... blic Offe... f A Sha... and e... n... f... hē... ali... e... f... hē... i... b... hē... hē... gene... mee... ell... hē... ali... e... f... hē... manda... e...	17 Jan a' 2017, 21 A /il 2017 and 9 J ne 2017	.cninf... c...m.cn
2. Change... i... hē... /... ding... f... China Me... chan... Ind... /... H'... ding... C... /... L... d... i... n... hē C'm an...	8 A /il 2017 and 10 J ne 2017	.hke ne... hk
3. Change... in... acc... n... i... ng... /... ic...	28 A... g... 2017	.cimc... c...m

VIII. MATERIAL EVENTS OF SUBSIDIARIES

A. Liable, N/A Liable

IX. SIGNIFICANT SUBSEQUENT EVENTS

1. On 5 J. l. 2017, EIHL (Shen hen) en. e. f. e. d in. t. h. e. l. e. a. n. a. g. r. e. e. m. e. n. t. b. e. t. w. e. e. n. S. O. E. a. n. d. S. O. E. B. a. n. k. i. n. g. a. n. d. L. i. a. i. d. a. n. c. e. T. e. a. m. (南. 通. 太. 平. 洋. 破. 产. 清. 算. 组). T. h. e. l. e. a. d. e. r. s. c. h. a. n. g. e. t. h. e. m. a. j. o. r. i. t. y. s. h. a. r. e. h. o. l. d. e. r. s. o. f. S. O. E. h. a. v. e. g. h. a. c. t. i. v. e. l. y. e. n. g. a. g. e. d. i. n. S. O. E. O. n. 4 A. g. 2017, t. h. e. S. O. E. R. e. v. i. s. i. o. n. g. i. v. i. n. g. P. l. a. n. a. d. a. p. t. e. d. a. n. d. c. l. e. a. r. l. y. m. e. e. t. i. n. g. o. f. S. O. E. a. n. d. a. l. l. e. d. b. e. t. w. e. e. n. t. h. e. c. o. n. t. r. a. c. t. O. n. 16 A. g. 2017, S. O. E. h. a. v. e. b. e. c. o. m. e. a. n. i. n. d. i. e. c. t. o. r. i. a. l. l. i. a. b. i. l. i. t. y. s. u. b. s. i. d. i. a. l. o. f. C. I. M. C. E. n. t. i. t. y. a. n. d. a. n. i. n. d. i. e. c. t. o. r. i. a. l. l. i. a. b. i. l. i. t. y. s. u. b. s. i. d. i. a. l. o. f. t. h. e. G. r. o. u. p. S. O. E. h. a. v. e. n. a. m. e. d. 南通中集太平洋海洋工程有限公司 (Nan. t. o. n. g. C. I. M. C. S. i. n. o. P. a. c. i. f. i. c. O. c. e. a. n. & E. n. g. i. n. e. e. r. i. n. g. C. o. l. l. e. c. t. i. v. e. L. t. d.). F. o. l. l. o. w. i. n. g. t. h. e. l. e. a. d. e. r. s. l. e. a. d. e. r. s. t. h. e. a. n. n. o. u. n. c. e. m. e. n. t. d. a. t. e. 6 J. l. 4 A. g. a. n. d. 16 A. g. 2017 d. i. s. c. l. o. s. e. d. i. n. C. h. i. n. a. S. e. c. u. r. i. t. y. J. o. u. r. n. a. l, S. h. a. n. g. h. a. i. S. e. c. u. r. i. t. y. N. e. w. s, S. e. c. u. r. i. t. y. T. i. m. e. s, C. n. i. f. o. e. t. (c. n. i. n. f. o. c. o. m. c. n), t. h. e. C. o. m. a. n. o. e. t. (c. i. m. c. c. o. m) (N. o. t. i. c. e. N. o.: [C. I. M. C.] 2017-036, [C. I. M. C.] 2017-047 a. n. d. [C. I. M. C.] 2017-054) a. n. d. t. h. e. e. b. o. e. t. o. f. t. h. e. H. o. n. g. K. o. n. g. S. t. o. c. k. E. c. h. a. n. g. e. (h. k. e. n. e. t. h. k).
2. O. n. 17 J. l. 2017, C. I. M. C. S. K. a. c. e. R. e. a. l. E. s. t. a. t. e. a. n. d. C. G. R. E. e. n. e. f. e. d. i. n. a. c. a. p. i. t. a. l. i. n. c. r. e. a. s. e. a. g. r. e. e. m. e. n. t. u. n. d. e. r. w. h. i. c. h. C. G. R. E. i. n. j. e. c. t. e. d. a. n. a. m. o. u. n. t. o. f. R. M. B. 926,322,300 i. n. t. h. e. c. a. p. i. t. a. l. o. f. C. I. M. C. S. K. a. c. e. R. e. a. l. E. s. t. a. t. e. a. n. d. h. e. l. d. a. b. o. u. t. 25% o. f. t. h. e. a. f. f. e. r. e. d. c. o. m. m. o. n. s. h. a. r. e. i. n. t. h. e. C. o. m. a. n. h. e. l. d. 61.5% e. q. u. i. t. y. i. n. t. h. e. C. I. M. C. S. K. a. c. e. R. e. a. l. E. s. t. a. t. e. h. o. l. d. i. n. g. C. I. M. C. S. h. e. n. f. a. F. o. l. l. o. w. i. n. g. t. h. e. l. e. a. d. e. r. s. l. e. a. d. e. r. s. t. h. e. a. n. n. o. u. n. c. e. m. e. n. t. d. a. t. e. 17 J. l. 2017 d. i. s. c. l. o. s. e. d. i. n. C. h. i. n. a. S. e. c. u. r. i. t. y. J. o. u. r. n. a. l, S. h. a. n. g. h. a. i. S. e. c. u. r. i. t. y. N. e. w. s, S. e. c. u. r. i. t. y. T. i. m. e. s, C. n. i. f. o. e. t. (c. n. i. n. f. o. c. o. m. c. n), t. h. e. C. o. m. a. n. o. e. t. (c. i. m. c. c. o. m) (N. o. t. i. c. e. N. o.: [C. I. M. C.] 2017-040) a. n. d. t. h. e. e. b. o. e. t. o. f. t. h. e. H. o. n. g. K. o. n. g. S. t. o. c. k. E. c. h. a. n. g. e. (h. k. e. n. e. t. h. k).
3. O. n. 3 A. g. 2017, S. h. e. n. h. e. n. S. h. e. n. C. I. M. C. C. o. n. a. i. n. e. M. a. n. u. f. a. c. t. u. r. e. C. o. l. l. e. c. t. i. v. e. L. t. d. (深圳南方中集集装集装箱制造有限公司) (S. h. e. n. C. I. M. C.), a. h. o. l. d. e. r. s. u. b. s. i. d. i. a. l. o. f. t. h. e. C. o. m. a. n., a. n. d. C. h. i. n. a. M. e. c. h. a. n. i. c. S. h. e. k. I. n. d. u. s. t. r. i. a. l. Z. o. n. e. H. o. l. d. i. n. g. C. o. l. l. e. c. t. i. v. e. L. t. d. (招商局蛇口工业区控股股份有限公司) (C. h. i. n. a. M. e. c. h. a. n. i. c. S. h. e. k.) e. n. e. f. e. d. i. n. a. l. e. l. c. a. s. i. n. g. c. o. m. m. e. n. t. a. g. r. e. e. m. e. n. t. t. h. e. l. a. n. d. i. n. P. i. n. c. e. B. a. i. S. h. e. k. a. n. d. t. h. e. S. h. e. n. C. I. M. C. a. g. r. e. e. d. t. h. e. l. c. a. s. e. a. n. d. t. h. e. l. a. n. d. i. n. P. i. n. c. e. B. a. i. S. h. e. k. C. h. i. n. a. M. e. c. h. a. n. i. c. S. h. e. k. a. n. d. C. h. i. n. a. M. e. c. h. a. n. i. c. S. h. e. k. a. g. r. e. e. d. a. c. o. m. m. e. n. t. a. g. r. e. e. m. e. n. t. b. a. s. e. d. o. n. t. h. e. a. f. f. e. r. e. d. a. m. o. u. n. t. o. f. R. M. B. 494,894,588. S. u. c. h. m. a. t. e. r. h. a. s. b. e. e. n. o. b. j. e. c. t. e. d. t. h. e. f. i. r. s. t. a. n. n. u. a. l. g. e. n. e. r. a. l. m. e. e. t. i. n. g. i. n. 2017 o. f. t. h. e. C. o. m. a. n. t. o. b. e. c. o. n. v. e. n. e. d. o. n. 26 S. e. p. t. e. m. b. e. r. 2017 f. o. r. c. o. n. f. i. r. m. a. t. i. o. n. a. n. d. a. l. l. o. f. t. h. e. l. e. a. d. e. r. s. l. e. a. d. e. r. s. t. h. e. a. n. n. o. u. n. c. e. m. e. n. t. d. a. t. e. 3 A. g. a. n. d. 11 A. g. 2017 a. n. d. t. h. e. n. o. t. i. c. e. o. f. g. e. n. e. r. a. l. m. e. e. t. i. n. g. d. i. s. c. l. o. s. e. d. i. n. C. h. i. n. a. S. e. c. u. r. i. t. y. J. o. u. r. n. a. l, S. h. a. n. g. h. a. i. S. e. c. u. r. i. t. y. N. e. w. s, S. e. c. u. r. i. t. y. T. i. m. e. s, C. n. i. f. o. e. t. (c. n. i. n. f. o. c. o. m. c. n), t. h. e. C. o. m. a. n. o. e. t. (c. i. m. c. c. o. m) (N. o. t. i. c. e. N. o.: [C. I. M. C.] 2017-045 a. n. d. [C. I. M. C.] 2017-052) a. n. d. t. h. e. e. b. o. e. t. o. f. t. h. e. H. o. n. g. K. o. n. g. S. t. o. c. k. E. c. h. a. n. g. e. (h. k. e. n. e. t. h. k).

XX. CORPORATE BONDS

The C. o. m. a. n. h. a. s. n. o. p. u. b. l. i. c. l. y. i. s. s. u. e. d. c. o. r. p. o. r. a. t. e. b. o. n. d. s. h. a. v. e. b. e. e. n. o. b. j. e. c. t. e. d. t. h. e. e. b. o. e. t. o. f. t. h. e. a. f. f. e. r. i. n. g. o. f. t. h. e. 2017 i. n. t. e. r. m. e. d. i. a. t. e. f. a. l. l. i. n. g. d. e. b. t. i. n. t. h. e. a. i. d.

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

I. CHANGES IN SHAREHOLDINGS IN THE REPORTING PERIOD

1. Change in Share Capital

Unit: Share

	Pre-movement (As at 31 December 2016)		Increase/decrease (+/-) Conversion					Post-movement (As at 30 June 2017)	
	Numbers of shares	Percentage	New issue	Bonus issue	from reserves	Others	Sub-total	Numbers of shares	Percentage
I. Shares in offering	699,526	0.02%	0	0	0	28,500	28,500	728,026	0.02%
1. Shares held by domestic companies	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by domestic individuals	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by domestic legal entities	699,526	0.02%	0	0	0	28,500	28,500	728,026	0.02%
4. Shares held by domestic natural persons	0	0.00%	0	0	0	0	0	0	0.00%
5. Shares held by foreign individuals	0	0.00%	0	0	0	0	0	0	0.00%
6. Shares held by foreign legal entities	0	0.00%	0	0	0	0	0	0	0.00%
7. Shares held by foreign natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares in circulation	2,977,877,460	99.98%	1,775,800	0	0	(28,500)	1,747,300	2,979,624,760	99.98%
1. RMB-denominated ordinary shares (A shares)	1,261,300,851	42.35%	1,775,800	0	0	(28,500)	1,747,300	1,263,048,151	42.38%
2. Shares listed in n/n-RMB currency and traded domestically	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares listed in n/n-RMB currency and traded overseas (H shares)	1,716,576,609	57.63%	0	0	0	0	0	1,716,576,609	57.60%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total	2,978,576,986	100.00%	1,775,800	0	0	0	1,775,800	2,980,352,786	100.00%

Reasons for change in shares

- (1) On 27 March 2017, the Company announced that its management Mr. Jin Jianling resigned from his position as Chairman of the Board of Directors. Mr. Jin Jianling held 210,000 A shares (including 52,500 restricted shares) in the Company. Mr. Jin Jianling has resigned from his position as Chairman of the Board of Directors since his resignation became effective.
- (2) On 3 January 2017, the Company announced that its management Mr. Li Xubin held 24,000 shares in the Company.
- (3) During the Reporting Period, 1,730,800 shares were exercised under the Company's 2014 Employee Share Incentive Plan, and 45,000 shares were exercised under the Company's 2014 Second Tranche of Share Option Plan, totaling 1,775,800 shares were exercised.

Chapter VII Changes in Share Capital and Information on Substantial Shareholders

All other changes in share capital

Accountable, Non-Accountable

Transfer of shares

Accountable, Non-Accountable

Effect of changes in share capital on financial indicators such as basic earnings per share and diluted earnings per share, the percentage of share attributable to ordinary shareholders of the Company and the interest rate

Accountable, Non-Accountable

	Item	Pre-movement in shares (RMB/share)	Post-movement in shares (RMB/share)
2016	Basic earnings per share	0.14	0.14
	Diluted earnings per share	0.14	0.14
	Percentage of share attributable to ordinary shareholders of the Company	9.14	9.14
First half of 2017	Basic earnings per share	0.2554	0.2554
	Diluted earnings per share	0.2544	0.2554
	Percentage of share attributable to ordinary shareholders of the Company	10.01	10.01

Other matters have been deemed necessary to be disclosed by the Company in accordance with the relevant laws and regulations

Accountable, Non-Accountable

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

2. Changes in Shares with Selling Restrictions

Name of Shareholders	Number of shares with selling restrictions at the beginning of the period	Number of shares with selling restrictions expired in the period	Increase in number of shares with selling restrictions in the period	Number of shares with selling restrictions at the end of the period	Reasons for selling restrictions	Expiry date of selling restrictions
Mai B'liang (N' e 1)	371,026	0	0	371,026	Shareholder's selling restrictions in accordance with the articles of association and clearing of company shares	Nil
Y Ya (N' e 1)	75,000	0	0	75,000	Same as above	Nil
Jin Jian'ng (N' e 2)	157,500	0	52,500	210,000	Released on 27 March 2017. Shareholder held him in the company since the long-term price fell below the minimum value date of the Release	Nil
Li X ebin (N' e 3)	96,000	(24,000)	0	72,000	Shareholder's selling restrictions in accordance with the articles of association and clearing of company shares	3 Jan' 2017
Total	699,526	(24,000)	52,500	728,026	-	-

N' e 1: Mai B'liang held 371,026 shares with selling restrictions, a total of 25% of the shares held by them. All shares held by them will be released to the public in accordance with the articles of association and clearing of company shares.

N' e 2: On 27 March 2017, the Company's general manager Jin Jian'ng released his shares in the company since the long-term price fell below the minimum value date of the Release.

N' e 3:

Chapter VII Changes in Share Capital and Information on Substantial Shareholders

III. NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS OF THE COMPANY

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

Unit: Share

Total ordinary Shareholders at the end of the Reporting Period		Total: 80,942 (including: A Shares: 80,930, H Shares: 12)		Total number of preference Shareholders whose voting rights were restored at the end of the Reporting Period (if any)		0	
Shareholdings of the ordinary Shareholders who hold above 5% or the top ten ordinary Shareholders							
Name of Shareholders	Nature of Shareholders	Percentage of shareholding	Number of ordinary shares held at the end of the Reporting Period (Shares)	Changes during the Reporting Period (Shares)	Number of ordinary shares with selling restrictions (Shares)	Number of ordinary shares without selling restrictions (Shares)	Pledged or frozen shares Status Number
HKSCC Limited (No. 1)	Foreign legal person	57.59%	1,716,412,609	65,099,538	-	1,716,412,609	- 0
COSCO Container Industry Limited (No. 2)	Foreign legal person	14.50%	432,171,843	-	-	432,171,843	- 0
China Securities Finance Corporation Limited	Sales-related legal person	2.70%	80,414,863	(6,252,204)	-	80,414,863	- 0
Central Huijin Asset Management Limited	Sales-related legal person	1.27%	37,993,800	-	-	37,993,800	- 0
ICBC Credit Suisse Fund Agricultural Bank, ICBC Credit Suisse China Securities and Financial Asset Management Platform	Domestic sales-related legal person	0.32%	9,566,600	-	-	9,566,600	- 0
Zhongguo Fund Agricultural Bank Zhongguo China Securities and Financial Asset Management Platform	Domestic sales-related legal person	0.32%	9,566,600	-	-	9,566,600	- 0
Banxia Fund Agricultural Bank Banxia China Securities and Financial Asset Management Platform	Domestic sales-related legal person	0.32%	9,566,600	-	-	9,566,600	- 0
Dacheng Fund Agricultural Bank Dacheng China Securities and Financial Asset Management Platform	Domestic sales-related legal person	0.32%	9,566,600	-	-	9,566,600	- 0
Haofu Fund Agricultural Bank Haofu China Securities and Financial Asset Management Platform	Domestic sales-related legal person	0.32%	9,566,600	-	-	9,566,600	- 0
Yinhua Fund Agricultural Bank Yinhua China Securities and Financial Asset Management Platform	Domestic sales-related legal person	0.32%	9,566,600	-	-	9,566,600	- 0
The relevant information is disclosed in the annual general meeting of Shareholders	Unknown						

Chapter VII Changes in Share Capital and Information on Substantial Shareholders

Shareholdings of top ten ordinary Shareholders without selling restrictions

Name of Shareholders	Number of ordinary shares without selling restrictions held at the end of the Reporting Period	Type of shares	
		Type of shares	Number
HKSCC Limited (N°.1)	1,716,412,609	Overseas listed foreign shares	1,716,412,609
COSCO Container Lines Limited (N°.2)	432,171,843	RMB denominated shares	432,171,843
China Securities Finance Corporation Limited	80,414,863	RMB denominated shares	80,414,863
Cenit Huijin Asset Management Limited	37,993,800	Overseas listed foreign shares	37,993,800
ICBC Credit Society Fnd. Agric. Rural Bank. ICBC Credit Society China Securities and Financial Assets Management Program	9,566,600	RMB denominated shares	9,566,600
Zhongguo Fnd. Agric. Rural Bank. Zhongguo China Securities and Financial Assets Management Program	9,566,600	RMB denominated shares	9,566,600
Banxia Fnd. Agric. Rural Bank. Banxia China Securities and Financial Assets Management Program	9,566,600	RMB denominated shares	9,566,600
Dacheng Fnd. Agric. Rural Bank. Dacheng China Securities and Financial Assets Management Program	9,566,600	RMB denominated shares	9,566,600
Haofu Fnd. Agric. Rural Bank -Haofu China Securities and Financial Assets Management Program	9,566,600	RMB denominated shares	9,566,600
Yinhua Fnd. Agric. Rural Bank. Yinhua China Securities and Financial Assets Management Program	9,566,600	RMB denominated shares	9,566,600
The relevant shareholders concerned have been identified in the Selling Restrictions and the Selling Restrictions and the Shareholders' Agreement	Unknown		
Except for the above, there are no other substantial shareholders (as defined in the Listing Rules) who have been identified in the Selling Restrictions and the Selling Restrictions and the Shareholders' Agreement	Nil		

N°.1: As at 30 June 2017, HKSCC Limited held 1,716,412,609 H shares, including (b) limited 730,557,217 H shares of the C'm an held by China Merchants Group, (c) 45,842,181 H shares of the C'm an held by China COSCO Shipping Corporation Limited and (d) 220,520,075 H shares held by COSCO Container Lines Limited.

N°.2: As at 30 June 2017, COSCO Container Lines Limited held 220,520,075 H shares of the C'm an which are registered under HKSCC Limited's name in the N°.1 and 432,171,843 A shares of the C'm an.

The relevant shareholders and the relevant shareholders in the Selling Restrictions did not conduct any agreed to change in the Selling Restrictions.

Chapter VII Changes in Share Capital and Information on Substantial Shareholders

IV. CHANGE OF CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER

1. Controlling Shareholders of the Company

As applicable, N/A applicable
 There is no controlling shareholder in the Company. During the Reporting Period, there is no change.

2. De Facto Controller

As applicable, N/A applicable
 There is no de facto controller in the Company. During the Reporting Period, there is no change.

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

As far as the Directors are aware, as at 30 June 2017, the following persons held the following shares in the Company and/or its subsidiaries and/or its associates which are required to be recorded in the register of interests in shares and/or to be kept by the Company under Section 336 of the SFO as follows:

Name of Shareholder	Nature of shares	Number of shares (Shares)	Capacity	Percentage of such shares in the same class of the issued shares (%)	Percentage of such shares in the total issued shares (%)
China Merchants Group (N.E.1)	H Shares	730,557,217 (L)	Beneficially owned by the Company	42.56%	24.51%
China COSCO Shipping (N.E.2)	A Shares	432,171,843 (L)	Beneficially owned by the Company	34.20%	14.50%
	H Shares	245,842,181 (L)	Beneficially owned by the Company	14.32%	8.25%
Zhang Jinhuan (N.E.3)	H Shares	358,251,896 (L)	Beneficially owned by the Company	20.87%	12.02%
Brad Ride Limited (N.E.3)	H Shares	215,203,846 (L)	Beneficially owned by the Company	12.54%	7.22%
	H Shares	143,048,050 (L)	Personal holding of the Company	8.33%	4.80%
Ping Hing Limited	H Shares	143,048,050 (L)	Beneficially owned by the Company	8.33%	4.80%

(L) Long Position

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

Note 1: 730,557,217 H shares were held by China Merchants (CIMC) International Limited in its capacity as beneficial owner. China Merchants (CIMC) International Limited is wholly owned by S'ale Limited, which is wholly owned by China Merchants Industrial Holding Co., Ltd. which is wholly owned by China Merchants Holding (Hong Kong) Company Limited, which is wholly owned by China Merchants Seam Navigation Company Limited, which is wholly owned by China Merchants Group. Accordingly, pursuant to Paragraph XV of the SFO, China Merchants Group is deemed to have in effect held 730,557,217 H shares of the Company.

Note 2: Among which, 220,520,075 H shares were held by COSCO Container Industry Limited in its capacity as beneficial owner. 25,322,106 H shares were held by Long Heng International Limited in its capacity as beneficial owner. COSCO Container Industry Limited is wholly owned by Long Heng International Limited, which is wholly owned by COSCO Shipping Development (Hong Kong) Co., Limited, which is wholly owned by COSCO Shipping Development Co., Ltd., which is wholly owned by China Shipping (Group) Company Limited, which is wholly owned by China COSCO Shipping Accounting, pursuant to Paragraph XV of the SFO, China COSCO Shipping is deemed to have in effect held 245,842,181 H shares of the Company. In addition, China COSCO Shipping also held 432,171,843 A shares of the Company through its wholly owned subsidiary.

Note 3: 215,203,846 H shares were held by Bad Ride Limited in its capacity as beneficial owner. 143,048,050 H shares were held by Bad Ride Limited in its capacity as beneficial owner. Bad Ride Limited is wholly owned by H'n Capital Fund V, LP, which is wholly owned by H'n Capital Fund V GP Limited, which is wholly owned by H'n Management Limited, which is wholly owned by H'n Management Partners Limited, which is wholly owned by Emenia Fund Management Limited, which is wholly owned by H'n Han Zha, which is wholly owned by H'n Han Zha. Accordingly, pursuant to Paragraph XV of the SFO, H'n Han Zha is deemed to have in effect held 358,251,896 H shares of the Company.

Save as disclosed above and as far as the Director is aware, as at 30 June 2017, neither the company (the "Company") nor any of its subsidiaries or any of its wholly owned subsidiaries had been notified by any person that he or she had become or was becoming a substantial shareholder of the Company pursuant to Section 336 of the SFO of Hong Kong.

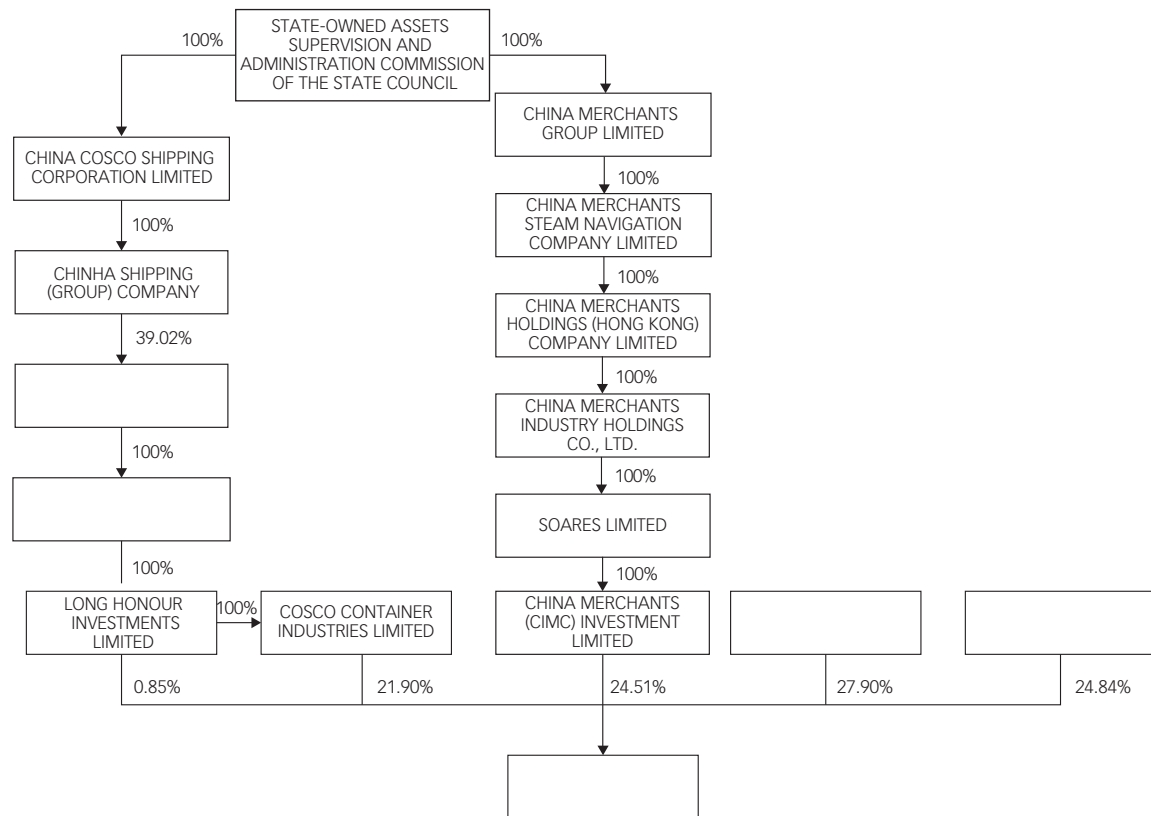
Substantial Shareholders of the Company

As at the end of the Reporting Period, the substantial shareholders of the Company are China Merchants Group and China COSCO Shipping.

China Merchants Group was incorporated on 14 October 1986 in the PRC. It is registered capital RMB10,050 million and its chairman of the board of directors is Li Jianhong. China Merchants Group is a business conglomerate in the fields of industry, namely traffic (air, sea, high speed rail, shipping and inland), logistics, clean engineering and trade, finance (bank, securities, fund and insurance) and real estate (industrial real estate development and real estate development). On 9 June 2017, China Merchants Industrial Holding Company Limited, a wholly owned subsidiary of China Merchants Group, completed the acquisition of all shares of S'ale Limited, China Merchants Industrial Holding Co., Ltd., a wholly owned subsidiary of China Merchants Group. As at the end of the Reporting Period, China Merchants Group is wholly owned by Bixida (including China Merchants Seam Navigation Company Limited, China Merchants Holding (Hong Kong) Company Limited, China Merchants Industrial Holding Co., Ltd., S'ale Limited and China Merchants (88(chang)000 of SFO)) TJ0.026 Trust of the Company.

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

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



78 Chapter VIII Information on Directors, Supervisors and Senior Management

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

Applicable Not Applicable

Unit: Shares

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

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

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

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

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

On 7 August 2017, Mr. Wang Zhiqian resigned from his position of Independent Director of the Company and all his positions in the Risk Management Committee and the Remuneration and Appraisal Committee of the Board of Directors. The resignation of Mr. Wang Zhiqian has taken effect from the date of the Board's receipt of his resignation. On 11 August 2017, the Board elected the independent Director of the eighth term of the Board. According to the Articles of Association, he had a term of office of three years. He has been elected at the extraordinary general meeting in 2017 of the Company held on 26 September 2017 for his resignation and a full term.

On 7 August 2017, Mr. L. Shenghui resigned from his position of Supervisor of the Company and all his positions in the Audit Committee of the Company and the nomination committee of the Board of Directors. Mr. L. Shenghui's resignation will take effect from the date of the Board's receipt of his resignation. According to the Articles of Association, Mr. L. Shenghui's resignation will not come into effect until a new supervisor is elected at the Company's general meeting. Mr. L. Shenghui shall continue to fulfill his duties of supervisor before his resignation takes effect. On 11 August 2017, the Supervisor Committee elected the independent Supervisor of the eighth term of the Supervisor Committee. According to the Articles of Association, he had a term of office of three years. He has been elected at the extraordinary general meeting in 2017 of the Company held on 26 September 2017 for his resignation and a full term.

For information, please refer to the announcement dated 7 August and 11 August 2017 disclosed in China Securities Journal, Shanghai Securities News, Securities Times, CNINF E-Info (www.cninfo.com.cn), the Company's website (www.cimc.com) (Notice No.: [CIMC] 2017-048 and [CIMC] 2017-051) and the website of the Hong Kong Stock Exchange (www.hkex.com.hk).

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

80 Chapter VIII Information on Directors, Supervisors and Senior Management

1. Interest in the Shares of the Company:

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

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 2017, please refer to XII. Implementation of the Company's Incentive Scheme, Employee Stock Ownership Scheme and Employee Incentive Measures under Chapter VI Significant Events in the Report.

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

Name	Associated corporation	Nature of interest	Number of shares held (shares)	Percentage of such shares in the total issued shares or total equity interest (%)
Mai Biliang	CIMC Vehicle (Group)	Beneficial interest	N/A	0.74% (Net)
	CIMC Enric	Beneficial interest	3,260,000	0.17%

Note: Mr. Mai Biliang directly held 0.74% interest in CIMC Vehicle (Group) by holding 4.69% shares in the Company's CIMC Vehicle (Group) Employee Plan. For details of the Company's CIMC Vehicle (Group) Employee Plan, please refer to XII. Implementation of the Company's Incentive Scheme, Employee Stock Ownership Scheme and Employee Incentive Measures under Chapter VI Significant Events in the Report.

Shareholders disclosed as at 30 June 2017, that the Directors of the Company are also, none of the Directors, Supervisors and the chief executive held an interest in the shares of the Company and debentures (including the meaning of Part XV of the SFO) of the Company and any of its associated corporations, 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 positions which are taken or deemed to have been taken in the shares of the SFO, which are required to be recorded in the register of interests in the Company's 352 of the SFO, which are required to be notified to the Company and the Hong Kong Stock Exchange under the Model Code contained in Appendix 10 of the Hong Kong Listing Rules.

IV. CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

There is no change in information of the current Directors and Supervisors of the Company during the Reporting Period. For details, please refer to the 2016 Annual Report.

Chapter IX 2017 Interim Financial Report (Unaudited)

1. AUDIT REPORT

When the 2017 Interim Financial Report was audited by

A Licensed Non-Auditable

The 2017 Interim Financial Report of the Company has not been audited.

2. FINANCIAL REPORT

China International Marine Containers (Group) Co., Ltd.

The financial report covers the period from 1 January 2017 to 30 June 2017

The non-audited financial statements are denominated in: RMB'000

82 Chapter IX 2017 Interim Financial Report (Unaudited)

Condensed Balance Sheet

As at June 30, 2017

(All amounts in RMB'000 unless otherwise specified)

(English Translation for Reference Only)

		30 June 2017	31 December 2016
Assets			
Current assets:			
Cash at bank and in hand	IV.1	5,737,102	6,325,998
Financial assets at fair value through profit or loss	IV.2	187,117	141,160
Notes receivable	IV.3	1,096,250	1,536,191
Accounts receivable	IV.4	16,371,018	11,526,075
Advances to suppliers	IV.6	2,393,030	2,165,982
Inventory		8,580	9,250
Dividend receivable		42,055	41,959
Other receivables	IV.5	8,243,976	9,347,887
Intangible assets	IV.7	18,336,871	17,409,515
Assets classified as held for sale	IV.8	203,847	203,847
Contract liabilities	IV.9	4,118,028	3,941,689
Other contract liabilities	IV.10	719,176	702,478
Total current assets		57,457,050	53,352,031
Non-current assets			
Financial assets at fair value through profit or loss	IV.2	249,034	325,187
Available-for-sale financial assets	IV.11	461,762	442,726
Long-term receivables	IV.12	13,499,327	13,220,242
Long-term equity investments	IV.13	2,249,428	2,162,217
Intangible assets	IV.14	1,722,065	1,752,608
Fixed assets		274,203	13,499,327

Chapter IX 2017 Interim Financial Report (Unaudited)

Condensed Balance Sheet (Continued)

As at 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Translation for Reference Only)

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

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

Legal representative
Ma Bingliang

The person in charge of
accounting affairs: Zeng Han

The head of the accounting
department: Zeng Han

84 Chapter IX 2017 Interim Financial Report (Unaudited)

Balance Sheet

As at 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Translation of Reference Only)

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

Chapter IX 2017 Interim Financial Report (Unaudited)

Balance Sheet (Continued)

As at 30 June 2017

(All amounts in RMB'000 unless otherwise specified)

(English Translation for Reference Only)

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

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

Legal representative:
Authorized signatory: Mai Biliang

The person in charge of
accounting affairs: Zeng Han

The head of the accounting
department: Zeng Han

Consolidated Income Statement

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

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

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

Legal Representative
Authorized Signatory: Mai Biliang

The person in charge of
accounting affairs: Zeng Han

The head of the accounting
department: Zeng Han

Chapter IX 2017 Interim Financial Report (Unaudited)

Income Statement

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

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

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

Legal representative
 signed: Mai Biliang

The person in charge of
 accounting affairs: Zeng Han

The head of the accounting
 department: Zeng Han

88 Chapter IX 2017 Interim Financial Report (Unaudited)

Condensed Cash Flow Statement

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

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

Chapter IX 2017 Interim Financial Report (Unaudited) 89

90 Chapter IX 2017 Interim Financial Report (Unaudited)

Cash Flow Statement

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

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

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

Legal Representative
Authorized Signatory: Mai Biliang

The person in charge of
accounting affairs: Zeng Han

The head of the accounting
department: Zeng Han

Chapter IX 2017 Interim Financial Report (Unaudited)

Change of Control in Shahe Ide E

For the period from 1 January to 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English translation for reference only)

Item	Attributable to equity holders of the Company						2016								
	Share capital	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interests	Total shareholders' equity	Other comprehensive income	Other comprehensive income	Other comprehensive income				
I. Balance at 31 December 2016	2,978,577	2,049,035	3,126,585	357,341	3,279,379	17,495,053	9,848,822	39,134,792	2,977,820	2,033,043	3,181,863	3,203,578	17,805,808	7,033,280	35,720,915
II. Balance on 1 January 2017	2,978,577	2,049,035	3,126,585	357,341	3,279,379	17,495,053	9,848,822	39,134,792	2,977,820	2,033,043	3,181,863	3,203,578	17,805,808	7,033,280	35,720,915
III. Movements for the period															
(I) Total comprehensive income	-	35,908	-	72,424	-	760,990	269,611	1,066,509	-	119,792	-	-	419,868	195,323	734,983
2. Other comprehensive income	-	-	-	72,424	-	-	26,598	99,022	-	-	-	-	871,818	95,528	967,346
2. Other comprehensive income	-	35,908	-	-	-	760,990	269,611	1,066,509	-	119,792	-	-	419,868	195,323	734,983
2. Other comprehensive income	-	-	-	72,424	-	-	26,598	99,022	-	-	-	-	871,818	95,528	967,346
Sub-total of comprehensive income	-	35,908	-	72,424	-	760,990	269,611	1,066,509	-	119,792	-	-	419,868	195,323	734,983
(II) Cash flow and other movements															
1. Cash flow from operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Increase in cash and cash equivalents	1,776	-	17,207	-	-	-	-	18,983	757	-	7,574	-	-	-	8,331
3. Cash flow from financing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Increase in cash and cash equivalents	-	-	3,428	-	-	-	-	58,687	-	-	227,441	-	-	-	333,075
5. Decrease in cash and cash equivalents	-	-	-	-	-	-	-	42,794	-	-	-	-	-	-	29,565
6. Cash flow from investing activities	-	-	(78,103)	-	-	-	(3,513)	(81,616)	-	-	(22,239)	-	-	(726,250)	(748,489)
7. Cash flow from financing activities	-	-	-	-	-	-	-	-	-	-	903	-	-	8,097	9,000
8. Increase in cash and cash equivalents	-	-	70	-	-	-	4,436	4,506	-	-	1,692	-	-	(7,762)	(7,762)
9. Increase in cash and cash equivalents	-	-	6,778	-	-	-	2,805	9,583	-	-	22,316	-	-	10,068	32,384
10. Decrease in cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11. Decrease in cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	(600,000)	-	-	-	(600,000)
12. Decrease in cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	7,035	-	-	-	7,035
1. Cash flow from operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Increase in cash and cash equivalents	-	-	-	-	-	-	(179,835)	(371,577)	-	-	-	75,801	(65,801)	(121,965)	(76,787)
3. Increase in cash and cash equivalents	-	(103,800)	-	-	-	-	-	(103,800)	-	(103,800)	-	-	-	-	(103,800)
IV. Balance at 30 June 2017	2,980,353	1,981,143	3,075,965	429,765	3,279,379	18,076,208	10,049,070	39,871,883	2,978,577	2,049,035	3,126,585	3,279,379	17,495,053	9,848,822	39,134,792

The accompanying financial statements are prepared on an equal basis with the financial statements of the company for the period from 1 January to 30 June 2017.

The accompanying financial statements are prepared on an equal basis with the financial statements of the company for the period from 1 January to 30 June 2017.

The accompanying financial statements are prepared on an equal basis with the financial statements of the company for the period from 1 January to 30 June 2017.

Legal Representative: Mai Biliang

The accompanying financial statements are prepared on an equal basis with the financial statements of the company for the period from 1 January to 30 June 2017.

The accompanying financial statements are prepared on an equal basis with the financial statements of the company for the period from 1 January to 30 June 2017.



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

Notes to the Financial Statements

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

I. GENERAL INFORMATION (CONTINUED)

Please refer to Note V.1 for details of subsidiaries included in the consolidated financial statements and Appendix V.1 for details of subsidiaries not included in the consolidated financial statements. Please refer to Note V.2 for details of subsidiaries excluded from the consolidated financial statements.

The financial statements have been audited by an independent member of the Big 4 of Deloitte in August 2017.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group makes specific accounting policies and accounting estimates according to characteristics of business elements, which include provision of bad debt receivable (Note II.10), classification of inventories (Note II.11), classification of determining impairment of non-current assets (Note II.20), determination of fixed assets and amortization of intangible assets (Note II.14 and 17), measurement of liabilities (Note II.21) and recognition (Note II.23), etc.

Key judgments related to critical accounting policies by the Group are disclosed in Note II.34.

1. Basis of preparation

The financial statements are prepared in accordance with the Basic Standards and specific standards of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006, the

Notes to the Financial Statements

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

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

4. Recording currency

Financial statements are determined by the Company and its subsidiaries in the currency in which major income and costs are denominated and recorded.

The financial statements of the Company and its subsidiaries domiciled in PRC are Renminbi. Hong Kong and the overseas subsidiaries use the local currencies as the functional currencies. Foreign currencies are defined as currencies other than functional currencies.

Financial statements of the Company are prepared in Renminbi. Foreign subsidiaries using currencies other than Renminbi as the functional currencies, the Company uses the financial statements of those subsidiaries in Renminbi (see Note 1.8).

5. Business combinations

(1) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all combining enterprises are ultimately controlled by the same party, either directly or indirectly, and have control over the combination. The assets and liabilities obtained are measured at historical cost. The difference between the carrying amount of the net assets being combined and the carrying amount of the consideration paid for the combination is adjusted to capital reserve in the consolidated financial statements. If the balance of the capital reserve is insufficient, the difference is adjusted to retained earnings. An enterprise is able to combine shall be recognized in the financial statements when completed. The combination date is the date in which the combining enterprise effectively obtains control over the combining enterprise.

(2) Business combinations involving enterprises not under common control

A business combination involving enterprises not under common control is a business combination in which all combining enterprises are not ultimately controlled by the same party, either directly or indirectly. Where 1) the aggregate of the fair value of the identifiable intangible assets (including the acquired identifiable intangible assets, held in place, and other identifiable intangible assets) is less than the aggregate of the fair value of the identifiable net assets, the difference is recognized as goodwill (see Note 1.18). When 2) the difference is recognized in the financial statements. The carrying amount of the identifiable intangible assets is a fair value of the consideration paid for the acquisition of the combination. The difference between the fair value of the identifiable net assets and the carrying amount of the identifiable net assets is recognized as goodwill in the consolidated financial statements. The identifiable intangible assets and contingent liabilities, if any, are recognized in the consolidated financial statements by the Group as the fair value of the acquisition date. The acquisition date is the date in which the acquirer effectively obtains control over the acquiree.

Notes to the Financial Statements

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

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

6. Preparation of consolidated financial statements

The consolidated financial statements are based on consolidated financial statements of the Company and its subsidiaries. The consolidated financial statements are prepared on the basis of the historical cost method, except for the financial assets measured at fair value and the financial liabilities measured at fair value through profit or loss. The consolidated financial statements are prepared in accordance with the accounting policies of the Company. The consolidated financial statements are prepared in accordance with the accounting policies of the Company.

When a subsidiary is acquired through a business combination in an acquisition, the identifiable intangible assets of the subsidiary are included in the consolidated financial statements if the combination had acquired a separately identifiable intangible asset. The opening balances and the comparative figures of the consolidated financial statements are adjusted in the acquisition of the subsidiary and liabilities based on the carrying amounts are included in the consolidated balance sheet and financial performance included in the consolidated income statement. For the date of the acquisition of the Company and the subsidiary, the consolidated financial statements are based on the historical cost method.

When a subsidiary is acquired through a business combination in an acquisition, the identifiable intangible assets of the subsidiary are included in the consolidated financial statements if the acquisition of the subsidiary is an acquisition of an identifiable intangible asset and liabilities based on the carrying amounts.

For a business combination in an acquisition, the Company and its subsidiaries have achieved in the past, the identifiable intangible assets of the subsidiary are included in the consolidated financial statements if the acquisition of the subsidiary is an acquisition of an identifiable intangible asset and liabilities based on the carrying amounts. The difference between the fair value and the carrying amount of the identifiable intangible assets is recognized in the consolidated income statement. The identifiable intangible assets are recognized in the consolidated income statement.

When the Company acquires a minority interest in a subsidiary, the difference between the amount paid for the minority interest and the amount of the subsidiary's equity is recognized in the consolidated balance sheet as a liability. The difference between the amount paid for the minority interest and the amount of the subsidiary's equity is recognized in the consolidated balance sheet as a liability.

When the Company's subsidiary is a subsidiary, the identifiable intangible assets of the subsidiary are included in the consolidated financial statements if the acquisition of the subsidiary is an acquisition of an identifiable intangible asset and liabilities based on the carrying amounts. The difference between the amount paid for the minority interest and the amount of the subsidiary's equity is recognized in the consolidated balance sheet as a liability. The difference between the amount paid for the minority interest and the amount of the subsidiary's equity is recognized in the consolidated balance sheet as a liability.

Notes to the Financial Statements

For the period from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(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 cash in foreign currencies in exchange for the sale of goods and services, the exchange rate is determined at the time of the transaction. The exchange rate is the rate of the functional currency of the entity at the time of the transaction.

All exchange rates are based on the People's Bank of China's ("PBOC") exchange rates. The exchange rates are determined under a market-based, non-manipulated exchange rate of the functional currency of the entity.

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate in effect at the balance sheet date. The exchange rate difference is recognized in the income statement and in the comprehensive income statement. The exchange rate difference is recognized in the income statement and in the comprehensive income statement. The exchange rate difference is recognized in the income statement and in the comprehensive income statement. The exchange rate difference is recognized in the income statement and in the comprehensive income statement.

The assets and liabilities of foreign entities are translated into the functional currency at the exchange rate in effect at the balance sheet date. The exchange rate difference is recognized in the income statement and in the comprehensive income statement. The exchange rate difference is recognized in the income statement and in the comprehensive income statement. The exchange rate difference is recognized in the income statement and in the comprehensive income statement. The exchange rate difference is recognized in the income statement and in the comprehensive income statement.

Notes to the Financial Statements

For the period ended 31 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise stated)
 (English translation is 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, in equity investments, investment in subsidiaries, long-term equity investments, loans, borrowings and debentures.

(1) Financial Assets

(i)

Financial assets are classified in the following categories: 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 sale and trading investments.

b. Receivables

Receivables are non-derivative financial assets held that are determined to have a fixed or determinable amount and are not traded in an active market.

c. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets held that are designated in the category of financial assets at fair value through profit or loss. They are included in non-current assets unless they are in equity management investments. They are classified in the category of financial assets at fair value through profit or loss if they are held for less than 12 months from the end of the reporting period.

(ii)

Financial assets are recognized at fair value when they become available for sale. The fair value of financial instruments is determined based on the closing price of the financial instruments at the end of the reporting period. The fair value of financial instruments is determined based on the closing price of the financial instruments at the end of the reporting period. The fair value of financial instruments is determined based on the closing price of the financial instruments at the end of the reporting period.

Financial assets at fair value through profit or loss are measured at fair value. In equity investments in subsidiaries are measured at cost when they do not have a fixed or determinable amount and are not traded in an active market and their fair value cannot be reliably measured. Receivables are measured at amortized cost using the effective interest method.

Notes to the Financial Statements

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

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

()

Gain or loss arising from change in the fair value of financial assets available for sale is recognized in the Income Statement and gain or loss on disposal of financial assets held, as well as the gain or loss on disposal of these assets is recognized in the Income Statement.

Accumulated fair value adjustments of available-for-sale financial assets are recognized in equity. Dividend income and exchange gains and losses of foreign currency financial assets when available-for-sale financial assets are derecognized, the accumulated fair value adjustments are recognized in equity and included in the income statement. In addition, available-for-sale derivatives calculated using the effective interest method and cash dividends on available-for-sale equity investments are recognized in the income statement when they are received. Dividends on available-for-sale equity investments are also recognized in the income statement.

()

The Group classifies financial assets held as available for sale when the Group has the ability to hold the financial asset until maturity. If the objective of the financial asset is to be held to maturity, the Group determines the amount of impairment.

Objective evidence indicating a financial asset is impaired is determined as follows: (1) the initial recognition of the financial asset and the subsequent decline in the fair value of the financial asset which can be reliably measured by the Group.

Evidence of held-to-maturity investments is impaired if there is a significant decline in the fair value of an investment in an equity instrument. The Group assesses all available-for-sale financial assets on an individual basis at each balance sheet date. Impairment should be recognized if the fair value of an equity instrument has fallen 50% (50% inclusive) of its initial investment cost in the case where the fair value has been lower than the initial investment cost for more than one year (one year inclusive). The Group will consider the relevant factors which affect the fair value to determine whether an impairment should be recognized 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 investments is calculated using the eight average method.

When an impairment of a financial asset is carried as a non-reversible, the amount of

Notes to the Financial Statements

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

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

9. Financial instruments (Continued)

(1) Financial Assets (Continued)

() ()

When an available-for-sale financial asset is impaired, the cumulative amount of impairment decline in fair value has been recognised directly in the income statement. If, after an impairment has been recognised in an available-for-sale debt instrument, the fair value of the debt instrument increases in

Notes to the Financial Statements

For the period ended 31st January 2017 and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(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 in the following categories: financial liabilities at amortised cost and financial liabilities at fair value through profit or loss.

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

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

Financial guarantees provided by the Group are classified as a liability when the obligation to reimburse the holder of a liability incurred because of specified debtors makes a commitment in accordance with the definition of a liability. The Group's liabilities are measured at the higher of the initial fair value less cumulative amortisation recognised in the statement of income, and the amount of the incurred but not yet recognised net liability.

Other financial liabilities, including notes payable, are classified as current liabilities. Other financial liabilities, including notes payable, are classified as non-current liabilities. Other financial liabilities are classified as non-current liabilities.

A financial liability is derecognised when the contractual obligation is discharged or cancelled. The difference between the carrying amount of the financial liability and the derecognised amount of the financial liability and the consideration received is recognised in profit or loss.

(3) Determination of fair value

The fair value of a financial instrument is determined as the price in the active market. The fair value of a financial instrument is determined by using an appropriate valuation technique applicable to the instrument and is based on the available data and the information. Valuation techniques used include the market approach and the income approach. When a financial instrument is measured by market approach in the statement of financial liabilities, the market approach should be used and the fair value should be given priority. The market approach is not used when it is not applicable to the instrument or the market is not active.

Notes to the Financial Statements

103

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

(4) Equity instrument

An equity instrument is a contract that evidences a residual interest in the assets of the reporting entity after deducting all liabilities in the entity.

The equity instrument is recognized and classified when the entity has no contractual obligation to deliver a cash or financial asset to another entity.

The classification is based on the substance of the financial instrument rather than its legal form. The classification is based on the substance of the financial instrument rather than its legal form. The classification is based on the substance of the financial instrument rather than its legal form.

Classification and measurement are based on the substance of the financial instrument rather than its legal form.

10. Receivables

Receivables are recognized when the company has transferred control of the receivable to the customer. Receivables are recognized when the company has transferred control of the receivable to the customer.

Receivables are recognized when the company has transferred control of the receivable to the customer.

When the company has transferred control of the receivable to the customer, an impairment loss is recognized in the income statement. When the company has transferred control of the receivable to the customer, an impairment loss is recognized in the income statement.

The company has made a provision for doubtful receivables (including those that have not been individually identified, based on historical experience, and adjusted by the specific identifiable factors).

If, after an impairment loss has been recognized in receivables, there is objective evidence of a recovery of the impairment loss, the impairment loss is reversed in the income statement. If, after an impairment loss has been recognized in receivables, there is objective evidence of a recovery of the impairment loss, the impairment loss is reversed in the income statement.

Notes to the Financial Statements

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

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

10. Receivables (Continued)

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

Classification of individually significant receivables are individually significant and impairment provided on an individual basis

Individually significant receivables are individually impaired when the amount is less than RMB10 million (inclusive) and accounts for more than 5% of the total receivables

Method of individually significant receivables are individually significant and impairment provided on an individual basis

An impairment calculation is performed by comparing the amount of the receivable with the carrying amount of the cash flow (exclusive of the credit losses) that has not been incurred and a hypothetical original effective interest rate.

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

Classification of individually insignificant receivables are individually insignificant but impairment provided on an individual basis

When the receivable has the amount of individually insignificant but impairment provided on an individual basis for the period of receivable in aid of effective interest rate in the net cash flow

Method of individually insignificant receivables are individually insignificant but impairment provided on an individual basis

An impairment calculation is performed by comparing the amount of the receivable with the carrying amount of the cash flow (exclusive of the credit losses) that has not been incurred and a hypothetical original effective interest rate.

Notes to the Financial Statements

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

Receivables have not been individually assessed for impairment in (1) and (2), but have been made collectible in a group basis in receivables having similar credit characteristics.

Definite and indefinite groups based on credit characteristics

Account receivable are divided into energy, chemical, vehicle, energy, chemical and liquid feed items, engineering, air facilities, the business and other, related, land lease, lease, and other, according to the industry and business nature of customer and the characteristics of receivable. Of the engineering group, the receivable is in credit, the credit is according to the group based on credit characteristics according to individual credit assessment and historical data. The group like the related, land lease, lease, and other, if the credit is assessed based on the assessment in credit and historical performance, impairment is recognized for the group.

Group 1	Energy
Group 2	Related, land, vehicle
Group 3	Energy, chemical and liquid feed items
Group 4	Air facilities
Group 5	Leasing services
Group 6	Other business
Group 7	Financial leasing

Method for determining receivable impairment on a collective basis (based on an ageing analysis, a percentage of the total balance and other).

Energy	Percentage determined based on an aging analysis (O. e. d. e aging)
Related, land, vehicle	Percentage determined based on an aging analysis (O. e. d. e aging)
Energy, chemical and liquid feed items	Percentage determined based on an aging analysis (O. e. d. e aging)
Air facilities	Percentage determined based on an aging analysis (O. e. d. e aging)
Leasing services	Percentage determined based on an aging analysis (O. e. d. e aging)
Other business	Percentage determined based on an aging analysis (O. e. d. e aging)
Finance lease receivable	Percentage determined based on model analysis

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(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)

Financial impairment estimates are made based on historical credit ageing analysis.

Ageing	Percentage of total accounts receivable (%)	
	Group 1, 2, 4, 5, 6	Group 3
Within 1 year (inclusive)	5%	0%-5%
1-2 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 industrial equipment, packaging materials and other materials, which can be used repeatedly based on the specific definition of finished goods.

(2) Cost of inventories

Cost of inventories is calculated using the weighted average method.

Notes to the Financial Statements

107

For the period from 1 Jan. a/ and ended 30 June 2017
 (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

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other incidental costs incurred in bringing the inventories to their present location and condition. Borrowing costs directly related to the production of inventories are included in the cost of inventories (see Note 1.16). In addition, the changing cost of a material, work in progress and finished goods include direct labour costs and an appropriate allowance for production overheads.

All the balances of inventories are carried at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the normal course of business less the estimated costs of completion and the estimated 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 inventories held for sale is measured at the price currently based on the current market 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 quantities of inventories shall be based on general selling prices.

An allowance for the cost of the net realisable value of each class of inventories recognised in the financial statements is a provision for diminution in the value of inventories.

(4) Inventory system

The Group mainly adopts the first-in, first-out method.

(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 amortisation of the amortisable materials are included in the cost of the related products in the financial statements.

12. Long-term equity investments

Long-term equity investments in subsidiaries are measured at cost. Long-term equity investments in associates and subsidiaries are measured at cost. Long-term equity investments in joint ventures are measured at cost.

Subsidiaries are in excess of which the Group can exercise control. Joint ventures are in excess of which the Group can exercise joint control. Associates are in excess of which the Group has significant influence on the financial and operating policies.

Investments in subsidiaries are accounted in the Group as financial assets measured at cost, and are adjusted for the arising share of the subsidiary's financial assets measured at cost. Investments in joint ventures and associates are accounted for using the equity method.

Notes to the Financial Statements

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

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

12. Long-term equity investments (Continued)

(1) Determination of investment cost

For long-term equity investments acquired through a business combination in exchange of shares, the cost shall be determined by the fair value of the shares issued as consideration. For long-term equity investments acquired through a business combination in exchange of shares, the cost shall be determined by the fair value of the shares issued as consideration.

For long-term equity investments acquired through a business combination in exchange of shares, the cost shall be determined by the fair value of the shares issued as consideration. For long-term equity investments acquired through a business combination in exchange of shares, the cost shall be determined by the fair value of the shares issued as consideration.

(2) Subsequent measurement

For long-term equity investments acquired through a business combination in exchange of shares, the cost shall be determined by the fair value of the shares issued as consideration. For long-term equity investments acquired through a business combination in exchange of shares, the cost shall be determined by the fair value of the shares issued as consideration.

For long-term equity investments acquired through a business combination in exchange of shares, the cost shall be determined by the fair value of the shares issued as consideration. For long-term equity investments acquired through a business combination in exchange of shares, the cost shall be determined by the fair value of the shares issued as consideration.

For long-term equity investments acquired through a business combination in exchange of shares, the cost shall be determined by the fair value of the shares issued as consideration. For long-term equity investments acquired through a business combination in exchange of shares, the cost shall be determined by the fair value of the shares issued as consideration.

Notes to the Financial Statements

109

For the period from 1 Jan. and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise stated)
 (English translation is 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 held if the investor has the ability to exercise significant influence in the related activities of the investee and the ability to affect the financial and operating policies of the investee.

Joint control is held if the investor has an arrangement according to the related agreement and evidence when the decision relating to the activities of the investee is made by the unanimous consent of the investor and the investee.

Significant influence is held if the investor has the ability to participate in the financial and operating policies of the investee, but is not in a position to exercise control over the investee.

(4) Method of impairment testing and measuring

The carrying amount of long-term equity investments in subsidiaries, joint ventures and associates is tested for impairment when there are indications that the carrying amount may be higher than the recoverable amount.

13. INVESTMENT PROPERTIES

Investment properties include land and buildings that have already been leased to others or are held for lease to others and buildings that are being constructed or developed for lease to others. For leasing, a lease is initially a contract that ends in the related period in the investment properties are included in the carrying amount of investment properties when it is probable that the associated economic benefits will flow to the Group and the carrying amount can be reliably measured; however, the ending amount is recognized in the financial statements only if it is reliably measured.

The Group adopts the fair value method to measure investment properties and derivative financial instruments. The carrying amount of investment properties is adjusted based on the fair value at the balance sheet date, and the difference between the fair value and the original carrying amount is recognized in the financial statements only if it is reliably measured.

When an investment property is transferred to a self-constructed or self-constructed property, the carrying amount of the investment property is determined as the fair value at the date of the transfer, and the difference between the fair value and the original carrying amount of the investment property is recognized in the financial statements only if it is reliably measured. When an investment property is transferred to a self-constructed or self-constructed property, the carrying amount of the investment property is determined as the fair value at the date of the transfer. If the fair value at the date of the transfer is lower than the original carrying amount of the investment property, the difference is recognized in the financial statements only if it is reliably measured; however, it is included in the comprehensive income.

An investment property is derecognized in the financial statements when the investment property is disposed of or the economic benefits are exhausted from the property. The net amount of the proceeds from the disposal, less the related damage of an investment property net of the carrying amount and related costs and expenses, is recognized in the financial statements only if it is reliably measured.

Notes to the Financial Statements

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

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

14. Fixed assets

(1) Recognition

Fixed assets refer to tangible assets held by the Group for use in the production of goods or services, for rental, for administrative purposes or for other purposes.

The cost of a purchased fixed asset includes purchase price, related taxes and an directly attributable expenditure for bringing the asset to the condition in which it is ready for use. The cost of self-constructed assets includes incurred in accordance with the relevant standards.

Where applicable, an item of fixed asset has a different liability for the different benefits the Group in different areas, it is necessary to allocate the cost of different facilities for each area, each allocated amount of fixed asset.

The cost of an item including the cost of the related item of fixed asset allocated in the carrying amount of the item if the related fixed asset is a separate asset, and the carrying amount of the related asset is allocated. The cost of the related item of fixed asset allocated in the carrying amount of the item.

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

(2) Depreciation

Fixed assets are depreciated using the straight-line method. All cases of fixed assets are depreciated. Depreciation is recorded as an expense in the profit and loss account. Depreciation is classified as held for sale (see Note II.28). For fixed assets that have been identified for impairment, the related depreciation charge is calculated determined based on the adjusted carrying amount of the remaining value. The depreciation is recorded as an expense and depreciation for each class of fixed assets as follows:

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

Depreciation is recorded as an expense and depreciation for each class of fixed asset is recorded as an expense at each year-end.

Notes to the Financial Statements

111

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

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

14. Fixed assets (Continued)

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

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

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

(5) Disposal

A fixed asset is derecognised in the financial statements when it has no future economic benefits are expected from its disposal. The amount of proceeds from disposal is calculated, less the carrying amount of a fixed asset, net of disposal costs and related taxes and expenses, is recognised in profit or loss as either gain or loss.

15. Construction in progress

Construction in progress means led a. The construction self-costs included in the construction materials, direct labor, capitalized borrowing costs (see Note II.16), and other costs directly attributable to bringing the construction to the intended state.

A self-costs included in construction in progress before the start of construction when it is lead to the intended state. Net of depreciation is added against construction in progress. Construction in progress is transferred in the balance sheet as completed intangible assets (see Note II.20).

16. Borrowing costs

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

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

During the capitalization period, the amount of interest (including amortization of an discount on the liability) to be capitalized in each accounting period is determined as follows:

Where the asset is specifically identifiable for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalized is the interest expense calculated using effective interest rate method during the period and income earned from the borrowing funds and income from investment in the period, after being netted in the period.

Where the asset is not specifically identifiable for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalized is the amount of interest expense determined by applying a capitalization rate to the average amount of funds used for the acquisition, construction or production of the asset during the period. The capitalization rate is the average of the applicable general borrowing rate.

Notes to the Financial Statements

For the period from 1 Jan '17 and ended 30 June 2017
(All amounts in RMB'000 unless specified)
(English Translation Reference Only)

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

17.

Notes to the Financial Statements

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

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

18. Goodwill

Goodwill is recognised as the excess of the purchase price over the fair value of identifiable intangible assets. Goodwill is measured as the difference between the purchase price and the fair value of identifiable intangible assets.

Goodwill is not amortised and is tested annually for impairment (see Note 1.20). On disposal of an asset group, the carrying amount of goodwill is charged to the profit and loss and included in the calculation of the financial result.

19. Long-term prepaid expenses

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

The amortisation period is as follows:

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

20. Impairment of long-term assets

Fixed assets, intangible assets, long-term equity investments and long-term prepayments are measured at the lower of carrying amount and recoverable amount. Recoverable amount is the maximum of fair value less costs of disposal and value in use. Fair value less costs of disposal is the amount that could be received from the disposal of the asset, net of the costs of disposal. Value in use is the present value of the cash flows expected to be derived from the asset. The recoverable amount is compared with the carrying amount. If the carrying amount is greater than the recoverable amount, the carrying amount is reduced to the recoverable amount. The amount of the reduction is recognised as an impairment loss. The impairment loss is recognised in the profit and loss. The impairment loss is reversed if the carrying amount of the asset increases and the impairment loss is reversed. The amount of the reversal is recognised as an impairment reversal. The impairment reversal is recognised in the profit and loss. The impairment reversal is not greater than the impairment loss. The impairment loss is not greater than the carrying amount of the asset. The impairment loss is not greater than the carrying amount of the asset. The impairment loss is not greater than the carrying amount of the asset.

Goodwill is tested for impairment in the financial statements. Goodwill is tested for impairment at the end of each reporting period. Goodwill is tested for impairment by comparing the carrying amount of the cash generating unit with its recoverable amount. Goodwill is impaired if the carrying amount of the cash generating unit is greater than its recoverable amount. The amount of the impairment is recognised as an impairment loss. The impairment loss is recognised in the profit and loss. The impairment loss is reversed if the carrying amount of the cash generating unit increases and the impairment loss is reversed. The amount of the reversal is recognised as an impairment reversal. The impairment reversal is recognised in the profit and loss. The impairment reversal is not greater than the impairment loss. The impairment loss is not greater than the carrying amount of the cash generating unit. The impairment loss is not greater than the carrying amount of the cash generating unit.

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

Notes to the Financial Statements

115

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

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

21. Provisions and contingent liabilities

Provisions for doubtful accounts, net of contract receivables recognized when the Group has a present obligation, is a liability. If economic benefits will be realized, the provision, and the amount of the provision can be measured reliably.

As a result of initially measured a liability estimate of the ending liability, the liability is a liability. Factors including changes in the nature, amount, and timing of the future cash flows, are taken into account. A liability is recognized when the Group has a present obligation, the amount of the liability is determined by the nature of the liability. The increase in the amount of the liability is recognized as an expense.

The carrying amount of the liability is determined by the balance sheet and adjusted to reflect the changes.

Provisions for contingent liabilities are determined by the balance sheet and adjusted to reflect the changes.

In the event of a possible liability, the Group is not required to recognize a liability. If the Group is not required to recognize a liability, the Group is not required to recognize a liability. If the Group is not required to recognize a liability, the Group is not required to recognize a liability.

22. Share-based payments

(1) Classification

Share-based payments are classified as equity instruments if the payments are made to the employees of the Group.

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

Fair value is determined based on binomial lattice model. Contractual terms of the instrument are taken into account. And the binomial lattice model includes the following factors: (1) the nature of the instrument; (2) the nature of the instrument; (3) the nature of the instrument; (4) the nature of the instrument; (5) the nature of the instrument; (6) the nature of the instrument.

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

Each balance sheet date, the Group makes the best estimate of the number of equity instruments expected to vest. The best estimate of the number of equity instruments expected to vest is determined based on the nature of the instrument.

Notes to the Financial Statements

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

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

22. Share-based payments (Continued)

(4) Accounting treatment for share-based payment

()

When the Group exercises its share-based payment plan, it will recognize the expense related to the share-based payment based on the fair value of the equity instruments granted at the grant date. If the exercise of the share-based payment plan is subject to certain conditions, the expense will be recognized and measured based on the achievement of the conditions. If the achievement of the conditions is not met, the expense will be recognized and measured based on the fair value of the equity instruments granted at the grant date.

()

When the Group exercises its share-based payment plan, it will recognize the expense related to the share-based payment based on the fair value of the equity instruments granted at the grant date. If the exercise of the share-based payment plan is subject to certain conditions, the expense will be recognized and measured based on the achievement of the conditions. If the achievement of the conditions is not met, the expense will be recognized and measured based on the fair value of the equity instruments granted at the grant date.

23. Revenue recognition

Revenue is recognized when the economic benefits related to the transaction flow to the Group and the amount of revenue can be reliably measured.

(1) Sale of goods

Revenue from sale of goods is recognized when all the general conditions are satisfied and fulfillment of the conditions is not subject to any uncertainty:

- (a) The significant risks and rewards of ownership have been transferred;
- (b) The Group retains neither continuing managerial involvement nor effective control.

Revenue from sale of goods is measured based on the fair value of the consideration received or receivable net of trade discounts and agreements.

Notes to the Financial Statements

For the period from 1 Jan. a/ and ended 30 J. ne 2017
 (All am. n. in RMB'000 n. h. e. a. e. d)
 (English tra. n. l. n. f. / Reference Onl.)

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

23. Revenue recognition (Continued)

(1) Sale of goods (Continued)

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

Sales of land use rights, vehicles are provided in domestic market and sales of equipment, construction machinery, heavy trucks and accessories, vehicles and equipment, heavy trucks and accessories are provided in specific designated business areas.

The Group recognizes revenue when the shipping and sell agreement is fulfilled. When the goods are delivered to the customer, the revenue is recognized only when the customer has accepted and delivered the goods. The delivery and installation received before the revenue is recognized are regarded as advance from customer.

(2) Revenue from construction contracts

When the contract for a construction contract can be estimated reliably, contract revenue and contract expense are recognized in the balance sheet during the period of contract completion.

The degree of completion of a contract is determined based on the contract for a historical cost of the contract.

When the contract for a construction contract cannot be estimated reliably:

- (a) If the contract cost can be recognized, the contract cost is recognized and the contract revenue is recognized when incurred;
- (b) If the contract cost cannot be recognized, the contract cost is recognized and contract expense is recognized immediately when incurred, and no contract revenue is recognized.

Construction contract revenue includes initial revenue and income from contract and included amount in general account of contract.

Notes to the Financial Statements

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

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

23. Revenue recognition (Continued)

(2) Revenue from construction contracts (Continued)

Increased amount can be recognized as construction revenue only when the following conditions are all satisfied:

- (c) Client acceptance and confirmation of increased amount generated by construction;
- (d) Increased amount can be reliably measured.

Construction contract revenue is recognized when the contractor has performed the construction work and the amount of revenue can be reliably measured. Revenue should be made for construction contract and charged in the financial statements when the following conditions are met:

(3) Rendering of services

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

A balance sheet liability is recognized for the rendering services when the rendering services can be measured reliably. Revenue from rendering services is recognized by reference to the stage of completion of the construction work in the following circumstances:

When the cost of rendering services cannot be measured reliably, if the contract incurred a loss, it should be recognized, revenue is recognized when the contract incurred a profit, it should be recognized, and an estimate is charged in the financial statements. If the contract incurred a loss, it should be recognized, the contract incurred a loss should be recognized in the financial statements and no revenue is recognized.

Freight agencies revenue is recognized as the value of the service (e.g. handling agent fee). Freight agencies revenue is recognized when goods have been specified in the bill of lading. Freight agency revenue is recognized as the value of the service.

Notes to the Financial Statements

119

For the reporting period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English translation for Reference Only)

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

24. Employee benefits

Employee benefits refer to various kinds of all kinds of allowances and compensation aid by the Group for the employees. Employee benefits refer to the termination of employment relationship, which mainly include short-term wages, employee benefits and termination of employment benefits.

(1) short-term wages

Short-term wages include wages, salaries, bonuses, allowances and benefits, staff welfare, medical insurance, injury insurance, maternity insurance, housing fund, labor union fund, employee education fund and other employee aid absence and etc. Accrued short-term wages are recognized as liability in the reporting period when the employee has rendered services and are charged in the financial statements in the reporting period. The non-monetary welfare means medical allowance.

(2) pension benefits

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

The Group's employee benefits are defined in the basic social employee insurance plan and implemented by local labor and social security departments. The Group's basic employee insurance is employee insurance designated insurance contribution for employee according to the basic amount and is determined by the local legislation. After the implementation of local labor and social security departments is possible for paying the employee benefits to the retired employee. The amount of employee insurance is able calculated according to the applicable legislation and recognized as liability during the reporting period when the employee has rendered services and are charged in the financial statements in the reporting period.

(3) Enterprise annuities plan

The Group's defined compensation for the termination of employment relationship before the employee's retirement contribution for compensation encourage employee. In addition, which is recognized as a liability and charged in the financial statements when the Group is obliged to settle all liability of the plan in the termination of employment relationship. The staff welfare and compensation and employee insurance in the termination of compensation for the termination of employment relationship are recognized.

The Enterprise annuities plan is a defined contribution plan. The balance sheet are classified as current liability.

Notes to the Financial Statements

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

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

25. Government grants

Government grants are classified into non-monetary and monetary grants. Monetary grants include financial subsidies, etc.

A government grant is recognized when the conditions attached to it can be complied with and the grant can be received. If a government grant is for the purchase of an asset, the amount received is credited to the asset's carrying amount. If the grant is for the purchase of an asset, the amount received is credited to the asset's carrying amount. If the grant is for the purchase of an asset, the amount received is credited to the asset's carrying amount.

Government grants related to the purchase of an asset are recognized when the conditions attached to it can be complied with and the grant can be received. If the grant is for the purchase of an asset, the amount received is credited to the asset's carrying amount.

A government grant related to the purchase of an asset is recognized when the conditions attached to it can be complied with and the grant can be received. If the grant is for the purchase of an asset, the amount received is credited to the asset's carrying amount. If the grant is for the purchase of an asset, the amount received is credited to the asset's carrying amount.

For government grants related to the purchase of an asset, the amount received is credited to the asset's carrying amount. If the grant is for the purchase of an asset, the amount received is credited to the asset's carrying amount.

26. Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities are determined based on temporary differences between the carrying amount of assets and liabilities and their tax bases. Deferred tax assets are recognized when it is probable that they will be realized. Deferred tax liabilities are recognized when it is probable that they will be paid.

Deferred tax assets and liabilities are determined based on temporary differences between the carrying amount of assets and liabilities and their tax bases. Deferred tax assets are recognized when it is probable that they will be realized. Deferred tax liabilities are recognized when it is probable that they will be paid.

A balance sheet date, the amount of deferred tax assets is measured based on the expected manner of realization. Deferred tax liabilities are measured based on the expected manner of payment.

Notes to the Financial Statements

121

For the reporting period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English translation is 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 when it is no longer probable that sufficient taxable profit will be available to allow the benefit of the deferred tax asset to be realized. Such reduction is reversed when it becomes probable that sufficient taxable profit will be available.

Deferred tax liabilities are recognized for all taxable differences arising from income tax on dividends, interest and income tax on receivables where the Group is able to control the timing of the reversal of the difference, and is probable that the taxable difference will not reverse in the foreseeable future. When it is probable that the taxable difference will not reverse in the foreseeable future and is not a deductible temporary difference, it will be recognized in the foreseeable future and the taxable difference will be available in the future against which the taxable difference can be realized, the corresponding deferred tax asset is recognized.

All the balance sheet deferred tax assets and liabilities are recognized if all the following conditions are met:

- the asset entitles the Group to a legally enforceable right to offset against certain liabilities;
- the related income is realized by the same or a substantially identical entity, the same asset entitles the Group to a deductible temporary difference, which is realized before the corresponding liability and arises in a net basis, leaving the assets and the liabilities in the same line, in each case identified in which significant amount of deferred tax liabilities are expected to be realized.

27. Operating and finance leases

A lease is classified as either a finance lease or an operating lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee, irrespective of whether the legal title to the asset is transferred. An operating lease is a lease that is not a finance lease.

(1) Assets acquired under operating leases

Renowned operating leases are recognized as contractual obligations in a straight-line basis over the lease term.

Notes to the Financial Statements

For the period from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English 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 in exceptional cases (see Note 13) are depreciated in accordance with the Group's depreciation policies described in Note 14(2). Improvements are provided for in accordance with the accounting policy described in Note 20. Other leased out assets under operating leases are amortized using the straight-line method. Income derived from operating leases is recognized in the income statement using the straight-line method. If initial direct costs are incurred in connection with the leased out asset, these are initially capitalized and then amortized in the same manner as the leased income. Other wise, these costs are charged to the 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 the fair value and the present value of the minimum lease payments, each determined at the inception of the lease. At the commencement of the lease term, the minimum lease payments are allocated to the lease liability. The difference between the fair value of the leased asset and the minimum lease payments recognized as net recognized finance charges. Initial direct costs are also added to the finance lease liability by the Group. These are added to the amount recognized for the leased asset. Depreciation and improvements are accounted for in accordance with the accounting policies described in Note 14(2) and Note 20, respectively.

If the leased asset is a depreciable asset, the Group will bear the responsibility for a leased asset at the end of the lease term, the leased asset is depreciated over its estimated useful life. Other wise, the leased asset is depreciated over the shorter of the lease term and its estimated useful life.

Unrecognized finance charges under finance lease are amortized using an effective interest method over the lease term. The amortization is accounted for in accordance with the financing cost policy (see Note 16).

A lease liability is recognized for a lease arising from finance leases, net of the unrecognized finance charges, at the inception of the lease term. A liability is recognized for a non-current liability due to the lease liability, in the balance sheet.

Notes to the Financial Statements

123

For the period from 1 Jan. and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise stated)
 (English translation is 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 commencement of the lease term, the Group recognizes the aggregate of the minimum lease receipts determined at the inception of a lease and the initial direct costs of the finance lease receivable. The difference between the aggregate of the minimum lease receipts and the aggregate of the initial direct costs and the unearned finance income is recognized as a netted 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 receivable, net of netted finance income, are presented as long-term receivables. Non-cancellable lease deposits are included in the balance sheet. Please refer to Note 11.9 for accounting policies on the derecognition and impairment of finance lease receivables.

28. Assets held for sale and discontinued operation

A non-current asset is classified as held for sale when management has decided to dispose of the asset (or disposal group) and the asset is available for immediate sale in its present condition. The asset is measured at the lower of carrying amount and fair value less costs to sell. A non-cancellable transfer agreement has been signed in the transfer, the disposal plan has been approved by the board of directors and the asset is available for sale.

Non-current assets held for sale (excluding financial assets) are measured at the lower of carrying amount and fair value less costs to sell. An exception of the carrying amount is the non-recoverable amount recognized as impairment.

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

A discontinued operation is a component which has been disposed or classified as held for sale of the group, business and the related financial reporting of the discontinued operation can be clearly distinguished from the rest of the group and can meet the following criteria: (a) The component of the business represents a separate major line of business or geographical area of operations; (b) The component of the business is a single cash-generating unit or a separate major line of business or geographical area of operations; (c) The component of the business is a distinct identifiable cash-generating unit.

The Group shall disclose the following information for the discontinued operation in the statement of comprehensive income: (a) the gain or loss from the discontinued operation and the gain or loss from the measurement of the discontinued operation at the fair value less costs to sell.

Notes to the Financial Statements

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

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

29. Hedge accounting

Hedge accounting is a method which recognises the effectiveness of financial and cash flow hedge instruments and the hedged item in consolidated financial statements in the same accounting period.

Hedged item is the item that the Group has designated as being hedged. The Group's hedged items include a foreign exchange rate and foreign exchange rate risk.

A hedging instrument is a designated derivative whose changes in fair value or cash flow are effectively offset by changes in the fair value or cash flow of the hedged item. For a hedge of foreign exchange rate, a non-derivative financial asset or non-derivative financial liability may be used as a hedging instrument.

The hedge is considered to be effective if the hedge has been highly effective in offsetting the changes in fair value or cash flow of the hedged item. A hedge is considered to be highly effective if the hedge has been highly effective in offsetting the changes in fair value or cash flow of the hedged item.

The hedge is considered to be highly effective in achieving the change in fair value or cash flow of the hedged item if the hedge is designated:

- the hedge is a foreign exchange rate risk of 80% to 125%.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows. The gain or loss on the hedging instrument is determined to be an effective hedge recognised directly in other comprehensive income. The effective portion is adjusted to the fair value of the hedged item.

- The cumulative gain or loss on the hedging instrument from inception of the hedge;
- The cumulative change in the fair value of the hedged item from inception of the hedge.

The gain or loss on the hedging instrument is determined to be an ineffective hedge recognised in profit or loss.

If a hedge of a foreign exchange rate risk is not highly effective in offsetting the changes in fair value or cash flow of the hedged item, the ineffective portion is recognised in profit or loss. However, if the Group is able to demonstrate that the hedge is highly effective in offsetting the changes in fair value or cash flow of the hedged item, the ineffective portion is recognised in profit or loss.

Notes to the Financial Statements

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

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

29. Hedge accounting (Continued)

Cash flow hedges (Continued)

If a hedge of a forecast transaction or the recognition of a financial asset or liability results in a net gain or loss, the gain or loss is recognized in equity and reclassified in equity in the same period during which the financial asset or liability affected is recognized. However, if the gain or loss is recognized in equity, it will not be reclassified in the accounting period in which it is recognized if the amount is expected to be reclassified.

Cash flow hedges are hedged by recording a derivative as an asset or liability and reclassified in equity in the same period in which the hedged forecast transaction affected is recognized.

When a hedging instrument is discontinued, the hedge is terminated. The hedge is terminated if the hedge is ineffective. The hedge is terminated if the hedge is ineffective. In such case, the gain or loss on the hedging instrument is recognized in equity. When the hedge is effective, it shall not be reclassified in equity and is recognized in accordance with the applicable accounting policy. If the hedging instrument is ineffective, the gain or loss on the hedging instrument is recognized in equity. When the hedge is effective, it shall be reclassified in equity immediately.

30. Dividend distribution

Cash dividends recognized as a liability are classified in equity in which dividend is a liability to be paid.

Dividends are distributed in the form of cash or shares which will be a liability and declared after the balance sheet date. Dividends are recognized as a liability after the balance sheet date.

31. Related parties

If a relationship exists between related parties, it is significant influence. The relationship is defined as follows: Related parties may be identified in the following cases: (a) the company and its parent; (b) the company and its subsidiaries; (c) the company and its associates.

- (a) the company and its parent;
- (b) the company and its subsidiaries;
- (c) the company and its associates.

Notes to the Financial Statements

For the period ended 31st January 2017 and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English translation for Reference Only)

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

31. Related parties (Continued)

- (d) in the past, the relationship between the company and the related party has had a significant influence on the company;
- (e) the company's independent financial statements, in the company's financial statements, the company's independent financial statements and the company's financial statements;
- (f) joint ventures of the company, including subsidiaries of joint ventures;
- (g) associates of the company, including subsidiaries of associates;
- (h) financial interests in the company and close family members of each independent party;
- (i) key management personnel of the company and close family members of each independent party;
- (j) key management personnel of the company's associates and close family members of each independent party;
- (k) close family members of key management personnel of the company's associates; and
- (l) the company's past and present joint ventures, financial interests in the company, key management personnel of the company, and close family members of each independent party.

Benefits related to the company's associates are determined in accordance with the requirements of CAS, the financial statements and independent financial statements are provided to the company's associates based on the disclosure requirements of Administrative Procedures for Information Disclosure of Listed Companies issued by the CSRC:

- (m) the company's associates hold 5% or more of the company's shares;
- (n) independent parties and close family members of each independent party hold 5% or more of the company's shares, or the company's associates and their close family members;
- (o) the company's associates are provided with financial support in (a), (c) and (m) during the past 12 months, or the company's associates have entered into agreements;
- (p) independent parties have provided financial support in (i), (j) and (n) during the past 12 months, or the company's associates have entered into agreements; and
- (q) the company's associates and subsidiaries controlled by the company, which are controlled by the company's independent parties, in which each independent party holds a financial interest.

Notes to the Financial Statements

For the reporting period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

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

32. Segment reporting

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

- 1. Engaged in business activities from which it may earn revenues and incur expenses;
- 2. Financial performance is regularly reviewed by the Group's management to make decisions about resource allocation and assess performance;
- 3. The Group is able to obtain financial information regarding financial position, financial performance and cash flows, etc.

Two or more reporting segments may be aggregated in a single reporting segment if the segments have same or similar economic characteristics and are similar in the following aspects:

- 1. Nature of each product or service;
- 2. Nature of distribution process;
- 3. The way clients are managed in the product or service;
- 4. Methods used to provide the product or service;
- 5. Legal and regulatory environment facing the product and/or end-user.

Inter-segment revenues are measured on the basis of actual transaction prices for each transaction. Segment reporting and segment accounting policies are consistent with those of the consolidated financial statements.

Notes to the Financial Statements

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

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

33. Significant changes in accounting policy

- (1) On 10 March 2017, the Ministry of Finance issued the Notice on Issuing the Revised Accounting Standards for Business Enterprises No. 16. Government Grants (Cai Kai [2017] No. 15) and the Accounting Standards for Business Enterprises No. 16. Government Grants, which came into force on 12 June 2017. For the period from 1 January to 30 June 2017, the company adopted the above-mentioned accounting standards for the interim financial statements. The impact of the change in accounting policy on financial statements is as follows:

Contents and reasons for the change	Impacted items on financial statement	Impacted amount for the period from 1 January to 30 June 2017
<p>The government grants relating to the ordinary activities of enterprises shall be included in the income based on the nature of economic business. The government grants relating to the ordinary activities of enterprises shall be included in non-recurring income and expense. For government grants issued as at January 2017, the related application method shall be applied, and the government grants included from 1 January 2017 shall be adjusted in which the amount came in force, adjustments shall be made according to the standards. The comparative financial statements for the period from January to June 2016 are not affected.</p>	<p>Other income Non-recurring income</p>	<p>91,032 (91,032)</p>

- (2) On 28 April 2017, the Ministry of Finance issued the Interim Measures for the Issuing the Accounting Standards for Business Enterprises No. 42. Non-current Assets Held for Sale, Discontinued Operations and Discontinued Operations (Cai Kai [2017] No. 13), which is effective from the date of issuance of Accounting Standards for Business Enterprises No. 42. Non-current Assets Held for Sale, Discontinued Operations and Discontinued Operations shall take effect on 28 March 2017. For the period from 1 January to 30 June 2017, the company has not made significant adjustments of the change in accounting policy on financial statements for the period.

Notes to the Financial Statements

129

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

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

34. Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates and assumptions and management is evaluated in an ongoing basis. Results of accounting estimates are recognized in the period in which the estimate is made and in an amount of 0.026 T 70.227 T590 -1.412 TD[(Re: i f)-37g d ill(i8(7h8(e 7:0e-5ed)-37 a 7)Tj0-378he0-37fa8(e. al ee(f)-37ncial).)-37

Notes to the Financial Statements

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

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

34. Critical accounting estimates and judgements (Continued)

(3) Impairment of long-term assets

As described in Note 20, long-term assets are tested at each balance sheet date to determine whether they are recoverable and whether there is any indication of impairment. If there is any indication of impairment, the assets are deemed to have been impaired and an impairment loss is recognized.

The recoverable amount of an asset (or cash generating unit) is the greater of its fair value less costs of disposal and its present value of expected future cash flows. Since a market for the asset (or cash generating unit) cannot be identified, the fair value of the asset cannot be determined. In determining the present value of expected future cash flows, the management has made judgements about the timing and amount of cash flows to be received. All relevant factors, which can be identified and measured, are included in the determination of the present value of expected future cash flows and the management has based on reasonable and reliable assumptions.

If the management has determined the impairment loss in the cash flow calculation of the asset (or cash generating unit) and the impairment loss is higher than the impairment loss recognized, the management will make an adjustment to the long-term assets.

If the management has determined the cash flow to be a higher than the cash flow and the impairment loss is higher than the impairment loss recognized, the management will make an adjustment to the long-term assets.

If the actual margin is higher than the management estimate, the management can not determine the impairment loss to the long-term assets.

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

As described in Notes 14 and 17, fixed and intangible assets are depreciated and amortized on a straight-line basis. The useful life of the assets is determined by the legal life of the assets and the management's judgement. The useful life of the assets is determined based on historical experience, similar assets and the estimated technical changes. If there have been significant changes in the factors used to determine the depreciation/amortization, the rate of depreciation/amortization will be revised.

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless specified)
(English Translation Reference Only)

II.

Notes to the Financial Statements

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

III. TAXATION

1. Main taxes categories and rates

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

Notes to the Financial Statements

133

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

III. TAXATION (CONTINUED)

2. Preferential tax treatments

The following subsidiaries have entered into preferential tax treatment agreements:

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
1	Nanjing CIMC Special Vehicle Manufacturing Equipment Co., Ltd.	25%	15%	Company be recognized as high-tech enterprise in 2015 entered 15% preferential rate
2	Xinhai CIMC Special Vehicle Equipment Co., Ltd.	25%	15%	Company be recognized as high-tech enterprise in 2016 entered 15% preferential rate
3	Yangzhou Rongliang Logistic Equipment Co., Ltd.	25%	15%	Recognized as high-tech enterprise in 2014 entered 15% preferential rate
4	Yangzhou Tonglee Reefe Container Co., Ltd.	25%	15%	Recognized as high-tech enterprise in 2015 entered 15% preferential rate
5	Hunan CIMC Bamboe Industrial Development Co., Ltd.	25%	15%	Recognized as high-tech enterprise in 2016 entered 15% preferential rate
6	Dalian CIMC Logistic Equipment Co., Ltd.	25%	15%	Company be recognized as high-tech enterprise in 2014 entered 15% preferential rate
7	Shenzhen CIMC Special Vehicle Co., Ltd.	25%	15%	Company be recognized as high-tech enterprise in 2014 entered 15% preferential rate
8	Yangzhou CIMC Tonghai Special Vehicle Co., Ltd.	25%	15%	Company be recognized as high-tech enterprise in 2014 entered 15% preferential rate
9	Zhuzhidian CIMC Hainan Casing Co., Ltd.	25%	15%	Company be recognized as high-tech enterprise in 2015 entered 15% preferential rate
10	Wuhan CIMC Jiangnan Automobile CO., Ltd.	25%	15%	Recognized as high-tech enterprise in 2014 entered 15% preferential rate
11	Liang CIMC Lingnan Automobile CO., Ltd.	25%	15%	Recognized as high-tech enterprise in 2016 entered 15% preferential rate
12	Zhangjiagang CIMC Sancheng Machine Co., Ltd.	25%	15%	Company be recognized as high-tech enterprise in 2014 entered 15% preferential rate
13	Enfoc (Bengbu) Chemical Co., Ltd.	25%	15%	Company be recognized as high-tech enterprise in 2014 entered 15% preferential rate

Notes to the Financial Statements

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

III. TAXATION (CONTINUED)

2. Preferential tax treatments (Continued)

	Name of enterprises	Local statutory tax rate	Preferential rate	Reasons
14	Shijiahang Energy Gas Equipment Co., Ltd.	25%	15%	Company is recognized as high-tech enterprise in 2014 entitled 15% preferential rate
15	Energy (Langfang) Equipment Manufacturing Co., Ltd.	25%	15%	Company is recognized as high-tech enterprise in 2015 entitled 15% preferential rate
16	Jingmen Hong Special Air Conditioning Manufacturing Co., Ltd.	25%	15%	Company is recognized as high-tech enterprise in 2015 entitled 15% preferential rate
17	Nanjing CIMC Tank Equipment Co., Ltd.	25%	15%	Company is recognized as high-tech enterprise in 2015 entitled 15% preferential rate
18	Liaoning CIMC Hapenleng Gas Lifting Equipment Plant Co., Ltd.	25%	15%	Company is recognized as high-tech enterprise in 2015 entitled 15% preferential rate
19	Nanjing CIMC Energy Equipment Co., Ltd.	25%	15%	Company is recognized as high-tech enterprise in 2014 entitled 15% preferential rate
20	Ziemann Hi-Tek Asia Co., Ltd.	25%	15%	Recognized as high-tech enterprise in 2016 entitled 15% preferential rate
21	Shenzhen CIMC Tianda Air Systems Co., Ltd.	25%	15%	Company is recognized as high-tech enterprise in 2014 entitled 15% preferential rate
22	Xinfa Air Equipment Co., Ltd.	25%	15%	Recognized as high-tech enterprise in 2015 entitled 15% preferential rate
23	Shenzhen CIMC Tianda Logistics Special Engineering Co., Ltd.	25%	15%	Recognized as high-tech enterprise in 2016 entitled 15% preferential rate
24	Shenzhen CIMC Intelligent Technology Co., Ltd.	25%	15%	Company is recognized as high-tech enterprise in 2014 entitled 15% preferential rate

Notes to the Financial Statements

For the reporting period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Please refer to VI.1 and IV.13 for the definition of Significant, non-current and financial assets.

1. Cash at bank and on hand

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

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

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

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Financial assets at fair value through profit or loss

(1) Classification

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

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

Notes to the Financial Statements

137

For the reporting period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (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) The equity instruments held for trading are securities listed on the Stock Exchange of Hong Kong Limited and Singapore Exchange Limited, the fair value of securities is determined at the closing price of the Stock Exchange of Hong Kong Limited, Shanghai Stock Exchange and Singapore Exchange Limited on the last trading day of the period.

(4) Forward foreign exchange contracts

As at 30 June 2017, the Group had certain forward foreign exchange contracts mainly denominated in US dollars, Japanese Yen, Great Britain Pound and Euro. The nominal value of these contracts amounted to US dollars (USD) 33,500,000, Japanese Yen (JPY) 696,890,000, Great Britain Pound (GBP) 6,500,000 and Euro (EUR) 11,500,000, respectively. Pursuant to these forward foreign exchange contracts, the Group is obliged to sell foreign currencies such as USD, Japanese Yen, Great Britain Pound, Euro for certain agreed nominal value in exchange of RMB amount. These contracts will be settled in a net basis by cancelling the market value of these contracts and the agreed value. The settlement date of these forward foreign exchange contracts range from 10 July 2017 and 16 August 2018.

(5) Currency swap contracts

As at 30 June 2017, the Group had 5 net settled currency swap contracts denominated in US dollars and Yuan (RMB). The initial nominal value of these contracts amounted to USD15,000,000 and RMB52,847,000. These contracts will mature on 25 September 2017, 20 December 2017, 20 December 2017, 20 December 2017, 20 December 2017, respectively. As at 30 June 2017, the fair value of these currency swap contracts amounted to RMB333,000, which is regarded as derivative and recognized as financial assets at fair value through profit and financial liabilities at fair value through profit and loss. The transaction contracts in foreign exchange have not been considered when calculating the fair value.

(6) Interest swap contracts

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

Notes to the Financial Statements

For the period ended 30 June 2017 and ended 31 December 2016
(All amounts in RMB'000 unless otherwise specified)
(English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Notes receivable

(1) Classification of Notes receivable

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

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

Amount due from related parties held by the Group is 5% of the total amount. The amount is included in the above balance of bills receivable.

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

	30 June 2017
Bank acceptance notes	77,953

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

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

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

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable

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

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

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

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

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

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

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

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

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

Note: The category included accounts receivable individually assessed for impairment.

As at 30 June 2017, the Group did not hold any collateral for accounts receivable held. There were no impairment losses provided for accounts receivable held.

Notes to the Financial Statements

141

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

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

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

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

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

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

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

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

The aging is calculated from the date that the accounts receivable were incurred.

(7) Reversal or recovery of provision for the period

The provision for doubtful debts held at the end of the period was RMB79,347,000 (For the period from 1 January to 30 June 2016: RMB14,445,000), and the provision for doubtful debts held at the end of the period was RMB53,359,000 has been collected (For the period from 1 January to 30 June 2016: Nil).

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

The accounts receivable amount of RMB9,312,000 has been written off in the current period. (For the period from 1 January to 30 June 2016: Nil).

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

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

Notes to the Financial Statements

For the reporting period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation: Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(10) Accounts receivable from related parties:

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

Company name	Relationship	30 June 2017			31 December 2016		
		Amount	Ratio (%)	Provision for doubtful debts	Amount	Ratio (%)	Provision for doubtful debts
Ningxia Changming Natural Gas Development Co., Ltd.	Associate	75,420	0.44%	-	78,389	0.64%	-
Shanxi Heilonghe Automobile C&T Co., Ltd.	Minority shareholder	60,476	0.36%	-	27,987	0.23%	-
Fluor Ma Linme Limitee (FML)	Significant shareholder	38,523	0.23%	-	7,311	0.06%	-
Fluor China Selection Co. Ltd.	Significant shareholder	12,419	0.07%	-	-	0.00%	-
Garfin International (Garfin)	Minority shareholder	8,142	0.05%	-	8,183	0.07%	-
SUMITOMO CORPORATION	Minority shareholder	7,631	0.04%	-	56,538	0.46%	-
NYK Zhenhua	Investor	4,473	0.03%	-	5,795	0.05%	-
China Merchants Shekou Holdings Co., Ltd.	Significant shareholder	4,180	0.02%	-	-	0.00%	-
Dongfang International Chemical (Lianying) Co., Ltd. (Dongfang International)	Significant shareholder	1,879	0.01%	-	27,650	0.23%	-
Garfin Development GmbH	Minority shareholder	1,709	0.01%	-	1,610	0.01%	-
Xinhua World	Associate	1,154	0.01%	-	1,154	0.01%	-
Other related parties		2,798	0.02%	-	39,779	0.33%	-
Total		218,804	1.29%	-	254,396	2.09%	-

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

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

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

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

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

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

5. Other receivables

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

	30 June 2017	31 December 2016
Receivable arising from financing related activities	550,077	873,585
Receivable from share capital increase / share capital increase	4,265,196	4,020,057
Advance payment and financial guarantee (i)	1,658,985	1,658,985
Loan (ii)	473,022	1,011,616
Advance / change order / other / change agreement (iii)	1,020,166	999,926
Receivable from demerger / merger	28,613	572,258
Securities	823,600	663,995
Tax refund receivable	234,831	167,099
Others	900,111	960,805
Subtotal	9,954,601	10,928,326
Less: provision for doubtful debts	(1,710,625)	(1,580,439)
Total	8,243,976	9,347,887

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

(i) An indirect wholly owned subsidiary of Enric and another subsidiary of the Group, CIMC Enric in Shimen Holding (Shimen) Ltd. (EIH), entered into an agreement (Agreement) on 27 August 2015 with SOEG PTE LTD (SOEG), Jiangsu Pacific Building Group Co., Ltd. (Jiangsu Pacific) and Eelgreen Group Co., Ltd. (Eelgreen) (collectively, the Vendor), to purchase 100% equity interest in Sin Pacific Offshore & Engineering Co., Ltd. (SOE). After the completion, SOE and Eelgreen entered into a financial assistance agreement (Financial Assistance Agreement) which provided the financial assistance provided by the Group in the form of loans and guarantees. As at 30 June 2016, Enric announced the withdrawal of the SOE. SOE had been filled and the Vendor had breached certain material terms of the Agreement. EIH delivered the minimum net assets of the Vendor in the Agreement and the Vendor had provided the aid of 178,634,000. On the same date, the Company delivered the minimum net assets of SOE and Eelgreen in the Financial Assistance Agreement and the Vendor delivered the aid of 482,052,000 and released the guarantee of bank loans of 1,000,000,000 provided by Enric in favour of SOE.

During the second half year of 2016, the debt of 1,000,000,000 pledged to SOE bank loans have been issued by the bank as SOE failed to repay the bank loans in March 2017. As at 31 December 2017, the receivable due from SOE amounting to 480,351,000, issued in the information available, Enric has made a provision of 178,634,000 and 1,184,281,000 respectively for the aid amount from the Vendor and the receivable from SOE is a net amount of 1,362,915,000 during the year ended 31 December 2016.

SOE and Eelgreen are wholly owned subsidiaries of Enric and Li Jida Lin Team (the Receiver) which is a subsidiary of the PRC. On 5 July 2017, EIH, SOE and Eelgreen entered into a liquidation agreement with the Receiver. EIH and SOE have been liquidated. The Receiver has acquired the SOE and Eelgreen. The Receiver is a wholly owned subsidiary of SOE. The Receiver has a net asset of RMB799,800,000. Since the liquidation, the Receiver has issued bank loans of 1,184,281,000 to the Receiver. The Receiver is a subsidiary of the PRC. On 4 August 2017.

For the period ended 30 June 2017, based on the information available and the date of the financial statements, Enric has made an impairment provision of RMB105,549,000 for the receivable due from SOE. As at 30 June 2017, Enric has made a provision of 178,634,000 and 1,289,830,000 respectively for the aid amount from the Vendor and the receivable from SOE is a net amount of 1,468,464,000.

(ii) The bank loans mainly guaranteed in the bank by the Finance Company in the amount of 135,488,000 which expired from July 3 to July 5 2017; and the amount of 1 million and 2 million respectively.

(iii) The bank loans mainly guaranteed in the bank by the Finance Company in the amount of 1 million and 2 million respectively.

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

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

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

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

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

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

The Group did not hold any collateral for other receivables. It has no bad debts.

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

	Book balance	Provision for doubtful debts	Ratio (%)	Reason
Receivable arising from financing related activities	490,664	-	0.00%	None
Receivable arising from share capital increase/issue	4,119,061	-	0.00%	None
Loan	278,889	72,255	25.91%	None
Redemption from demerger/merger	1,020,166	-	0.00%	None
Advance payment for purchase and financial guarantee	1,658,985	1,468,464	88.52%	None
Tax refund receivable	51,531	-	0.00%	None
Other	614,888	63,833	10.38%	None
Total	8,234,184	1,604,552		

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

(5) Reversal or recovery of provision for the period

The provision for doubtful debts decreased by RMB142,700,000 (FY 2016: RMB412,354,000). A provision for doubtful debts amounting to RMB777,000 (FY 2016: RMB68,853,000) has been reversed.

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

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

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

	Notes	Nature	Book balance	Aging	% of total balance	Provision for doubtful debts
Tianjin Lanhai Offshore Engineering Limited (Tianjin Lanhai)	(i)	Receivable arising from the sale of land	3,575,000	Within 1 year	35.91%	-
Sinohydro Offshore & Engineering Co., Ltd. (SOE)		Advance payment for the sale of land	1,658,985	Within 1 year	16.67%	1,468,464
Zhenjiang CIMC Embellish Real Estate Co., Ltd. (Embellish Real Estate)	(ii)	Receivable from advance payment	503,568	1-3 years	5.06%	-
Changjiang Securities Company Limited		Bad debt expense / change	299,950	Within 1 year	3.01%	-
Jiuhua Securities Company Limited		Bad debt expense / change	152,100	Within 1 year	1.53%	-
Total			6,189,603		62.18%	1,468,464

The total amount of the five largest receivables as at 31 December 2016 amount to RMB7,130,634,000, accumulated by 65.25% of the total balance.

- (i) On 23 December 2016, Qianhai CIMC Leasing (Shenzhen) Co., Ltd. (referred to as Qianhai Leasing), the former subsidiary of Lanhai, and Tianjin Yingwang Machine Equipment Leasing Ltd. (referred to as Tianjin Yingwang), the former subsidiary of Lanhai, and Tianjin Bluewater signed a land increase agreement and industrial and commercial lease agreement which changed on 28 December, 2016. As at 30 June 2017, the total amount of the receivable arising from the land increase, Tianjin Bluewater will be an annuity received during the period from 2017 to 2019 which will be paid from 2018. After the agreement, the total amount of the receivable arising from the land increase and the non-current liability increased by RMB3,575,000.
- (ii) On 14 October 2016, 80% of the Embellish Real Estate held by the former subsidiary of Lanhai, Nanjing Garden Co., Ltd. (referred to as Garden Real Estate Development Co., Ltd. (referred to as Garden)) and the industrial and commercial lease agreement was changed. The interest on the lending from the Embellish Real Estate and the interest on the lending from the Garden Co., Ltd. (referred to as Garden) will be an annuity received during the period from 2017 to 2019. After the agreement, the total amount of the receivable arising from the land increase and the non-current liability increased by RMB503,568,000.

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

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

As at 30 June 2017 and 31 December 2016, names and percentage of shareholders holding more than 5% (including 5%) of the voting rights of the Company are included in the above balance of other receivables.

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

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

6. Prepaid expenses

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

	30 June 2017	31 December 2016
Rental (including items for hire and use)	2,519,661	2,313,829
Others	864	553
Others	106,137	78,567
Subtotal	2,626,662	2,392,949
Less: Provision for doubtful debts	(233,632)	(226,967)
Total	2,393,030	2,165,982

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Prepaid expenses (Continued)

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

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

The aging is calculated from the date the aid expense is recognized.

Other aid expense aged 1 year mainly refer to the amount of the engineering project in the G... Since the... of the engineering project... all the... have been... .

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

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

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless specified)
(English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Prepaid expenses (Continued)

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

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

(1) Inventories are summarised by categories as follows:

	30 June 2017			31 December 2016		
	Book balance	Provision for decline in the value of inventories	Net book Value	Book balance	Provision for decline in the value of inventories	Net book Value
Raw materials	3,705,526	(168,780)	3,536,746	3,252,604	(163,944)	3,088,660
Work in progress	2,569,392	(27,821)	2,541,571	2,223,924	(27,978)	2,195,946
Finished goods	4,109,445	(112,544)	3,996,901	3,713,285	(125,107)	3,588,178
Commodities	212,003	(242)	211,761	113,302	(242)	113,060
Saleable	184,079	(4,655)	179,424	213,712	(1,538)	212,174
Leased consumables	40,055	(76)	39,979	35,951	(72)	35,879
Materials in transit	30,731	-	30,731	22,887	-	22,887
Completed inventory held for sale	801,710	-	801,710	852,395	-	852,395
Provisioned inventory held for sale	1,425,597	-	1,425,597	1,400,761	-	1,400,761
Offshore engineering equipment	4,718,967	(121)	4,718,846	4,658,377	(123)	4,658,254
Amounts receivable from related parties (4)	853,605	-	853,605	1,241,321	-	1,241,321
Total	18,651,110	(314,239)	18,336,871	17,728,519	(319,004)	17,409,515

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

As at 30 June 2017, there is no provision for inventories (31 December 2016: Nil).

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

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

	31 December/ 2016	Increase in connections	Decrease in connections	30 June 2017
Raw materials	3,252,604	22,385,554	(21,932,632)	3,705,526
Work in progress	2,223,924	17,436,459	(17,090,991)	2,569,392
Finished goods	3,713,285	28,817,225	(28,421,065)	4,109,445
Commodities	113,302	1,299,933	(1,201,232)	212,003
Saleable	213,712	301,210	(330,843)	184,079
Leased containers	35,951	136,378	(132,274)	40,055
Materials in transit	22,887	50,168	(42,324)	30,731
Commodities held for sale	852,395	406,123	(456,808)	801,710
Provisioned inventories	1,400,761	240,987	(216,151)	1,425,597
Other engineering equipment	4,658,377	86,687	(26,097)	4,718,967
Amundevim containers	1,241,321	4,110,882	(4,498,598)	853,605
Total	17,728,519	75,271,606	(74,349,015)	18,651,110

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

Category	31 December/ 2016	Increase in connections	Decrease in connections		Exchange difference arising from translation of foreign exchange	30 June 2017
			Real	Write-off		
Raw materials	163,944	40,938	(39,065)	(993)	3,956	168,780
Work in progress	27,978	431	(1,575)	(435)	1,422	27,821
Finished goods	125,107	38,387	(41,076)	(10,509)	635	112,544
Commodities	242	-	-	-	-	242
Saleable	1,538	-	(1,565)	(4,458)	9,140	4,655
Leased containers	72	4	-	-	-	76
Other engineering equipment	123	-	-	-	(2)	121
Amundevim containers	-	-	-	-	-	-
Total	319,004	79,760	(83,281)	(16,395)	15,151	314,239

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

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

(a) The provision for decline in value of inventories in ended financial statements are recognized mainly for the decline of certain products and materials.

With effect from the provision for decline in value of inventories in ended financial statements:

Category	Basis for provision	Reason for reversal/write-off
Raw materials	The net realizable value	Increase in net realizable value
Work in progress	The net realizable value	Increase in net realizable value
Finished goods	The net realizable value	Increase in net realizable value
Construction materials	The net realizable value	Increase in net realizable value
Saleable	The net realizable value	Increase in net realizable value
Leased equipment	The net realizable value	Increase in net realizable value
Offshore engineering equipment	The net realizable value	Increase in net realizable value
Amortized intangible assets	The net realizable value	Increase in net realizable value

(4) Amount due from customer for contract work

	30 June 2017	31 December 2016
Aggregate contract incurred and recognized (Less: Receivable)	4,138,034	6,293,908
Less: unbilled receivable and receivable	(3,349,614)	(5,131,718)
	788,420	1,162,190
Including:		
Contract work-in-progress unbilled	853,605	1,241,321
Partially billed contract work-in-progress	(65,185)	(79,131)
	788,420	1,162,190

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Assets classified as available for sale

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

As at 31 December 2016, in a sale of the Board of Directors, the Group's subsidiary, Jinqing (Qinhangda) Vehicle Manufacturing Co., Ltd. has signed an irrevocable sale agreement with the Qinhangda Economic and Technological Development Zone Land Acquisition and Redevelopment Center to sell its fixed assets with a carrying amount of 36,377,000 and intangible assets with a carrying amount of 74,954,000. The sale transaction is expected to be completed in 2017. As at 31 December 2016, the sale of the Board of Directors, CIMC Vehicle (Group) Xinjiang Co., Ltd. has signed an irrevocable sale agreement with the Xinmen Steel in Xinmen with a carrying amount of 26,401,000, fixed assets with a carrying amount of 55,892,000 and intangible assets with a carrying amount of 10,223,000. Urumqi High-tech Industrial Development Zone (New Urban Area) People's Government and The Management Committee of Urumqi High-tech Industrial Development Zone, which is expected to be completed by 2017. The above-mentioned assets would be classified as available for sale and are reported as such in the balance sheet as at 31 December 2016: 203,847,000.

9. Current portion of non-current assets

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

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

As at 30 June 2017, the balance of the long-term receivables from related parties disclosed in the consolidated financial statements is RMB36,658,000 (31 December 2016: 108,990,000).

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

Current portion of non-current receivables are mainly due to the following:

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

Note: This category includes non-current receivables disclosed in the consolidated financial statements which are individually all significant.

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Other current assets

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

11. Available-for-sale financial assets

	30 June 2017	31 December 2016
Measured at fair value		
Available-for-sale equity investments	1,761	2,441
Financial instruments	20,000	-
Bank	31,086	30,803
Measured at historical cost		
Available-for-sale equity investments (1) Unlisted	411,970	412,240
Overtime	10	307
Losses from impairment	(3,065)	(3,065)
	461,762	442,726

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

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

Notes to the Financial Statements

For the period ended 30 June 2017 and ended 31 December 2016
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

	31 December 2016	Increase in c/men- e/d	Decrease in in c/men- e/d	30 June 2017	Share/Iding faidif in. ee	Cash di. idend in c/men- e/d
A. Available-for-sale financial assets						
Financial assets						
China United International Rail Container (Group) Co., Ltd. (CR International)	380,780	-	-	380,780	10.00%	4,000
Bank of Communications Shanghai Branch Management Co., Ltd. (BOCM Shanghai)	8,125	-	-	8,125	5.00%	-
Beihai Yinjian Co., Ltd. (Beihai Yinjian)	1,700	-	-	1,700	1.01%	-
Guangdong Sameng Energy Group Co., Ltd. (Guangdong Sameng)	1,365	-	-	1,365	0.09%	-
Donghai Container Terminal Services Co., Ltd.	270	-	(270)	-	0.00%	-
Zhuhai Yinhua Technology Co., Ltd. (Zhuhai Yinhua)	20,000	-	-	20,000	2.00%	-
Subtotal	412,240	-	(270)	411,970		4,000
Provision for impairment	(3,065)	-	-	(3,065)		-
Total	409,175	-	(270)	408,905		-

Available-for-sale financial assets mainly consist of equity investments in non-listed companies, which do not have active markets. The valuation of available-for-sale financial assets is subjective, and the realizability of the investments can not be reasonably confirmed. Therefore, the fair value is not determinable. The Group's fair value is not determined in the period.

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables

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

At the end of 30 June 2017, there is no long-term receivable default in the holding company and 5% (including) of the long-term receivable is related to (31 December 2016: Nil)

The total minimum lease receivable under finance lease after the balance sheet date, which is based on contract and cash flow (including income tax and other contractually agreed, if applicable, based on the contract balance sheet date), of receivable is:

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

As at 30 June 2017, there is no long-term receivable defaulted during the financial year in the company (31 December 2016: Nil).

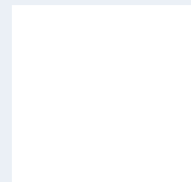
Notes to the Financial Statements

For the period ended 31 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Long-term receivables (Continued)

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



Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments

(1) Classification of long-term equity investments:

		30 June 2017	31 December 2016
Investments in Associates	(2)	512,490	500,501
Investments in Subsidiaries	(3)	1,736,940	1,661,718
		2,249,430	2,162,219
Less: Impairment losses		(2)	(2)
Total		2,249,428	2,162,217

The above financial investments are classified as long-term investments.

None of the financial investments which are held by the Company are held by the Group and the investments in Associates and Subsidiaries.

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

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

	31 December 2016	Increase/ Decrease in equity invest- ment	Net profit/ loss attributable to the investee	Adjustment for impairment losses	Other equity movements	Dividend declared	Change in foreign exchange rate	30 June 2017	Percentage of ownership
Guangxi CIMC Logistics Equipment Manufacturing Co., Ltd.	36,294	-	3,345	-	-	-	-	39,639	-
Shanghai (Shanghai) Refrigeration Equipment Co., Ltd.	2,171	-	(295)	-	-	-	-	1,876	-
Shanghai Shenji Special Vehicle Parts Co., Ltd.	11,340	-	-	-	-	-	(338)	11,002	-
NYK Zhenhua Logistics (Tianjin) Co., Ltd.	75,432	-	823	-	-	(4,753)	-	71,502	-
Kaopaki Zhenghua Logistics (Tianjin) Co., Ltd.	22,330	-	1,417	-	-	-	-	23,747	-
Qingdao Jiefeng Baijian Container Maintenance Co., Ltd.	14,531	-	1,476	-	-	-	(433)	15,574	-
Dalian Jiefeng Baijian Logistics Co., Ltd.	5,678	-	397	-	-	(1,000)	(169)	4,906	-
Shanghai Baijian De'ei Container Maintenance Co., Ltd.	23,888	-	2,045	-	-	-	(711)	25,222	-
Tianjin Jiefeng Baijian Container Maintenance Co., Ltd.	7,933	-	1,087	-	-	-	(236)	8,784	-
Y&C Engine Co., Ltd.	195,777	-	6,149	-	-	-	-	201,926	-
Shanghai CIMC Mobile Container Service Co., Ltd.	1,630	-	(1,015)	-	-	-	-	615	-
Ningbo Meizhan Banded Products Alfa Changhui Liancheng Investment Management Partnership (Limited Partnership)	50,100	3,000	-	-	-	-	-	53,100	-
Hangzhou Yinghe Investment Management Partnership	20,100	1,200	-	-	-	-	-	21,300	-
Neuhof in Shanghai UG	33,287	-	-	-	-	-	-	33,287	-
Hangzhou Xin'e Investment Management Partnership	10	-	-	-	-	-	-	10	-
Total	500,501	4,200	15,429	-	-	(5,753)	(1,887)	512,490	-

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

Notes to the Financial Statements

For the consolidated financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English translation is for reference only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

(3) Long-term equity investments in associates:

	31 December 2016	Increase/ Decrease in in RMB'	Net adjustment in RMB'	Adjusted in RMB'	Other in RMB'	Change in RMB'	Recognized in RMB'	30 June 2017	
Xin Yang W. d. H. g. K. 'ng C. , L. d. ~	7,071							7,071	
Ningbo Beil n D' ngh a C' n. a. i. n. e. l S. e. l. i. c. e. C. , L. d. ~	1,200							1,200	
Xiamen CIMC Hai. ~ C' n. a. i. n. e. l S. e. l. i. c. e. C. , L. d. ~	23,350		1,505					24,855	
Dalian Jil' ng L' g. u. i. b. a. C. , L. d. ~	47,615		529					48,144	
Senji (Jiangmen) Techn' V' g M. a. e. t. a. l. C. , L. d. ~	45,684		790					46,474	
E. l. e. k. t. r. i. c. O. (E. l. e. k. t. r. i. c.)	8,374		389					8,763	
Shanghai Feng ang Real E. s. t. a. t. e. ~ D. e. v. e. l. o. p. m. e. n. t. C. , L. d. ~	104,191							104,191	
TSC	212,905					(6,338)		206,567	
Maline S. o. o. e. a. & C. o. o. p. e. r. L. i. m. i. t. e. d	2							2	(2)
Tian h (Shanghai) I. n. t. e. r. n. a. t. i. o. n. a. l F. l. e. i. g. h. A. g. e. n. c. y. C. , L. d. ~	1,900		75					1,975	
LiH a g. o. n. g. a. n. d L. a. n. g. M. a. i. n. C. , L. d. ~ (LiH a E. n. e. r. g.)	102,176		2,832					105,008	
Jiang R. i. c. h. e. n. g. M. a. c. h. i. n. e. l. C. , L. d. ~	28,123							28,123	
Ji ' a. n. E. n. e. r. g. i. c. K. o. n. g. C. o. g. e. n. i. c. M. a. c. h. i. n. e. l. C. , L. d. ~	2,608		(1,225)					1,383	
O. i. l. i. n. c. (Shanghai)	16,589		(81)					16,508	
X. h. ' C. I. M. C. W. ' d. C. , L. d. ~	27,519		302					27,821	
Tianjin S. i. l' n D' ng. i. a. n. g. A. n. i. m. a. l H. a. n. d. l. C. , L. d. ~	30,436		(2,316)					28,120	
Qingda' P. i. n. e. t. i. a. l. I. n. t. e. r. n. a. t. i. o. n. a. l T. r. a. d. e. a. n. d. L. o. g. i. s. t. i. c. s. C. , L. d. ~	43,400		1,246					44,646	
ZPMC-Red B' E. n. e. r. g. S. e. l. i. c. i. t. y L. i. m. i. t. e. d	14,567		(14,567)					-	
Tianjin Sh' n' ng I. m. ' & E. ' ~ T. r. a. d. i. n. g. C. , L. d. ~	21,110							21,110	
Jiah a Sh' i. n. g C. , L. d. ~ (Jiah a S. h' i. n. g)	126,454					(2,966)		123,488	
Xind F. l. e. i. g. h. C. , L. d. ~	688		150					838	

Notes to the Financial Statements

For the period presented from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

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

	31 December/2016	Increase/Decrease in investment	Net addition by investment	Adjustment of investment income	Other movements	Change in foreign exchange rate	Recognized impairment	Other	30 June/2017	Impairment
Chifeng Lian'an Farm Co., Ltd.	6,296	-	-	-	-	-	-	-	6,296	-
CIMC Arabia Facility Company Limited	5,227	-	-	-	-	-	-	-	5,227	-
Shanghai Xiang'an Agricultural Co., Ltd.	679	(603)	(76)	-	-	-	-	-	-	-
Ningxia Bealeng Co., Ltd.	14,633	-	-	-	-	-	-	-	14,633	-
Ningxia Changming Water-Gas Development Co., Ltd.	18,331	-	-	-	-	-	-	-	18,331	-
Chengde Technology Equipment Co., Ltd.	2,637	-	(240)	-	-	-	-	-	2,397	-
Shenzhen Red Network Technology Co., Ltd.	7,407	2,000	-	-	-	-	-	-	9,407	-
Beijing Billion E-Trade Co., Ltd.	12,423	-	-	-	-	-	-	-	12,423	-
Guangzhou China Technology Co., LTD	23,829	-	321	-	-	-	-	-	24,150	-
China File Safe Enterprise Group Limited (China File Safe)	485,275	-	-	-	-	29,718	-	-	514,993	-
Shanghai Tanklink Supply Chain Technology Development Co., Ltd.	2,000	-	-	-	-	-	-	-	2,000	-
Zhejiang Xinling Bamboo Industry Co., Ltd.	14,447	-	-	-	-	-	-	-	14,447	-
Ningxia Ganchen Bamboo Products Co., Ltd. (Ningxia Ganchen)	662	-	-	-	-	-	-	-	662	-
Fujian Qingchen Bamboo Industry Co., Ltd. (Qingchen bamboo industry)	2,448	-	-	-	-	-	-	-	2,448	-
UC Page LLC	5,779	-	-	-	-	-	-	-	5,779	-
Waidlink Yibei (Beijing) International Logistics Co., Limited	3,120	-	-	-	-	-	-	-	3,120	-
Jiangsu Baiking Agricultural Co., Ltd.	23,755	-	111	-	-	(422)	-	-	23,444	-
Shenzhen Cadellia Equipment Co., Ltd. (Cadellia)	17,858	-	-	-	-	-	-	-	17,858	-
Zhongxin-ei	22,648	-	-	-	-	-	-	-	22,648	-
Henan Yida Yantai Logistics Technology Co., Ltd. (Henan Yida)	378	-	-	-	-	-	-	-	378	-
CIMC Longin (Beijing) Supply Chain Technology Co., Ltd.	580	80	-	-	-	-	-	-	660	-
Qianhai Riji Technology Co., Ltd.	3,718	-	(363)	-	-	-	-	-	3,355	-

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term equity investments (Continued)

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

	31 December 2016	Increase/Decrease in investment	Net adjustment	Adjusted investment	Share of dividends declared	Change in foreign exchange rate	Recognized impairment	Other	30 June 2017	Impairment
Shanghai In. Management Co., Ltd.	117,775	-	(2,633)	-	-	-	-	-	115,142	-
CIMC Shanghai (Changhui) Logistics Co., Ltd.	3,000	(3,000)	-	-	-	-	-	-	-	-
Mifan (Shanghai) International Trade Co., Ltd. (Mifan Shanghai)	851	-	(68)	-	-	-	-	-	783	-
Shanghai Xin Bai Qin Vehicle Co., Ltd.	-	16,000	428	-	-	-	-	-	16,428	-
Shenhen Sk. Calcium Co., Ltd. (SESKYC)	-	2,750	-	-	-	-	-	-	2,750	-
Reading In. Management Limited (Reading Calcium Ind. Co., LLP)	-	30,539	-	-	-	-	-	-	30,539	-
Xinghe Chelion Technology Co., Ltd.	-	1,750	-	-	-	-	-	-	1,750	-
CELA S/I	-	18,605	-	-	-	-	-	-	18,605	-
Total	1,661,718	68,121	(12,891)	-	-	19,992	-	-	1,736,940	(2)

Reference 1.2 for details in associates

The Group has interests in TSC, LiHua Energy, Jiangsu Ruchen, Ouhai Inc (Shanghai), ZPMC, Cadmus, Huda Lic, Zhongji Xinlei, Henan Yida and Shenhen Road Network Technology Co., Ltd. are all below 20%. Because the Group has a limited decision-making ability over these associates, the Group had no significant influence over them. Therefore, the Group has accounted for these associates using the equity method.

As at 30 June 2017, the Group has no need for the Group to recognize impairment for long-term investments in associates in the consolidated financial statements based on the information existing on the management's latest available financial and book value information in the consolidated financial statements and associates (31 December 2016: Nil).

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Investment properties

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

In the period, there is no cancelled building contracts in existence (For the period ended 30 June 2016: Nil).

The fair value of the existing contracts of the Group belong to the 31 December of the annual meeting and significant amount is provided by the Group in determining the fair value of in existence at the end of the year XIV. 6.

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

As at 30 June 2017, the building under construction amount of 156,697,000 (31 December 2016: 113,196,000) had not been entered the financial statements and confirmed in the financial statements.

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets

(1) Fixed assets

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

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets (Continued)

(1) Fixed assets (Continued)

As at 30 June 2017, the machine, building, vehicle and other equipment 375,761,000 (original cost of 525,362,000), accumulated depreciation of 109,272,000 (31 December 2016: 398,144,000 (original cost of 525,305,000)) and accumulated depreciation of 159,815,000, see Note IV. 24.

In the period, depreciation of fixed assets recognized amount 916,498,000 (For the period ended 30 June 2016: 1,056,717,000), of which 776,825,000, 9,897,000 and 129,776,000 (For the period ended 30 June 2016: 891,935,000, 14,860,000 and 149,922,000) 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 414,166,000 (2016: 1,206,156,000).

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

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

Notes to the Financial Statements

169

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets (Continued)

(3) Fixed assets held through finance leases:

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

During the reporting period, fixed assets held through finance leases mainly consist of machinery and equipment and leased back by C&C Technology.

(4) Fixed assets with certificates of ownership unsettled

	Carrying amount	Reasons for pending
Factories	974,123	Pending, certificates being in progress
Office buildings	159,663	Pending, certificates being in progress
Warehouses	214,459	Information dated, being in progress
Demolition and Construction	105,598	Pending, certificates being in progress
Warehouses	116,637	Under the arrangement of the leasing matter
Others	162,602	Certificates being in progress
Total	1,733,082	

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Construction in progress

(1) Construction in progress

	30 June 2017			31 December 2016		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Vessel order cancellation of financing and leasing company	20,301,214	-	20,301,214	19,405,489	-	19,405,489
Raffles H273, H1284 project	2,747,244	-	2,747,244	2,754,873	-	2,754,873
Enfoc Rixn cancellation project	59,202	-	59,202	88,101	-	88,101
Child Chain Reel cancellation project	49,146	-	49,146	47,633	-	47,633
Refrigerated container project of Anhui United Feicai	37,622	-	37,622	30,583	-	30,583
Production equipment of C&CT	35,382	-	35,382	35,218	-	35,218
HJQM semi-trailer production line	26,477	-	26,477	-	-	-
XHCIMC assembly line cancellation project	22,418	-	22,418	13,079	-	13,079
Digital cancellation project of QDCRC	21,129	-	21,129	21,129	-	21,129
Qingdao CIMC assembly line cancellation project	19,590	-	19,590	-	-	-
SHYSLF assembly line cancellation project	11,933	-	11,933	-	-	-
Dongguan CIMC vehicle production equipment project	5,522	-	5,522	11,497	-	11,497
TCCIMC terminal and cancellation project	5,400	-	5,400	5,400	-	5,400
Raffles large scale equipment (including 2000 crane)	3,128	-	3,128	3,080	-	3,080
TJICIMC mid-back axle and beam side of beam axle production line	1,981	-	1,981	1,575	-	1,575
TAS New Plant project	1,824	-	1,824	1,498	-	1,498
XHCIMCS Production Line and Production Facility Recancellation project	1,506	-	1,506	1,506	-	1,506
Second phase of Hebei cancellation project	641	-	641	12,033	-	12,033
Others	454,939	(1,645)	453,294	338,916	(2,421)	336,495
Total	23,806,298	(1,645)	23,804,653	22,771,610	(2,421)	22,769,189

The carrying amount of cancellation in progress at the end of the period included accumulated impairment losses of RMB1,645,000 (31 December 2016: RMB1,532,714,000). The impairment loss determined by accumulated impairment loss at the end of the period was 3.18% (for the period ended 30 June 2016: 3.08%).

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

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English text has primary reference)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Construction in progress (Continued)

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

Project Name	31 December 2016		30 June 2017		Percentage completed	Included in construction in progress	Included in construction in progress (a.e.%)	Bank loan	Change during the period
	Amount	Accumulated additions	Amount	Accumulated additions					
Construction of new office buildings and residential buildings	25,459,806	19,405,489	20,301,214	997,902	98%	1,110,333	3.18%	Bank loan	(102,177)
Raffles Hotel	2,866,854	2,754,873	2,747,244	56,753	97%	192,141	3.18%	Self-financing	(64,382)
China Railway Group Limited	181,082	88,101	59,202	9,764	91%	-	-	Self-financing	-
China Railway Group Limited	60,000	47,633	49,146	1,513	82%	-	-	Self-financing	-
Refugee Education	41,249	30,583	37,622	7,039	91%	-	-	Self-financing	-
Medical	35,838	35,218	35,382	260	99%	-	-	Self-financing	-
HQ of China Railway Group Limited	120,000	-	26,477	26,477	22%	-	-	Self-financing	-
XHOMC	30,640	13,079	22,418	11,863	81%	-	-	Self-financing	-
Qingdao CMC	23,369	21,129	21,129	-	90%	-	-	Self-financing	-
SHSU	29,500	-	19,590	19,590	66%	-	-	Self-financing	-
SHSU	30,000	-	11,933	11,933	40%	-	-	Self-financing	-
Dingde CMC	388,182	11,497	923	923	1%	-	-	Self-financing	-

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Disposal of fixed assets

	30 June 2017	31 December/ 2016
Buildings	76,267	87,015
Machinery and equipment	43,790	42,016
Transportation	124	211
Office & other equipment	239	808
Total	120,420	130,050

18. Intangible assets and development expenditure

(1) Intangible assets

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

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

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Intangible assets and development expenditure (Continued)

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

	Carrying amount in RMB	Reasons for unsettlement
Ningbo C'n. a. i. n. e. l. Man. fac. t. e. land use right	75,322	in the process of settlement
SCIMCEL Tangkeng land use right	55,674	expired and re-extended
C&C T. c. r. land use right	19,187	in the process of settlement
Langfang land use right	8,887	in the process of settlement
SCIMCEL d. i. m. i. t. e. e. d. land use right	1,787	in the process of settlement
Total	160,857	

After the expiration of the above-mentioned land use rights, the applicant has applied for the renewal of the land use rights.

- (3) As of 30 June 2017, there was no restricted intangible asset (31 December 2016: Nil).
- (4) As at 30 June 2017, the intangible asset with indefinite useful lives is Gas station Franchise which amounted to 53,300,000 (31 December 2016: 53,300,000).
- (5) Development expenditure is as follows:

	31 December 2016	Continued addition	Recognized in intangible asset	30 June 2017
Patent vehicle technology	43,089	21,029	(14,441)	49,677
Others	6,901	10	-	6,911
	49,990	21,039	(14,441)	56,588

In the period, the development expenditure ended the amount was 309,498,000 (For the period ended 30 June 2016: 248,570,000); 288,459,000 of which (For the period ended 30 June 2016: 230,097,000) are included in the continuing and discontinued operations, and amount 9,039,000

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Goodwill

	31 December/ 2016	Change during the period	30 June 2017
Enfitec	630,992	(5,200)	625,792
Vehicle UK	336,360	9,515	345,875
TGESA	164,502	6,397	170,899
YPDI	86,558		86,558
Baotou	132,245		132,245
Pekin	108,196		108,196
C & C Truck	132,145		132,145
Haoheng	103,530		103,530
Others	569,673	1,453	570,986
Sub-total	2,264,201	1,453	2,276,226
Less: Intangible assets			
C & C Truck	93,330		93,330
Others	42,978	(475)	42,503
Sub-total	136,308	(475)	135,833
Total	2,127,893	1,453	2,140,393

(1) Impairment test for asset group including goodwill

The goodwill allocated to the asset group and combination of asset group are mainly based on the following segments:

	30 June 2017	31 December/ 2016
China asset group	120,085	120,085
Road train vehicle asset group	417,663	408,658
Energy and chemical & feed equipment asset group	1,075,392	1,074,195
Offshore engineering asset group	229,442	229,397
Logistics/ice asset group	120,558	120,558
Heavy truck asset group	38,815	38,815
Air equipment asset group	108,196	108,196
Asset group with insignificant change of goodwill	30,242	27,989
Total	2,140,393	2,127,893

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English translation is for reference only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Long-term prepaid expenses

	31 December 2016	Additions during the period	Consumption during the period	Consumption during the period	Exchange difference arising from translation of foreign currency	30 June 2017
Yard facilities expenses	9,691	-	223	(1,424)	29	8,519
Project licence and commission	133,924	-	31,369	(30,658)	(2,513)	132,122
Implementation of fixed assets held under leasing lease	9,439	-	5,372	(2,204)	-	12,607
Other long term prepaids	-	-	-	-	-	-
Implementation of engineering contract	19,996	-	51,692	(12,110)	(987)	58,591
Others	73,524	52	10,123	(14,283)	(99)	69,317
Sub-total	246,574	52	98,779	(60,679)	(3,570)	281,156
Less: Provision for impairment	-	-	-	-	-	-
Total	246,574	52	98,779	(60,679)	(3,570)	281,156

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets and deferred tax liabilities

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

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

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(2) Unrecognised deferred tax assets

	30 June 2017	31 December 2016
Deductible Intangible Assets	1,712,996	1,606,035
Impairment loss of SOE	634,426	340,729
Impairment loss of timber concession rights	22,119	22,119
Others	3,125	3,125
Total	2,372,666	1,972,008

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

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

Note: Balance of 2016 and 30 June 2017, recognised deferred tax assets are aged for 5 years (inclusive) arising from deductible intangible assets, impairment loss of SOE, Deductible loss of generalised in Hong Kong, the United States of America, the United Kingdom of Great Britain and Australia can be recognised indefinitely; deductible loss of generalised in the Netherlands can be recognised for nine years.

As at 30 June 2017, the Group has recognised an income tax in the difference of a tax authority in Hong Kong and the Group has decided to identify the difference in mainland China. The amount of difference arising from the deductible loss of generalised in Hong Kong is RMB3,630,258,000 (31 December 2016: RMB3,303,113,000). Since the Group can control the deductible loss in Hong Kong and has decided to identify the difference in the foreseeable future, the deferred income tax liabilities in Hong Kong are not recognised.

The Group had not recognised deferred tax liabilities for the main reasons as follows:

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Other non-current assets

	30 June 2017	31 December 2016
Entirely owned land	13,721	35,547
Prepaid land lease	6,956	32,235
Prepaid lease	-	8,695
Prepaid construction	-	7,429
Others	-	2,447
Total	20,677	86,353

As at 30 June 2017, there is no non-current asset held for sale including mortgage 5% (including) of the land lease (31 December 2016: Nil).

23. PROVISION FOR ASSET IMPAIRMENT

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

Please refer to the section on the above for details of the provision for asset impairment.

Notes to the Financial Statements

For the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless specified)
 (English Translation Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Restricted assets

As at 30 June 2017, the restricted assets in the consolidated financial statements are as follows:

		31 December 2016	Change addition	Change decrease	Exchange difference from translation	30 June 2017
Restricted assets						
Cash at bank and in hand	IV.1	987,257	49,135	(219,448)	(99)	816,845
Non-receivable	IV.3	206,753	207,835	(158,188)	-	256,400
Long-term receivable	IV.12	8,164,729	(57,408)	(654,249)	-	7,453,072
Financial	IV.15	398,144	-	(22,383)	-	375,761
Total		9,756,883	199,562	(1,054,268)	(99)	8,902,078

Long-term receivable are restricted collateral for mortgage loan. Non-receivable are restricted financing, ledger for lease of gantry and ledger for financial instrument. Reference to IV.15 for non-current financial instrument which are restricted collateral for long-term receivable. Reference to IV.25 and IV.28 for details of financial instrument. The restricted cash at bank and in hand are restricted deposits, and deposits in the People's Bank of China by Finance Company.

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Short-term borrowings

(1) Classification of short-term borrowings:

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

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Short-term borrowings (Continued)

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

- (a) As at 30 June 2017, guaranteed borrowings of the Group consisted of bank loans from Zhenhua Zhenhua Logistics Group Co., Ltd. (Zhenhua Group) amounting to USD324,000 (Equivalent RMB2,195,000); loans from CIMC Raffles Engineering (Singapore) Co., Ltd. amounting to 1,400,138,000, USD33,962,000 (Equivalent RMB230,096,000) and Euro 2,158,000 (Equivalent RMB16,723,000), guaranteed by the Group and China International Marine Container (Hong Kong) Limited (CIMC Hong Kong); loans from Zhenhua C&C Truck amounting to 450,000,000, which are guaranteed by the Group; loans from Xiamen Hongbin Leasing Co., Ltd. amounting to 112,000,000, guaranteed by the CIMC Financing and Leasing Co., Ltd. (CIMCVL); CIMC Financing and Leasing Co., Ltd. (CIMCVL) amounting to USD23,500,000 (Equivalent RMB159,214,000), guaranteed by the Group and CIMC Hong Kong.
- (b) As at 30 June 2017, the pledged loans of the Group are from the People's Bank of China pledged in the form of receivables which are collateralized by Finance Company, amounting to 32,821,000.
- (c) As at 30 June 2017, there are no short-term borrowings issued with a revolving credit facility of 5% (including 5%) of the Group's total assets.
- (d) As at 30 June 2017, the interest rate on short-term borrowings ranged from 1.30% to 6.09% (31 December 2016: 0.65% to 16.41%).

26. Financial liabilities at fair value through profit or loss

	30 June 2017	31 December 2016
Current		

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Notes payable

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

The above notes payable are due within one year.

28. Accounts payable

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

	30 June 2017	31 December 2016
Debtors' payable	9,364,746	8,303,845
Unsettled goods purchase charges	468,558	461,925
Prepaid commission charges	291,105	259,029
Prepaid commission charges	398,677	658,048
Debtors' commission payable	618,839	150,029
Transportation charges	69,741	135,159
Prepaid shipping charges	41,972	129,178
Others	91,540	63,738
Total	11,345,178	10,160,951

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Accounts payable (Continued)

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

The aging analysis of accounts payable is as follows:

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

As at 30 June 2017, accounts payable of 1 year or less in aging amount of 634,903,000 (31 December 2016: 625,601,000) are mainly payable related to the engineering business. Since the credit cycle of the engineering project is all more than one year, the payable have not been settled.

The aging is calculated from the date the accounts payable is recognized.

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

Company name	Relationship with the Group	30 June 2017		31 December 2016	
		Amount	% of total balance	Amount	% of total balance
Y&C Engine	Jin Yente	38,931	0.34%	66,157	0.65%
TSC	Guojia	13,807	0.12%	25,727	0.25%
Fujian Qingchen Bamboo Industry Co., Ltd.	Guojia	10,496	0.09%	8,138	0.08%
Shanghai Hea D Automobile	Minjiahe/Idex/Bojia	5,352	0.05%	3,611	0.04%
Ningbo Changming	Guojia	2,732	0.02%	2,435	0.02%
Xinhai CIMC Welding Co., Ltd.	Guojia	202	0.00%	17,905	0.18%
Wahit Trading Co., Ltd.	Minjiahe/Idex/Bojia	-	0.00%	15,902	0.16%
Other related parties		5,825	0.05%	7,062	0.07%
Total		77,345	0.67%	146,937	1.45%

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Advanced receipts

(1) Advanced receipts

	30 June 2017	31 December 2016
Advanced receipts from customers	2,431,530	3,167,715
Advanced receipts from construction	1,571,044	155,912
Advanced receipts from other	210,070	208,583
Advanced receipts from trade and logistics	139,340	70,508
Others	193,851	177,976
Total	4,545,835	3,780,694

As at 30 June 2017, advanced receipts from the sale of 1 year liability calling amounting to 304,804,000 (31 December 2016: 330,291,000), are mainly related to advance and pre-shipment related to the engineering business. Since the end of construction of the engineering, energy and chemical industry, pre-shipment all the balance of advanced receipts have not been received.

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

30. Accrued payroll

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

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Accrued payroll (Continued)

(1) Short-term wages

	31 December 2016	C Men. eliv'd additi n	C Men. eliv'd decrease	E change differenc changin g Lan g f/foreign c //enc	30 June 2017
Wages and salaries, bonuses, allowances and expenses	1,699,319	2,516,308	(2,475,474)	4,252	1,744,405
Provisioning and pension management	205,151	-	(8,951)	-	196,200
Housing fund	6,118	80,860	(80,906)	(30)	6,042
Labour insurance and employee education	62,236	27,129	(36,014)	(157)	53,194
Social security fund and health	12,517	87,991	(77,504)	1	23,004
Including: Medical insurance	9,564	74,051	(65,053)	1	18,563
Work injury insurance	1,583	8,250	(7,850)	-	1,983
Maternity insurance	1,370	5,690	(4,601)	-	2,458
Other employee wages	104,784	280,656	(334,802)	901	51,539
Total	2,090,125	2,992,944	(3,013,651)	4,967	2,074,384

(2) Defined contribution plans

	31 December 2016	C Men. eliv'd additi n	C Men. eliv'd decrease	E change differenc changin g Lan g f/foreign c //enc	30 June 2017
Basic pension	21,455	205,171	(186,716)	5	39,915
Unemployment insurance	2,554	8,214	(5,724)	-	5,043
Employee annuity	147	1,109	(1,061)	-	195
Total	24,156	214,494	(193,501)	5	45,153

Notes to the Financial Statements

187

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Interest payable

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

33. Dividends payable

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

34. Other payables

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

	N/e	30 June 2017	31 December/ 2016
Advance received		2,595,693	1,892,437
Accounts payable		1,555,619	1,490,340
Quality assurance		543,228	593,210
Trade payables		500,826	315,605
Employee benefits		136,633	185,777
Environmental compliance		82,243	73,619
Construction payables to minority shareholders	(3)	72,786	111,054
Insurance		27,483	12,732
Rental		4,452	601
Professional and training fees		1,712	17,897
Holding maintenance fees		773	5,456
Equity payable in Yangshan		-	23,200
Others		605,931	432,145
Total		6,127,379	5,154,073

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Other payables (Continued)

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

Company name	Relationship	30 June 2017		31 December 2016	
		Amount	% of total balance	Amount	% of total balance
Guangyin In. Co. (Shanghai) Ltd.	Minority shareholder	45,571	0.74%	46,990	0.91%
Shanghai Fuli Real Estate Development Co., Ltd. (Shanghai Fuli)	Minority shareholder	27,215	0.44%	56,794	1.10%
Shanghai Fengang	Supplier	26,390	0.43%	26,390	0.51%
Xiamen CIMC Haiyang Container Services Co., Ltd. (Xiamen CIMC)	Supplier	4,998	0.08%	-	0.00%
Lihua Energy	Supplier	-	0.00%	37,690	0.73%
Ningxia Changming	Supplier	-	0.00%	11,900	0.23%
TSC	Supplier	-	0.00%	6,766	0.13%
Inland Service B.V. (Netherlands)	Minority shareholder	-	0.00%	7,270	0.14%
Other related parties		7,232	0.12%	11,584	0.22%
Total		111,406	1.82%	205,384	3.98%

35. Provisions

		31 December 2016	Change during the period	30 June 2017
Provision for doubtful debts	(1)	690,574	182,393	657,649
Guarantee provision		79,104	(79,104)	-
Loss provision for ending accounts		43,490	2,301	43,005
Other	(2)	34,261	(10,833)	71,509
Total		847,429	(123,973)	772,163

(1) The Group identifies impairment losses on financial assets based on the change in expected cash flows. The Group will identify impairment losses on financial assets based on the change in expected cash flows. The Group will identify impairment losses on financial assets based on the change in expected cash flows. The Group will identify impairment losses on financial assets based on the change in expected cash flows.

(2) The balance of other provisions at the end of the reporting period is mainly related to the provision for vehicle mortgage guarantee and various deposits.

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Current portion of non-current liabilities

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

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

37. Other current liabilities

		30 June 2017	31 December 2016
Commercial liabilities guaranteed by Group	(1)	2,583,959	1,666,966
Others		28,321	20,796
		2,612,280	1,687,762

(1) The Commercial liabilities guaranteed by CIMC Finance Holdings Limited (CIMC FH) and CIMC HK were provided by CIMC FH and CIMC HK. On 20 March 2016, CIMC FH entered into a commercial liability agreement with Bank of New York Mellon, Goldman Sachs and Bank of China (London Branch) in respect of commercial liability amounting to USD450 million in the amount of the liability. On 21 December 2015, CIMC HK entered into a commercial liability agreement with Bank of China and Bank Mellil L in respect of commercial liability in the amount of USD600 million. On 30 June 2017, the net amount of outstanding 3-year commercial liability guaranteed under the above mentioned agreements was USD63,400,000 (equivalent to RMB429,488,000).

Notes to the Financial Statements

For the period ended 30 June 2017 and ended 31 December 2016
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Long-term borrowings

(1) Classification of long-term borrowings

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

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

(ii) As at 30 June 2017, the Group's long-term guaranteed borrowings are comprised of bank borrowings of Filing amount of USD1,489,000,000 (equivalent to RMB10,088,075,000), which are guaranteed by the Company, among which the Filing amount of USD2,000,000 (equivalent to RMB13,550,000); bank loans of CIMC amount of USD352,157,000 (equivalent to RMB2,385,719,000), guaranteed by the Company and CIMC Hong Kong, among which the Filing amount of USD248,114,000 (equivalent to RMB1,690,922,000); bank borrowings of Xiamen Hongin Beig Leasing Co., Ltd. amount of 25,787,000 guaranteed by Tianjin Hongin Beig Co., Ltd.; bank borrowings of Dnggan CIMC Intelligent Technology Co., Ltd. amount of 7,518,000 guaranteed by the Company.

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

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

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Long-term payables

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

(1) Details of financial leasing payables

As at 30 June 2017, the total of the minimum lease payments under finance leases, which are based on the contracted amount of cash flows (including interest) to be paid during the lease term, if flowing, based on the contracted lease balance sheet date, are as follows:

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

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

Notes to the Financial Statements

Financial statements from 1 Jan. and ended 30 June 2017
 (All amounts in RMB'000 unless specified)
 (English Translation Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Long-term payables (Continued)

(2) As at 30 June 2017, 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	30 June 2017	31 December 2016
Shunde Fuli Real Estate Development Co., Ltd. (Shunde Fuli)	Subsidiary	120,789	120,789

41. Payables for specific projects

	31 December 2016	Changes added	Changes decreased	30 June 2017
Projects	9,704	7,016	-	16,720

42. Deferred income

	31 December 2016	Changes added	Changes decreased	30 June 2017	Reason
Government grants (1)	829,742	44,700	(44,624)	829,818	Government grants received, to be recognized in future periods
Others	9,996	-	(3,164)	6,832	Other liabilities relating to leasing receivables, to be recognized in future periods
Total	839,738	44,700	(47,788)	836,650	

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Deferred income (Continued)

(1) Government grants

Project name	31 December/ 2016	Current period additions	Recognised as other income	Other changes	30 June 2017	Relationship to income
Yantai Raffles National De-ice and Refreeze Commission for Release of Icebergs grading project	200,000	-	-	-	200,000	Related to income
Enricel/California/Enrichment	184,253	-	3,566	-	180,687	Related to income
Enricel/California/Enrichment	80,396	-	1,735	-	78,661	Related to income
Shanghai CIMC Vehicle Industry Golden Crown Project	54,052	-	651	-	53,401	Related to income
Ningbo China Marine Manufacturing Fund	38,000	-	-	-	38,000	Related to income
C&C Technology/Enrichment/Industrial	30,000	-	-	-	30,000	Related to income
TAS Industrial Base Project	28,291	4,220	803	-	31,708	Related to income
Yantai Raffles Seabed General Service Deep-sea Drilling Platform (Breadwinning Special)	26,504	-	-	-	26,504	Related to income
Taichang CIMC Special Large Equipment Ltd.	11,396	-	152	-	11,244	Related to income
TCCIMC Land Construction	9,862	-	131	-	9,731	Related to income
CQLE Land Grant Refund	8,021	-	100	-	7,921	Related to income
Zhenhua Group/Dredging and Port Construction	7,844	-	450	-	7,394	Related to income
Special Equipment/Intelligent and Industrialization Based on Communication of CCHQ	8,000	-	917	-	7,083	Related to income
TAS Information Technology Development Fund	7,348	-	351	-	6,997	Related to income
MEA-Heilongjiang	6,301	-	-	-	6,301	Related to income
Enrichment/Intelligent Mega Deep-sea Floating Drilling Rig (FPSO) and Application of High-Speed China Sea	6,000	-	-	-	6,000	Related to income
MEA Special Fund for Industrial Innovation	5,520	-	460	-	5,060	Related to income
KGR R&D Fund	4,270	-	112	-	4,158	Related to income
Taichang Industrial Project of High-tech in Jiangsu Province Yanghuo Ring	2,256	-	113	-	2,143	Related to income
TAS Technology Development Fund	886	-	48	-	838	Related to income
Government Grant of XHCIMCS	17,362	-	17,362	-	-	Related to income
Government Grant of Xinhui Mould Building Manufacturing	10,764	-	10,764	-	-	Related to income
Other	82,416	40,480	6,909	-	115,987	Related to income
Total	829,742	44,700	44,624	-	829,818	

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other non-current liabilities

	Note	30 June 2017	31 December 2016
Capital increase of strategic investors	(1)(2)	1,549,826	1,549,826
Commitment of dividend in shareholding	IV.5(7)(i)	487,632	487,632
Platform special incentive fee	(3)	73,421	73,421
Renals advance		11,576	12,677
Others		114,359	-
Total		2,236,814	2,123,556

(1) On 18 December 2015, Shanghai Taifang Hongping Pharmaceutical Limited (Limited Partnership), Nanhan Dacheng Neuropharmaceutical Investment Partnership (LLP), Siming Chemicals and Shenhen Dagun-Siye Harbor Chemicals Investment Management Company, Ltd. (collectively referred to as "strategic investors") entered an additional investment in CIMC Vehicle (Group) (collectively referred to as "HI") (collectively referred to as "China Shipbuilding Corporation, China Shipbuilding Corporation, Ltd. and China International Marine Company (Hong Kong) Limited" (collectively referred to as "original shareholders")); in January 2016, the strategic investors made additional investment in HI USD166,173,000 (equivalent to RMB1,032,580,000, USD15,233,000 (equivalent to RMB100,000,000); in December 2015, the strategic investors made additional investment in HI amount of USD9,288,117 (equivalent to RMB60,246,000, based on the exchange rate) and 100,000,000 shares; after the additional investment, the percentage of HI will be 16.822%, 1.544%, 0.929% and 1.544% of the total shares. The shares were issued before the IPO before 31 December 2020, the strategic investors (except Shenhen Dagun-Siye Harbor Chemicals Investment Management Company, Ltd.) did not have the right to exercise the shares in HI in the future. The exercise price will be determined by (a) the book value of the shares held by the investors in the additional investment and (b) the average price calculated based on 8% single interest rate and the dividend for the period of the book value of the shares in the exercise of all rights. The date of the calculation is the date of the exercise of the shares.

The exercise of HI shares in the future will be recognized as a liability because of the existence of the right of the exercise; on 30 June 2017, the related liability was 1,249,826,000 (31 December 2016: 1,249,826,000).

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Share capital

	31 December/ 2016 '000	Change of Share Capital Addition '000	Change of Share Capital Decrease '000	Change of Share Capital Issuance '000	30 June 2017 '000
Shares subject to trading restriction					
• Held by domestic natural person	699	29	-	-	728
Shares not subject to trading restriction					
• RMB-denominated shares	1,261,301	1,747	-	-	1,263,048
• Foreign-denominated shares	1,716,577	-	-	-	1,716,577
Total	2,978,577	1,776	-	-	2,980,353

	31 December/ 2015 '000	Change of Share Capital Addition '000	Change of Share Capital Decrease '000	Change of Share Capital Issuance '000	31 December/ 2016 '000
Shares subject to trading restriction					
• Held by domestic natural person	866	21	-	(188)	699
Shares not subject to trading restriction					
• RMB-denominated shares	1,260,377	736	-	188	1,261,301
• Foreign-denominated shares	1,716,577	-	-	-	1,716,577
Total	2,977,820	757	-	-	2,978,577

The actual value of shares paid is RMB1.00.

Notes to the Financial Statements

From the effective date of 1 Jan' and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation is for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other equity instruments

	31 December/ 2016	Change in carrying amount	Change in carrying amount	Paid in capital	30 June 2017
Preferred shares	2,049,035	-	35,908	(103,800)	1,981,143

	31 December/ 2015	Change in carrying amount	Change in carrying amount	Paid in capital	31 December/ 2016
Preferred shares	2,033,043	-	119,792	(103,800)	2,049,035

On 16 June 2015, the Group issued convertible preferred shares with a nominal value of 2,000 million. The net amount of 1,981,143,000 after deduction of related expenses was received from the issuance of convertible preferred shares. The interest rate is 5.19% per annum and the first interest-bearing date is the date of issuance and the Group can choose to defer the amount of the first interest-bearing date by one or three years. This instrument has no voting rights and the Group can choose to buy back the shares at a pre-agreed price. The instrument has no dividend rights and the Group can choose to buy back the shares at a pre-agreed price. The instrument has no dividend rights and the Group can choose to buy back the shares at a pre-agreed price. The instrument has no dividend rights and the Group can choose to buy back the shares at a pre-agreed price.

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Capital surplus

	31 December 2016	Continued addition	Continued decrease	30 June 2017
Share premium	3,590,421	29,310	-	3,619,731
Other capital items:				
- Exchange difference in foreign currency	692	-	-	692
- Derivatives in cash and derivatives	257	-	-	257
- Equity-linked share-based payment	420,004	6,778	(12,103)	414,679
- Capital loss of share in related subsidiary	15,967	70	-	16,037
- Capital loss of minority shareholders in	435,101	3,428	-	438,529
- Decrease in minority interest of subsidiary (in the subsidiary (in the controlling interest subsidiary))	900,031	-	-	900,031
- Capital loss of controlling interest	(42,696)	-	-	(42,696)
- Capital loss of minority shareholders in subsidiary	(246,669)	-	(78,103)	(324,772)
- Capital loss of minority shareholders in	(58,964)	-	-	(58,964)
- Effect of financial change	(406,795)	-	-	(406,795)
- Capital loss of shareholders in subsidiary	(51,925)	-	-	(51,925)
- Recognition of gain of minority shareholders	(1,549,826)	-	-	(1,549,826)
Other	120,987	-	-	120,987
Total	3,126,585	39,586	(90,206)	3,075,965

Notes to the Financial Statements

199

For the reporting period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Capital surplus (Continued)

	31 December/ 2015	Change/ addition	Change/ decrease	31 December/ 2016
Share premium	3,577,648	12,773	-	3,590,421
Other capital items:				
· Exchange difference in foreign currency	692	-	-	692
· Derivative non-cash settlement	257	-	-	257
· Share-based payment	402,887	22,316	(5,199)	420,004
· Capital reserve in equity	14,275	1,692	-	15,967
· Capital reserve in minority interest	207,660	227,441	-	435,101
· Decrease in minority interest of subsidiary (including share of subsidiary (non-controlling interest subsidiary))	899,128	903	-	900,031
· Capital reserve in equity	(42,696)	-	-	(42,696)
· Capital reserve in minority interest	(224,430)	-	(22,239)	(246,669)
· Capital reserve in minority interest	(58,964)	-	-	(58,964)
· Effect of financial instrument change	(406,795)	-	-	(406,795)
· Capital reserve in equity	(51,925)	-	-	(51,925)
· Recognition of backward-looking gain in minority interest	(1,249,826)	-	(300,000)	(1,549,826)
Other	113,952	7,035	-	120,987
Total	3,181,863	272,160	(327,438)	3,126,585

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English translation of Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Other Comprehensive Income

	31 December 2016	Year ended 31 December 2016	Year ended 30 June 2017	Year ended 30 June 2017	30 June 2017
Items that are reclassified to profit or loss					
• Prolonged financial assets	43,754				43,754
• Change in fair value of available-for-sale financial assets	(3,344)	(113)	(128)	(241)	(3,585)
• Cash flow hedge	80	7,144	(1,072)	6,072	6,152
• Exchange difference arising from translating foreign currencies	(164,200)	93,191		66,593	26,598
• Gain/(loss) from difference between fair value and book value of non-financial assets	481,051				481,051
	357,341	100,222	(1,200)	72,424	429,765

	31 December 2015	Year ended 31 December 2015	Year 2016 Year ended 31 December 2016	Year ended 31 December 2016	31 December 2016
Items that are reclassified to profit or loss					
• Prolonged financial assets	43,754				43,754
• Change in fair value of available-for-sale financial assets	(3,240)	(104)		(104)	(3,344)
• Cash flow hedge	(4,074)	4,887	(733)	4,154	80
• Exchange difference arising from translating foreign currencies	(554,570)	462,287		390,370	71,917
• Gain/(loss) from difference between fair value and book value of non-financial assets	3,653	584,834	(83,825)	477,398	23,611
	(514,477)	1,051,904	(84,558)	871,818	95,528

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Surplus reserve

	31 December/ 2016	Change/ addition	Change/ decrease	30 June 2017
Statutory surplus reserve	1,489,287	-	-	1,489,287
Discretionary surplus reserve	1,790,092	-	-	1,790,092
Total	3,279,379	-	-	3,279,379

	31 December/ 2015	Change/ addition	Change/ decrease	31 December/ 2016
Statutory surplus reserve	1,413,486	75,801	-	1,489,287
Discretionary surplus reserve	1,790,092	-	-	1,790,092
Total	3,203,578	75,801	-	3,279,379

In accordance with the Company Law and the Company Articles of Association, the Company shall allocate 10% of net profit for the year (including share dividends and other income of the Company) to the statutory surplus reserve, and the Company can cease to allocate when the statutory surplus reserve accounts for more than 50% of the registered capital. The statutory surplus reserve can be used to make up the loss, increase the paid-in capital.

The Company also allocates discretionary surplus reserve after the shareholders' meeting at the annual general meeting of the Board of Directors. The discretionary surplus reserve can be used to make up the loss, increase the paid-in capital after the annual general meeting.

49. Undistributed profits

	30 June 2017	31 December/ 2016
Undistributed profit at the beginning of the year	17,495,053	17,805,808
Add: net profit attributable to shareholders and other income of the Company for the reporting period	796,898	539,660
Less: Influence of issuing equity	(35,908)	(119,792)
Less: allocation of statutory surplus reserve	-	(75,801)
Less: distribution of dividends payable	(1)	(654,822)
Undistributed profit at the end of the reporting period	18,076,208	17,495,053

Notes to the Financial Statements

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

IV NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Undistributed profits (Continued)

(1) Dividends of ordinary shares declared during the period

	30 June 2017	31 December 2016
Dividends declared by the Company	-	-
Total declared dividends in the period	179,835	654,822

In accordance with the resolution adopted at the general meeting of the Company held on 9 June 2017, the Company paid a cash dividend in the amount of 0.06 RMB per share of the ordinary shares as at 30 June 2017 (2016: 0.22 RMB per share), totaling 179,835,000 (2016: 654,822,000).

50. Revenue and cost of sales

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

The following table indicates the contribution of revenue and cost of sales from the main sales to the total revenue and cost of sales.

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Revenue and cost of sales (Continued)

(1) Revenue and cost of sales from main operations by industries and by products

Industry	For the Period from 1 January to 30 June 2017		For the Period from 1 January to 30 June 2016	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Consumer	9,596,787	7,944,171	4,403,976	4,028,151
Road and rail vehicles	9,456,259	7,813,816	6,807,849	5,586,799
Energy and chemical & services	4,825,819	4,021,439	4,180,940	3,372,051
Off-highway vehicles	500,245	461,813	950,752	822,464
Air conditioning	1,147,629	932,468	1,096,364	886,690
Logistics services	3,725,556	3,242,929	3,149,543	2,763,476
Finance	1,145,113	498,703	1,113,604	366,336
Real estate	268,322	160,685	203,751	100,269
Healthcare	1,238,678	1,166,396	790,779	771,101
Others	752,520	669,197	130,654	98,532
Total	32,656,928	26,911,617	22,828,212	18,795,869

(2) Revenue and cost of sales from main operations by locations

	For the Period from 1 January to 30 June 2017		For the Period from 1 January to 30 June 2016	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
P.R. China	27,745,363	22,723,465	19,344,042	15,845,823
Europe	2,752,566	2,371,653	1,244,670	1,041,609
America	1,649,559	1,394,104	1,803,907	1,515,328
Asia (excluding P.R. China)	378,592	317,409	308,619	282,794
Others	130,848	104,986	126,974	110,315
Total	32,656,928	26,911,617	22,828,212	18,795,869

The revenue and cost of sales from main operations by location are determined on the basis of which the sales are delivered.

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Revenue and cost of sales (Continued)

(3) Revenue and cost of sales from other operations

	For the Period from 1 January to 30 June 2017		For the Period from 1 January to 30 June 2016	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Rending services	532,435	239,624	580,116	226,095
Sale of materials	197,789	90,323	134,515	104,532
Total	730,224	329,947	714,631	330,627

51. Taxes and surcharges

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	Tax base
Business tax	4,412	24,768	3% and 5% of revenue
City maintenance and education tax	44,238	85,368	7% of VAT and business tax
Land and resource tax	17,849	12,290	According to the relevant regulations and applicable laws
Education charge	35,470	62,541	3% and 5% of VAT and business tax
Other	114,214	9,269	
Total	216,183	194,236	

52. Selling and distribution expenses

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

Notes to the Financial Statements

205

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. General and administrative expenses

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Employee benefits	1,004,200	783,266
Technology development	288,459	230,097
Performance bonus and retention bonus	165,200	49,872
Delegation	134,408	149,922
Amortization	113,415	99,409
Agency fees	110,796	97,258
Rental	75,806	63,119
Legal services and maintenance	49,006	30,969
Taxes and charges	34,293	127,122
Share-based payment expense	9,583	19,889
Office rent, entertainment fee and other	382,873	331,378
Total	2,368,039	1,982,301

54. Financial expenses-net

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Interest expense	779,849	594,185
Loss calculated by financing cost	257,584	279,103
Loss in exchange rate	117,661	97,294
Exchange (gain)/loss	111,742	(29,461)
Other	77,905	116,617
Total	594,251	304,944

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Expenses by nature

Costs incurred in selling expenses, general administrative expenses and financial expenses in income statement are analysed as follows:

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Finished goods and work-in-process inventory	(741,628)	(244,984)
Communication, transportation and postal and telecommunication, etc.	24,492,423	16,685,627
Salaries and wages	3,216,847	2,129,005
Depreciation and amortization	1,152,911	1,242,346
Shipping and handling charges	560,202	411,149
Financial expenses	594,251	304,944
Rentals	130,874	130,385
Technology development	288,459	230,097
Printing and mailing expenses	294,912	211,604
Professional expenses	283,549	180,553
Selling expenses	149,651	57,393
Other expenses, net of manufacturing expenses	164,295	234,324
Other expenses, net of selling and distribution expenses	209,567	291,869
Other expenses, net of general and administrative expenses	663,795	585,558
	31,460,108	22,449,870

56. Profit/(Loss) from changes in fair value

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Financial assets at fair value through profit or loss		
Change in fair value during the year		
1. Profit/(Loss) from changes in fair value of equity instruments held for trading	29,834	944
2. Profit/(Loss) from changes in fair value of debt financial instruments	(73,769)	(136,647)
Profit/(Loss) from derivatives financial instruments at fair value through profit or loss	1,830	141,409
Sub-total	(42,105)	5,706
Financial liabilities at fair value through profit or loss		
Change in fair value during the year		
1. Profit/(Loss) from changes in fair value of debt financial instruments	9,479	131,398
Total	(32,626)	137,104

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Investment income

Investment income by categories

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Income earned from disposal of financial assets available for sale	(1,830)	(141,409)
Income earned from disposal of available-for-sale financial assets	4,106	8,855
Income earned from disposal of available-for-sale financial assets	533	7,714
Income from long-term investments in equity instruments	2,538	13,800
Income from long-term investments in equity instruments	(25,460)	23,712
Others	9,485	-
Total	(10,628)	(87,328)

58. Asset impairment losses

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Accounts receivable	25,988	14,445
Advances	6,675	-
Other receivables	141,923	343,501
Intangible assets	(3,521)	6,962
Contract assets	97,401	153,029
Long-term receivables	(35,563)	(129,164)
Other non-current assets	-	178,634
Fixed assets	1,534	94
Restricted cash	-	700,000
Total	234,437	1,267,501

Notes to the Financial Statements

Financial statements for the period from 1 January to 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

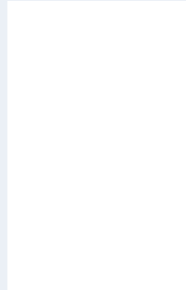
59. Other Income

	For the Period from 1 January to 30 June 2017
Financial assets	57,088
Taxation	27,472
Others	6,472
Total	91,032

60. Non-operating income

(1) Non-operating income by categories:

For the Period
from 1 January
to 30 June 2017



Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Non-operating expenses

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	Amended Recognized In non-recurring financial statements from 1 January to 30 June 2017
Losses on disposal of non-current assets	17,388	9,485	17,388
Including: Losses on disposal of fixed assets	17,388	9,485	17,388
Losses on disposal of intangible assets	-	-	-
Donations	352	393	352
Penalties and fines	1,699	380	1,699
Commission expenses	11,486	989	11,486
Abnormal losses	679	664	679
Others	800	2,234	800
Total	32,404	14,145	32,404

62. Income tax expenses

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Current income tax calculated based on taxable and related legal income	499,609	262,989
Deferred income tax	10,024	112,327
Total	509,633	375,316

Notes to the Financial Statements

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Income tax expenses (Continued)

Reconciling between income tax expense and accounting profit as follows:

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Profit before tax	1,576,142	(165,844)
Income tax expense calculated at applicable rates	395,233	338,676
Effect of tax incentives	(63,499)	(46,248)
Effect of nondeductible expenses	20,714	32,243
Other income tax adjustments	(90,621)	(74,525)
Utilization of tax loss carryforwards	(5,941)	(7,695)
Tax effect of tax loss carryforwards	112,902	38,339
Deductible temporary differences which not deferred tax asset recognized in the period	142,126	95,650
Effect of tax rate change on deferred tax	(735)	-
Tax refund/ income tax annual filing	(546)	(1,124)
Income tax expense	509,633	375,316

63. Earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Consolidated profit attributable to ordinary shareholders and the minority interest of the Company	796,898	(378,034)
Influence of the diluting effect of convertible Consolidated profit (adjusted) attributable to ordinary shareholders of the Company	(35,908)	(51,900)
Weighted average number of ordinary shares outstanding ('000)	760,990	(429,934)
Basic earnings per share (RMB/share)	2,979,059	2,978,120
Including diluting convertible basic earnings per share	0.2554	(0.1444)
	0.2554	(0.1444)

Notes to the Financial Statements

For the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English translation of the Chinese original text is for reference only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Earnings per share (Continued)

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive effect of the Company's outstanding convertible preferred shares by the diluted weighted average number of ordinary shares outstanding:

	For the Period from 1 January to 30 June 2017	For the Period from 1 January 30 June 2016
Convertible preferred shares attributable to ordinary shareholders and their dividends of the Company	796,898	(378,034)
Influence of the change in the effective interest rate	(35,908)	(51,900)
Effect of the dilution of the Company's convertible preferred shares	(1,371)	-
Convertible preferred shares (adjusted attributable to ordinary shareholders of the Company)	759,619	(429,934)
Weighted average number of ordinary shares outstanding (diluted) ('000) (adjusted)	2,986,410	2,978,120
Diluted earnings per share (RMB/share)	0.2544	(0.1444)

()

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

The board of directors of the Company has authorized a total of 60,000,000 shares (2.01% of the total number of shares 2,980,352,786) to be granted to management and other personnel for reference only.

For the period from 1 January to 30 June 2017 For the period from 1 January to 30 June 2016 Cash received from government

Notes to the Financial Statements

213

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

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

(4) Cash received related to other financing activities

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Cash received from issuing minority interests	81,616	22,272
Cash received from borrowing	-	98,104
Total	81,616	120,376

65. Information to cash flow statement

(1) Supplementary information to the consolidated cash flow statement

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Net financing activities	1,066,509	(541,160)
Add: Profit from disposal of subsidiaries	234,437	1,267,501
Decrease in deferred taxes	916,498	1,056,717
Amortization of intangible assets	175,734	121,062
Amortization of intangible assets and long-term prepaid expenses	60,679	64,902
Loss on disposal of intangible assets and long-term prepaid expenses	(13,739)	3,332
(Gain)/Loss on change in fair value	32,626	(137,104)
Financial costs	404,604	217,788
Income tax income	10,628	87,328
Share-based payment expense	9,583	19,889
Increase in deferred taxes	(19,246)	59,293
Increase in deferred tax liabilities	30,470	1,491,247
(Increase)/decrease in inventories	922,591	644,176
Decrease in prepaids	(6,337,636)	(5,172,278)
Increase/(decrease) in prepaids	1,838,046	1,751,039
Net cash flow from operating activities	(668,216)	933,732

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Monetary items denominated in foreign currency

	30 June 2017		
	Functional currency (in thousands)	Exchange Rate	in RMB
Monetary items denominated in foreign currency			
USD	120,552	6.7744	816,665
HKD	289,640	0.8679	251,384
AUD	15,237	5.2099	79,381
THB	12,960	5.0155	65,000
GBP	16,912	8.8144	149,070
EUR	198,198	7.7496	1,535,952
JPY	403,637	0.0605	24,414
Others			138,215
			3,060,081
Accounts receivable denominated in foreign currency			
USD	1,830,416	6.7744	12,399,969
HKD	38,799	0.8679	33,674
JPY	439,547	0.0605	26,586
AUD	8,411	5.2099	43,820
EUR	102,610	7.7496	795,188
Others			722,795
			14,022,032
Other receivables denominated in foreign currency			
USD	152,854	6.7744	1,035,494
HKD	36,344	0.8679	31,544
EUR	8,620	7.7496	66,804
Others			120,305
			1,254,147
Long-term receivables denominated in foreign currency			
USD	1,495,164	6.7744	10,128,838
GBP	27,827	8.8144	245,276
Others			22,092
			10,396,206

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Monetary items denominated in foreign currency (Continued)

	30 June 2017		
	Functional currency (in thousands)	Exchange Rate	in RMB
Share-based payments			
USD	1,430,476	6.7744	9,690,618
EUR	95,026	7.7496	736,415
GBP	1,999	8.8144	17,621
AUD	63	5.2099	329
			10,444,983
Accounts payable			
USD	237,138	6.7744	1,606,467
HKD	49,007	0.8679	42,534
EUR	83,320	7.7496	645,695
AUD	8,929	5.2099	46,517
THB	2,532	5.0155	12,700
Others			709,653
			3,063,566
Other payable			
USD	190,769	6.7744	1,292,347
HKD	13,687	0.8679	11,879
JPY	98,008	0.0605	5,928
EUR	8,211	7.7496	63,630
AUD	1,004	5.2099	5,233
THB	367	5.0155	1,840
Others			257,379
			1,638,236
Long-term borrowings			
USD	3,267,834	6.7744	22,137,615
HKD	248,000	0.8679	215,244
Others			397,237
			22,750,096
Long-term payable			
USD	29,264	6.7744	198,246

Notes to the Financial Statements

217

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English translation for Reference Only)

V. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations involving enterprises not under common control

The Group has no significant business combinations involving enterprises not under common control for the period.

2. Disposal of subsidiaries

The Group has no disposal of subsidiaries during the period.

VI. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

All subsidiaries of the Group are established according to the applicable laws and regulations in the PRC. The Group has no subsidiaries established in other countries.

As at 30 June 2017, the net book value of the Group's equity in subsidiaries added 621. The Group has no subsidiaries held by the Group. The Group's equity in subsidiaries held by the Group is 360, which is the aid-in capital amounting 758,912,000. The subsidiaries mainly engaged in manufacturing and service provision, which have relatively small scale of operation and the aid-in capital is 20 million USD3 million. The subsidiaries are included in the consolidated financial statements of the Group as follows: registered in Hong Kong, British Virgin Islands and other overseas countries.

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (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) Subsidiaries established through business combination

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
						Direct	Indirect
1 Shen hen S... CIMC C... n... a... Man fac... e C..., L.d. (SCIMC)	B... n... en. L...	Shen hen, G angd'ng	ed and inf... ma... in f b'nd	Shah'eh'lding el'cen.ag... ON... ale 478cTd(1)Tj-1.412Td(f b'nd)Tj-0.0cTd(1)Tj... il.35.5 79.370sh986 - Td(e/(21.112 -1.412Td(G an			

Notes to the Financial Statements

For the reporting period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
9	Yang h' R n ang L' g' i men C', L.d. (YZRYL)	Business entities	Yang h', Jiangsu	Yang h', Jiangsu	Man fac. te, le ail and sale f' c'n. aine!	USD20,000,000	.	100.00%
10	Shanghai CIMC Yangshan L' g' i men C', L.d. (SHYSLE)	Business entities	Shanghai	Shanghai	Man fac. te and sale f' c'n. aine! ell ele an. echnical ad!	USD29,480,000	.	100.00%
11	Shanghai CIMC Reefel C'n. aine! C', L.d. (SCRC)	Business entities	Shanghai	Shanghai	Man fac. te and sale f' l' efigela. n and hea. eel. a. n de ice f' l' eefel c'n. aine!, l' efigela. cal and Hea. eel. a. n cal	USD31,000,000	72.00%	20.00%
12	Nan. ng CIMC S ecial Tan E i men. Man fac. te C', L.d. (NTCIMCS)	Business entities	Nan. ng, Jiangsu	Nan. ng, Jiangsu	Man fac. te, sale and le ail f' aliv' g' h, ank ell aliv' g' ecial a. n and l' ing e i men and a. n	USD10,000,000	.	71.00%
13	Xinh i CIMC S ecial Tan E i men. C', L.d. (XHCIMCS)	Business entities	Jiangmen, G angd' ng	Jiangmen, G angd' ng	Man fac. te and sale f' aliv' g' c'n. aine!, e. m- f' n d c'n. aine! d c. and lele an. e m' n' d c. and lele an. e m' n' and main. enance eel. ice	USD65,499,000	19.01%	80.99%
14	Nan. ng CIMC Tank E i men. C', L.d. (NTCIMCT)	Business entities	Nan. ng, Jiangsu	Nan. ng, Jiangsu	Man fac. te and sale f' aliv' g' c'n. aine!, e. m- f' n d c'n. aine! d c. and lele an. e m' n' d c. and lele an. e m' n' and main. enance eel. ice	USD35,000,000	.	70.79%
15	Dalian CIMC Rail a E i men. C', L.d. (DLCIMCS)	Business entities	Dalian, Lia' ning	Dalian, Lia' ning	Design, man fac. te and sale f' aliv' g' rail a feigh. e i men. f' d c' n	USD20,000,000	55.00%	45.00%
16	Nan. ng CIMC Large ed Tank C', L.d.	Business entities	Nan. ng, Jiangsu	Nan. ng, Jiangsu	Design, f' d c. n and sale f' ank and lele an. a. n d' e. a. n k- l' e. a. e d general c'n. a. c. i. n g' f' e. c. n	USD47,700,000	.	70.79%
17	Shen. hen CIMC S ecial Vehicle C', L.d. (CIMCSV)	Business entities	Shen. hen, G angd' ng	Shen. hen, G angd' ng	De. e! men. f' d c. n and sale f' aliv' g' ecial. e. ehicles ell ell ele an. e m' n' and a. n	RMB200,000,000	.	63.33%

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English Translation for Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
18	Qingdao CIMC Special Vehicle Co., Ltd. (QDSV)	Wholly-owned	Qingdao, Shandong	Qingdao, Shandong	Development, production and sales of all kinds of special-use vehicles, refueling, large-scale special-use vehicles, maintenance and repair	RMB62,880,000	44.34%	35.25%
19	Fujian CIMC Vehicle Equipment Co., Ltd. (Fujian GQEQ)	Wholly-owned	Fujian, Guangdong	Fujian, Guangdong	Development, production and maintenance of special-use vehicles and vehicle equipment	RMB3,000,000	-	100.00%
20	Shanghai CIMC Vehicle Equipment Co., Ltd. (SHL)	Wholly-owned	Shanghai	Shanghai	Development, production, sales and maintenance of special-use vehicles and vehicle equipment	RMB90,204,100	-	63.33%
21	Shenzhen CIMC Vehicle Equipment Co., Ltd. (CIMC WJ) (CIMC WJ)	Wholly-owned	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sales of special-use vehicles and related vehicle equipment	RMB30,000,000	12.00%	88.00%
22	CIMC Vehicle (Liaoning) Co., Ltd. (LNVS)	Wholly-owned	Yingkou, Liaoning	Yingkou, Liaoning	Development and production of all kinds of special-use vehicles and related vehicle equipment	RMB60,000,000	-	63.33%
23	Tianjin P&G CIMC Zhenhua Logistics Co., Ltd. (Tianjin P&G CIMC)	Wholly-owned	Tianjin	Tianjin	International and domestic freight agency	RMB100,000,000	-	61.50%
24	CIMC SHAC (Xi'an) Special Vehicle Co., Ltd. (XASV)	Wholly-owned	Xi'an, Shaanxi	Xi'an, Shaanxi	Development and production of all kinds of special-use vehicles and related vehicle equipment	RMB50,000,000	-	47.50%
25	Guangdong CIMC Hainan Vehicle Co., Ltd. (GSHJ)	Wholly-owned	Baishan, Guangdong	Baishan, Guangdong	Refueling of special-use vehicles, maintenance and repair, large-scale special-use vehicles, maintenance and repair, large-scale special-use vehicles, maintenance and repair	RMB25,000,000	-	63.33%

Notes to the Financial Statements

For the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless specified)
 (English Language Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
26	Xinhai CIMC Commercial Material Manufacturing Co., Ltd. (XHCM)	Wholly-owned subsidiary	Jiangmen, Guangdong	Jiangmen, Guangdong	Production, development, sales and service of various types of special steel pipes, valves, flanges, etc.	RMB129,000,000	-	63.33%
27	Qingdao CIMC Economic Equipment Co., Ltd. (QDHB)	Wholly-owned subsidiary	Qingdao, Shandong	Qingdao, Shandong	Development, manufacturing and sales of various types of valves, flanges, etc.	RMB137,930,000	-	63.33%
28	Shanghai CIMC Special Vehicle Co., Ltd. (SHCIMCV)	Wholly-owned subsidiary	Shanghai	Shanghai	Development and production of various types of special vehicles, etc.	RMB10,000,000	-	63.33%
29	CIMC Financing and Leasing Co., Ltd. (CIMCVL)	Wholly-owned subsidiary	Shenzhen, Guangdong	Shenzhen, Guangdong	Finance lease business, capital and main management of financial leasing, etc.	USD70,000,000	75.00%	25.00%
30	Qingdao Refrigeration Equipment Co., Ltd. (QDRV)	Wholly-owned subsidiary	Qingdao, Shandong	Qingdao, Shandong	Manufacturing and sales of various types of refrigeration equipment, etc.	USD29,405,000	-	76.44%
31	Nanjing CIMC Tank Equipment Co., Ltd. (NTCY)	Wholly-owned subsidiary	Nanjing, Jiangsu	Nanjing, Jiangsu	Production and sales of various types of special tanks, etc.	RMB69,945,600	-	70.79%
32	Shenzhen CIMC Tianda Ailong Sintering Co., Ltd. (TIAS)	Wholly-owned subsidiary	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sales of various types of special sintering equipment, etc.	USD13,500,000	-	54.70%
33	Xinhai CIMC Welding Co., Ltd. (XHCMCW)	Wholly-owned subsidiary	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and sales of various types of special welding equipment, etc.	USD15,500,000	-	100.00%

Notes to the Financial Statements

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

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
34	Innel M'ng'lia H'vnb il CIMC W'd C', L.d.(NMGW)	B'w'ne' en.L'~	Innel M'ng'lia	Innel M'ng'lia	P'd c'ln and v'le' f' c'n'ne' d fl' and d' d' c'p' l'ng e' i men'.	RMB259,520,000	100.00%	
35	Jia'ng CIMC W'd C', L.d.(JXW)	B'w'ne' en.L'~	Jia'ng, Zhejiang	Jia'ng, Zhejiang	P'd c'ln and v'le' f' c'n'ne' d fl' and d' d' c'p' l'ng e' i men' and d' d' c'p'.	USD5,000,000	100.00%	
36	Shen hen S' h'e'n CIMC C'n'ne' Se' ice C', L.d.(SCIMCL)	B'w'ne' en.L'~	Shen hen, G'ngd'ng	Shen hen, G'ngd'ng	Engaged in c'n'ne' l'ng e' i men'.	USD5,000,000	100.00%	
37	Ningb' CIMC C'n'ne' Se' ice C', L.d.(NBCIMCL)	B'w'ne' en.L'~	Ningb', Zhejiang	Ningb', Zhejiang	G'ng l'ng e' i men' and v'le' f' c'n'ne' d fl' and d' d' c'p' l'ng e' i men'.	RMB30,000,000	100.00%	
38	CIMC Shenfa De' el' men' C', L.d. (CIMC SD)	B'w'ne' en.L'~	Shanghai	Shanghai	In'v'nt' c'n'ne' and e' i men' f' i' n' c' l' e' a' d' e' el' men' and e' i men'.	RMB204,123,000	98.53%	1.47%
39	CIMC Vehicle (Xinjiang) C', L.d.(XS4S)	B'w'ne' en.L'~	U' m', Xinjiang	U' m', Xinjiang	P'd c'ln and v'le' f' mechanical e' i men' and e' l' e' n' e' c' h' n' c' a' l' de' el' men'.	RMB80,000,000	63.33%	
40	CIMC Vehicle (G'ngd'ng) C', L.d.(THI)	B'w'ne' en.L'~	Shen hen, G'ngd'ng	Shen hen, G'ngd'ng	De' el' men' d' c'ln and v'le' f' a' l' v' h' g' h' e' c' h' and h' g' h' e' f' f' m' a' n' c' e' e' i men' and e' l' e' n' e' c' h' n' c' a' l' de' el' men'.	USD212,225,100	44.33%	19.00%
41	Qingda' CIMC S' e' c' i' a' l' R' e' e' f' e' r' C', L.d. (QDCSR)	B'w'ne' en.L'~	Qingda', Shand'ng	Qingda', Shand'ng	Man' f' a' c' t' e' f' a' l' c' n' n' e' , e' m' i' f' i' n' i' s' h' e' d' c' n' n' e' d' c' a' n' d' e' l' e' a' n' c' m' n' e' n' t' and a' l'.	USD39,184,100	100.00%	
42	Tianjin CIMC L' g' e' i' men' C', L.d.(TJCIMCLE)	B'w'ne' en.L'~	Tianjin	Tianjin	De' i' g' n' , man' f' a' c' t' e' , s' a' l' e' , main' e' n' a' n' c' e' and e' l' e' n' e' c' h' n' c' a' l' a' d' v' t' i' s' e' m' e' n' t' and e' l' e' a' n' c' m' n' e' n' t' and a' l'.	USD10,000,000	83.50%	

Notes to the Financial Statements

For the reporting period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English translation for Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
43	Dalian CIMC Liancheng E+I men... Co., Ltd.(DLL)	Business entities	Dalian, Liaoning	Dalian, Liaoning	Design, manufacture, sale, maintenance and electrical technical services in industrial field, energy field, agriculture and tele. comm.	USD14,000,000	-	100.00%
44	Chongqing CIMC Liancheng E+I men... Co., Ltd.(CQLE)	Business entities	Chongqing	Chongqing	Design, manufacture, sale, maintenance, special contract, tele. comm. and tele. comm. c/m services and other.	USD8,000,000	75.00%	25.00%
45	Dalian CIMC Heilongjiang E+I men... Co., Ltd.(DLZH)	Business entities	Dalian, Liaoning	Dalian, Liaoning	Industrial field, energy field; design, manufacture and tele. comm. technical services; tele. comm.	USD45,170,000	62.70%	37.30%
46	Shenzhen CIMC Intelligent Technology Co., Ltd.(CIMC Tech)	Business entities	Shenzhen, Guangdong	Shenzhen, Guangdong	Design, development, production, sales, electronic products, software and systems.	RMB66,388,889	62.96%	9.04%
47	CIMC Taicang Intelligent E+I men... Co., Ltd.(TCCRC)	Business entities	Taicang, Jiangsu	Taicang, Jiangsu	Research and development, production and sales of electrical control and special contract.	RMB450,000,000	-	100.00%
48	Hunan CIMC Bamboo Industry Development Co., Ltd.(HNW)	Business entities	Sining, Hunan	Sining, Hunan	Manufacturing and sales of bamboo and wood products.	RMB28,000,000	-	100.00%
49	CIMC Jidong (Qinhegda) Vehicle Manufacturing Co., Ltd.(QHHDV)	Business entities	Qinhegda, Hebei	Qinhegda, Hebei	Sales of cars and car parts and other.	RMB70,000,000	-	47.50%
50	Shenzhen CIMC Liancheng E+I men... LTD.(S-L)	Business entities	Shenzhen, Guangdong	Shenzhen, Guangdong	Design and research of energy and chemical field E+I men. Technological contract, etc.	RMB80,000,000	-	100%

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
						Direct	Indirect
51 CIMC Management and Training (Shen hen) Co., Ltd. (CIMC Training)	Business	Shen hen, Guangdong	Shen hen, Guangdong				

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless specified)
 (English Translation Reference Only)

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
						Direct	Indirect
60 Chengde CIMC Industrial Park Investment and Development Co., Ltd. (Chengde Industrial Park)	Business Enterprise	Chengde, Sichuan	Chengde, Sichuan	Construction, management and leasing of buildings and telecommunication facilities, sales of vehicles and accessories	RMB60,000,000		63.33%
61 CIMC Finance Company (Finance Company)	Business Enterprise	Shenzhen, Guangdong	Shenzhen, Guangdong				

Notes to the Financial Statements

For the period ended 31 January 2017 and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English Translation for Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
69	CIMC Container Handling C., Ltd. (CIMC Handling)	Wholly-owned	Shenzhen, Guangdong	Shenzhen, Guangdong	Equipment management and related business	RMB2,736,915,400	100.00%	-
70	Chengde CIMC Logistics & Management C., Ltd. (Chengde Logistics Management)	Wholly-owned	Chengde, Sichuan	Chengde, Sichuan	Chemical liquid tank and semi-trailer	RMB15,000,000	-	63.33%
71	Shanxi CIMC Vehicle Industry Galvanizing (Shanxi Vehicle Galvanizing)	Wholly-owned	Xianyang, Shanxi	Xianyang, Shanxi	Production and sales of special vehicle	RMB80,000,000	-	63.33%
72	CIMC Handling (B.V.) Limited (CIMC BVI)	Wholly-owned	Jiangmen, Guangdong	Jiangmen, Guangdong	Equipment management and equipment management	RMB150,000,000	-	100.00%
73	CIMC Mold Building Design & Development C., Ltd. (Mold Design)	Wholly-owned	Jiangmen, Guangdong	Jiangmen, Guangdong	Design mold building and decoration	RMB50,000,000	-	87.40%
74	CIMC Cold Chain Research Institute C., Ltd. (Cold Chain Research)	Wholly-owned	Qingdao, Shandong	Qingdao, Shandong	Scientific research, technical service, training and special technical service	RMB50,000,000	-	100.00%
75	CIMC Cold Chain Equipment C., Ltd. (Cold Chain Equipment)	Wholly-owned	Qingdao, Shandong	Qingdao, Shandong	Production and sales of equipment	RMB979,000,000	-	100.00%
76	Shenyang CIMC Industrial Park Investment and Development C., Ltd. (Shenyang Vehicle Galvanizing)	Wholly-owned	Shenyang, Liaoning	Shenyang, Liaoning	Equipment management and equipment management	RMB50,000,000	-	63.33%
77	Shenzhen Tianda CIMC Logistics System Engineering C., Ltd. (Tianda Logistics)	Wholly-owned	Shenzhen, Guangdong	Shenzhen, Guangdong	Automated logistics system engineering, real-time logistics management system	RMB60,000,000	-	54.70%

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
						Direct	Indirect
78 D'ngg an Cim' Inn' a' i' n' Ind' a' i' ai' Pak' De' el' men' C' L' d' (D'ngg an inn' a' i' n' a' k)	Business	7 Cim' Inn' a' i' n' 112-1412 Td' (G' angd' ng) Place	D'ngg an, G' angd' ng				

Notes to the Financial Statements

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

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
87	Qingdao CIMC Intelligent Industrial Park Development Co., Ltd. (Qingdao Clea. Industrial Park)	Business Enterprise	Qingdao, Shandong	Qingdao, Shandong	Development and management of real estate and related services for real estate and industry.	RMB10,000,000	-	82.00%
88	Anhui United Feicai Vehicle Co., Ltd. (United Feicai)	Business Enterprise	Xiancheng, Anhui	Xiancheng, Anhui	Production and sales of special-use vehicles and engineering machinery.	RMB158,000,000	-	66.24%
89	Zhenghe (Tianjin) Chemical Service Co., Ltd. (Zhenghe Chemical Service)	Business Enterprise	Tianjin	Tianjin	Distribution and international freight forwarding agency and telecommunication service.	RMB85,761,300	-	75.00%
90	Kashan CIMC Automatic Electric Equipment Co., Ltd. (Kashan CIMC)	Business Enterprise	Kashan, Jiangsu	Kashan, Jiangsu	Automatic equipment and air cargo handling equipment.	RMB80,000,000	-	54.70%
91	CIMC Tianjin (Ling'an) Industrial Development Co., Ltd.	Business Enterprise	Ling'an, Fujian	Ling'an, Fujian	The parking in industrial zone management and real estate development.	RMB20,000,000	-	32.82%
92	Alber Ziegler GmbH (Beijing) Sales Co., Ltd. (Ziegler)	Business Enterprise	Beijing	Beijing	File truck, special-use vehicles and telecommunication machinery equipment, import and export and telecommunication equipment.	EUR1,500,000	-	60.00%
93	Shenzhen CIMC Yang Valley Intelligent Technology Co., Ltd. (Shenzhen Yang Valley)	Business Enterprise	Shenzhen, Guangdong	Shenzhen, Guangdong	Automatic identification card reader, identification card reader and telecommunication equipment.	RMB10,000,000	-	54.72%
94	Shenzhen CIMC Electric Control and Lifting Technology Co., Ltd.	Business Enterprise	Shenzhen, Guangdong	Shenzhen, Guangdong	The development of electric control lifting and mechanical parts.	RMB137,844,600	-	50.78%
95	Nanjing CIMC Sanchimi Chemical Equipment Co., Ltd. (Sanchimi Nanjing)	Business Enterprise	Nanjing, Jiangsu	Nanjing, Jiangsu	Manufacture and sales of chemical equipment and chemical machinery.	RMB20,000,000	-	70.73%

Notes to the Financial Statements

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

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
96	D'ngg an CIMC Special Vehicle Co., Ltd. (D'ngg an CIMC Special Vehicle)	Business entities	D'ngg an, G angd'ng	D'ngg an, G angd'ng	De el' men, / d' c' i' n and p' a' l' e' f' a' l' i' g' n' s' e' c' i' a' l' v' e' h' i' c' l' e' s' , r' e' f' i' n' i' n' g' v' e' h' i' c' l' e' s' , s' e' c' i' a' l' v' e' h' i' c' l' e' s' , l' a' i' e' r' p' a' n' e' l' s'	RMB200,000,000	.	63.33%
97	G angd'ng CIMC Vehicle Industrial Garden (G angd'ng Vehicle Industrial Garden)	Business entities	D'ngg an, G angd'ng	D'ngg an, G angd'ng	P' r' o' j' e' c' t' i' n' g' a' n' d' o' p' e' r' a' t' i' n' g' o' f' d' e' l' o' p' m' e' n' t' a' n' d' p' a' r' t' i' c' i' p' a' t' i' o' n' a' n' d' o' p' e' r' a' t' i' o' n'	RMB30,000,000	100%	.
98	Zhenh a (Tianjin) Chain Management Co., Ltd. (Zhenh a Chain Management)	Business entities	Tianjin	Tianjin	W' a' r' e' h' o' u' s' e' i' c' e' ; l' o' g' i' s' t' i' c' s' , l' i' b' e' r' a' t' i' o' n' a' n' d' l' a' d' i' n' g' , r' e' l' a' t' i' n' g' , h' a' n' d' l' i' n' g' o' f' g' o' o' d' s'	RMB79,475,000	.	75.00%
99	CIMC Technology Co., Ltd. (Jiangmen CIMC Technology)	Business entities	Jiangmen, G angd'ng	Jiangmen, G angd'ng	I' n' t' e' l' l' i' g' e' n' t' i' n' v' e' s' t' m' e' n' t' , d' e' l' o' p' m' e' n' t' a' n' d' o' p' e' r' a' t' i' o' n'	RMB50,000,000	.	100.00%
100	Shen hen CIMC Vehicle Park Investment Management Co., Ltd. (Shen hen Vehicle Park)	Business entities	Shen hen, G angd'ng	Shen hen, G angd'ng	I' n' v' e' s' t' m' e' n' t' m' a' n' a' g' e' m' e' n' t' , s' p' e' c' i' a' l' i' z' e' d' m' a' n' a' g' e' m' e' n' t'	RMB152,500,000	.	63.33%
101	CIMC Medical Diagnostic Development Co., Ltd. (M deln L g' i' c)	Business entities	Tianjin	Tianjin	I' n' t' e' r' n' a' t' i' o' n' a' l' a' n' d' d' o' m' e' s' t' i' c' l' e' i' g' h' t' a' g' e' n' t' , g' e' n' e' r' a' l' a' n' d' C' I' Q' a' f' f' a' i' r' s'	RMB1,049,226,700	100.00%	.
102	D'ngg an S' h' e' n' CIMC Logistics Equipment Manufacturing Co., Ltd. (D'ngg an S' h' e' n' CIMC)	Business entities	D'ngg an, G angd'ng	D'ngg an, G angd'ng	M' a' n' u' f' a' c' t' u' r' i' n' g' a' n' d' r' e' s' e' a' r' c' h' i' n' g' o' f' c' o' n' t' a' i' n' e' r' s' , c' o' n' t' a' i' n' e' r' s' , l' a' g' e' r' s' , e' l' e' c' t' r' i' c' a' l' i' n' s' t' r' u' m' e' n' t' s'	RMB600,000,000	.	100.00%
103	Ningbo CIMC Container Manufacturing Co., Ltd. (Ningbo Container Manufacturing)	Business entities	Ningbo	Ningbo	M' a' n' u' f' a' c' t' u' r' i' n' g' o' f' c' o' n' t' a' i' n' e' r' s'	RMB500,000,000	.	100.00%
104	Shen hen CIMC Peng Feng Venture Investment Co., Ltd. (Peng Feng Venture Investment)	Business entities	Shen hen	Shen hen	E' n' t' e' r' p' r' i' s' e' i' n' v' e' s' t' m' e' n' t'	RMB50,000,000	.	100.00%

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English translation for Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
105	Shen hen Three H a z h ' Y e in En men C', LTD (Shen hen Three H a z h ' Y e)	B*Went	Shen hen	Shen hen	In En men h' ding	RMB30,000,000	✓	66.24%
106	G angd' ng H i Zh' ng Da L a z e e i men C', LTD (G angd' ng L a z e ' E i men)	B*Went	Jiangmen	Jiangmen	Man fac. te, f' ce and sale of i men	RMB31,800,000	19.01%	80.99%
107	Yang h' CIMC H' ng Real E a z e C', Ltd. (Yang h' H' ng Real E a z e)	B*Went	Yang h'	Yang h'	Real E a z e de el' men, sale and lease of f' el' in En men in' el' i s	RMB25,000,000	✓	82.00%
108	Yang h' CIMC Da Real E a z e C', Ltd. (Yang h' Da Real E a z e)	B*Went	Yang h'	Yang h'	Real E a z e de el' men, sale and lease of f' el' i s	RMB25,000,000	✓	82.00%
109	Yang h' CIMC H a H' el' In En men C', Ltd. (Yang h' H a H' el')	B*Went	Yang h'	Yang h'	F' d and be' e age, ice, c' l' a e' management, ad' and in En men management	RMB35,000,000	✓	82.00%
110	Taicang CIMC S e c i a l E i men C', Ltd. (Taicang S e c i a l E i men)	B*Went	Taicang, Jiangsu	Taicang, Jiangsu	P' d c' l' n and man fac. te P' e c i a l c' n a i n e e i men	USD20,000,000	50.00%	50.00%
111	Zheng h' C' n a n' E m b e l l i s h E n e l g C', LTD (Zheng h' C' n a n' E n e l g)	B*Went	Zheng h'	Zheng h'	App. management	RMB43,000,000	✓	66.00%
112	CIMC En' ic In En men h' ding (Shen hen) Ltd. (En' ic Shen hen in En men h' ding)	B*Went	Shen hen	Shen hen	In En men h' ding	USD80,000,000	✓	70.73%
113	Zhangjiagang CIMC S a n c' m C' g e n i c E i men Machine C', Ltd. (S a n c' m C' g e n i c)	B*Went	Zhangjiagang	Zhangjiagang	Man fac. te, f' ce and sale of c' g e n i c e i men, e l e m e n t a l c h e m i c a l e i men, m e n a l' d' and tele. an. a' e l a e d a d' e l' i c e	RMB30,000,000	✓	63.66%

Notes to the Financial Statements

Financial statements from 1 Jan '17 and ended 30 June 2017
 (All amounts in RMB'000 unless specified)
 (English Translation Reference Only)

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

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

(continued)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
123	Guangdong CIMC Building Construction Co., Ltd.	Wholly-owned	Guangdong	Guangdong	Modeling	RMB50,000,000	100.00%	
124	CIMC Kaiyuan Logistics Development Co., Ltd. (Kaiyuan Logistics)	Wholly-owned	Nanjing, Jiangsu	Nanjing, Jiangsu	Logistics services	RMB80,000,000	51.00%	
125	Kaiyuan Logistics Co., Ltd.	Wholly-owned	Nanjing, Jiangsu	Nanjing, Jiangsu	Logistics services	RMB20,000,000	51.00%	
126	Enlic (Jiangsu) Energy Equipment	Wholly-owned	Jiangsu, Shanghai	Jiangsu, Shanghai	Manufacturing and sales of Energy Equipment, self-management agency, financing and investment and technology	RMB30,000,000	70.73%	

Notes to the Financial Statements

233

Financial statements from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English Translation Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(1)

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
137	Chalm Ra H'iding Limi.ed (Chalm Ra)	B'nd'nd en.L	H'ng K'ng, China	H'ng K'ng, China	In m'ien. h'iding	HKD10,000	┆	70.73%
138	Chalm Bea. En. Le. H'iding Limi.ed (Chalm Bea.)	B'nd'nd en.L	B'ish V'gin Iland	B'ish V'gin Iland	In m'ien. h'iding	USD50,000	┆	63.33%
139	Shal' V' n H'iding Limi.ed (Shal' V' n)	B'nd'nd en.L	H'ng K'ng, China	H'ng K'ng, China	In m'ien. h'iding	HKD1	┆	100.00%
140	S'nd Winne/ H'iding Limi.ed (S'nd Winne/)	B'nd'nd en.L	B'ish V'gin Iland	B'ish V'gin Iland	In m'ien. h'iding	USD50,000	┆	70.73%
141	Gl' Ra id Limi.ed (Gl' Ra id)	B'nd'nd en.L	H'ng K'ng, China	H'ng K'ng, China	In m'ien. h'iding	HKD1	┆	100.00%
142	P'el'ead H'iding Ld. (P'el'ead)	B'nd'nd en.L	B'ish V'gin Iland	B'ish V'gin Iland	In m'ien. h'iding	USD10	┆	100.00%
143	C'elaie Vela U.A.	B'nd'nd en.L	H'land	H'land	In m'ien. h'iding	EUR75,000,000	┆	70.73%
144	Vela H'iding B.V.	B'nd'nd en.L	H'land	H'land	In m'ien. h'iding	EUR90,000	┆	70.73%
145	CIMC Financial Leasing (HK) C' Ld.	B'nd'nd en.L	H'ng K'ng, China	H'ng K'ng, China	Financial Leasing	HKD500,000	┆	100.00%
146	CIMC O'n'le H'iding Limi.ed (CIMC O'n'le)	B'nd'nd en.L	H'ng K'ng, China	H'ng K'ng, China	In m'ien. h'iding	HKD2,234,855,000	┆	100.00%
147	C'elaie CIMC U.A. (COOP)	B'nd'nd en.L	H'land	H'land	In m'ien. h'iding	EUR25,500,000	99.00%	1.00%
148	N' h. Sea Rig H'iding (NSR)	B'nd'nd en.L	B'ish V'gin Iland	B'ish V'gin Iland	Financial leasing /jec. c'm an	USD6,000	┆	91.50%

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
149	H'ng K'ng CIMC Tianda S (H'ng K'ng)	Business entities	H'ng K'ng, China	H'ng K'ng, China	Investment holding	HKD1,000,000	.	54.70%
150	CIMC Devel' men. (Australia) P. Ltd. (Devel' men. Australia)	Business entities	Australia	Australia	Investment holding	AUD8,000,000	.	100.00%
151	Beach' n h' lding G' Ld. (Beach' n h' lding)	Business entities	B' in V' gin	B' in V' gin	Financial leasing & jec. c' m an	USD4,900	.	100.00%
152	Lih a L' C' m an Limi. ed (Lih a)	Business entities	H'ng K'ng, China	H'ng K'ng, China	Leasing	USD4,850,000	.	75.00%
153	Beach' n Pacific G' Ld. (Beach' n Pacific)	Business entities	B' in V' gin	B' in V' gin	Financial Leasing & jec. c' m an	USD42,500,000	.	100.00%
154	CIMC H' lding Australia P. Ltd. (H' lding Australia)	Business entities	Australia	Australia	Investment holding	AUD8,724,000	.	63.33%
155	CIMC 'aille/ P' land SP Z' ('aille/ P' land SP Z')	Business entities	P' land	P' land	Investment holding	EUR3,000,000	.	63.33%
156	CIMC FORTUNE HOLDINGS LIMITED (Fortune H' lding)	Business entities	H'ng K'ng	H'ng K'ng	Financial Services	USD2,000,000	100.00%	.
157	CIMC MBS H'ng K'ng Limi. ed (MBS(HK))	Business entities	H'ng K'ng	H'ng K'ng	Investment holding	HKD50,000	.	100.00%
158	CIMC M' d la B' lding S' m' (Australia) P. Ltd. (MBS AU)	Business entities	Australia	Australia	Mod' le I	AUD500,000	.	100.00%

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (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)

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
						Direct	Indirect
159 EVERISE CAPITAL PTY LTD (EVERISE)	Business entities	Australia	Australia	International trading	AUD10	100.00%	100.00%
160 GLOBAL PLUS PTY LTD (GLOBAL)	Business entities	Australia	Australia	International trading	AUD1	100.00%	100.00%
161 HARVEST AVENUE PTY LTD (HARVEST)	Business entities	Australia	Australia	International trading	AUD1	100.00%	100.00%
162 CIMC Intelligent Technology (Hong Kong) Limited	Business entities	Hong Kong	Hong Kong	R&D of terminal intelligent equipment and products	HKD10,000	68.00%	68.00%
163 Adentech E-View Limited (Adentech)	Business entities	Hong Kong	Hong Kong	International trading	HKD1	100.00%	100.00%
164 Glam E-Box Limited (Glam)	Business entities	Hong Kong	Hong Kong	International trading	HKD1	100.00%	100.00%
165 Innova Alliance Limited (Innova)	Business entities	Hong Kong	Hong Kong	International trading	HKD1	100.00%	100.00%

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless specified)
 (English Translation: 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

()

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
						Direct	Indirect
1. Lianyungang CIMC Linyi Automobile CO., LTD. (LYV)	Business entities	Lianyungang, Henan	Lianyungang, Henan	Production and sales of passenger cars, truck chassis, machinery, electrical equipment and other products	RMB122,745,700	-	45.26%
2. Weihai CIMC Ruyi Jiang Automobile CO. LTD (WHVS)	Business entities	Weihai, Anhui	Weihai, Anhui	Development, production and sales of all kinds of special vehicles, special mechanical parts and metal products	RMB161,786,100	-	45.76%
3. Lianyungang Deyang Vehicle Co., Ltd. (LSDYV)	Business entities	Lianyungang, Shandong	Lianyungang, Shandong	Production and sales of mining truck, special vehicle and components and other products	RMB90,000,000	-	44.39%
4. Qingdao CIMC Cunniff Manufacturing Co., Ltd. (QDCC)	Business entities	Qingdao, Shandong	Qingdao, Shandong	Manufacturing and sales of casting, processing and manufacturing of all kinds of mechanical parts and other products	USD27,840,000	-	100.00%
5. Qingdao CIMC Reefers Manufacturing Co., Ltd. (QDRC)	Business entities	Qingdao, Shandong	Qingdao, Shandong	Manufacturing and sales of refrigeration and heating type and ice freezers of various kinds, refrigeration and heating type and ice freezers, refrigeration and heating type and ice freezers, refrigeration and heating type and ice freezers	USD86,846,680	-	100.00%
6. Tianjin CIMC Nanyang Ocean Container Co., Ltd. (TJCMC)	Business entities	Tianjin	Tianjin	Manufacturing and sales of containers, vehicles and other special vehicles	USD15,469,300	47.50%	52.50%
7. Shanghai CIMC Baoshell Industrial Co., Ltd. (SBWI)	Business entities	Shanghai	Shanghai	Manufacturing and sales of containers and other products	USD28,500,000	-	94.74%
8. CIMC Vehicle (Group) (Shandong) Co., Ltd. (KGR)	Business entities	Zhangdian, Shandong	Zhangdian, Shandong	Development and manufacturing of special cars and other products	USD18,930,100	-	55.10%

Notes to the Financial Statements

For the period ended 31 December 2017 and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(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)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
24	Yantai CIMC Raffles Shipping Co., Ltd. (YCRS)	Wholly-owned	Yantai, Shandong	Yantai, Shandong	China's largest shipping company providing comprehensive shipping services through the established channel and fleet	RMB125,980,000	100%	83.47%
25	Haiyang CIMC Raffles (HCRO)	Wholly-owned	Haiyang, Shandong	Haiyang, Shandong	China's largest ship design and construction company providing ship design, construction and management services	RMB200,000,000	100%	97.89%
26	Lingdao CIMC Raffles engineering Co., Ltd. (LCRO)	Wholly-owned	Lingdao, Shandong	Lingdao, Shandong	China's largest ship repair and maintenance	RMB290,000,000	100%	97.89%
27	Shandong M&E Social Vehicle Manufacturing Co., Ltd. (SDMV)	Wholly-owned	Jining, Shandong	Jining, Shandong	Manufacture and sales of mining trucks, special vehicle and components and accessories	RMB66,000,000	100%	44.39%
28	Xinfa Ailun Engineering and Construction Co., Ltd. (Xinfa Ailun)	Wholly-owned	Beijing	Beijing	Manufacture and sales of special vehicles	RMB25,000,000	100%	38.29%
29	Yangjiang Shangdong Fuli Real Estate Co., Ltd. (YJFR)	Wholly-owned	Yangjiang, Guangdong	Yangjiang, Guangdong	Real estate development, planning and construction	RMB10,000,000	100%	49.20%
30	Nanjing Yangji Pei Chemical Design & Engineering Co., Ltd. (Yangji Pei Chemical)	Wholly-owned	Nanjing, Jiangsu	Nanjing, Jiangsu	Project design of chemical industry	RMB88,000,000	100%	70.73%

Notes to the Financial Statements

Financial statements from 1 Jan. a. and ended 30 June 2017
 (All amounts in RMB'000 unless specified)
 (English Translation Reference Only)

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
						Direct	Indirect
31 Zhenh a L g a G C, L d (Zhenh a G)	B i n e n L	Tianjin	Tianjin				

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
40	Zhenh a D'ngjiang (Tianjin) C., Ltd. (Zhenh a D'ngjiang (Tianjin))	B'nded	Tianjin	Tianjin	C'mm'n and special freight	RMB50,000,000	100.00%	75.00%
41	Tianjin Zhenh a In. a. Inal Trade B'nded Wah'ng (Tianjin Zhenh a Trade B'nded)	B'nded	Tianjin	Tianjin	Cal' and agenc' ice	RMB5,628,800	100.00%	75.00%
42	B'gan. inē Se' ice (Shen hen) C., Ltd. (Shen hen B'gan. inē)	B'nded	Shen hen, G'ng	Shen hen, G'ng	P' ice a c' aine' and ni' e ail' ice and' elaed' echnical	HKD7,500,000	100.00%	70.00%
43	B'gan. inē Se' ice (Shanghai) C., Ltd. (Shanghai B'gan. inē)	B'nded	Shanghai	Shanghai	C' aine' ni' and' a' a' mechanical e ail, main. enance' ice	USD513,000	100.00%	70.00%
44	Tianjin 'ee' ade' ne Kaichang							

Notes to the Financial Statements

Financial statements from 1 Jan '17 and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise stated)
 (English translation is for reference only)

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

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

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information	Shareholding percentage (%)	
						of bonds	Direct	Indirect
48	Riji Lida (Wuhan) Co., Ltd. (武汉日力) (WHRUL)	Business Enterprise	Wuhan, Anhui	Wuhan, Anhui	Sale and agency of all kinds of heavy special-use vehicles, engineering machine	RMB20,492,100	.	83.12%
49	C&C Tire Co., Ltd. (C&C Tire)	Business Enterprise	Wuhan, Anhui	Wuhan, Anhui	Sale and agency of all kinds of heavy special-use vehicles, engineering machine	RMB1,100,000,000	70.06%	.
50	Anhui FeiCai (Group) Co., Ltd. (Anhui FeiCai (Group))	Business Enterprise	Xiangcheng, Anhui	Xiangcheng, Anhui	Manufacture and sale of agricultural tractors, agricultural machine and electrical accessories	RMB158,000,000	.	70.06%
51	Liaoning Hanyueng Gaoji Shifangye Shimen Co., Ltd. (Hanyueng)	Business Enterprise	Liaoning	Liaoning	Natural gas liquefaction equipment, CBM liquefaction equipment, design, production and sales of electrical appliances	RMB50,000,000	.	42.47%
52	Sin-Walink (Beijing) Investment Co., Ltd. (Sin-Walink (Beijing) Investment)	Business Enterprise	Beijing	Beijing	Investment management, property management, investment advisory, consulting management	RMB35,000,000	.	50.00%
53	Sin-Walink (Beijing) International Logistics Co., Ltd. (Sin-Walink Beijing Logistics)	Business Enterprise	Beijing	Beijing	International freight agency, general cargo	RMB30,000,000	.	50.00%
54	Qingdao Leda Chemical Co., Ltd. (Qingdao Leda Chemical)	Business Enterprise	Qingdao, Shandong	Qingdao, Shandong	Production and sales of polypropylene and polyethylene fiber and fabric, all kinds of chemical products	RMB30,000,000	.	70.00%
55	KTI Group Co., Ltd. (Zhenghe KTI Group)	Business Enterprise	Henan, Zhenghe	Henan, Zhenghe	Designing and manufacturing of automatic sewing machine	RMB20,000,000	.	54.70%

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (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)

No.	Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
							Direct	Indirect
56	CIMC Rilling S. S. A. S. (CIMC A.S.)	Belgium	Austria	Austria	Sales of vehicles	AUD50,000	-	63.33%
57	Enric Energ E i men Holding Limited (Enric)	Belgium	China	China	Investment holding	HKD1,936,838,008 HKD0.01 exchange	-	70.73%
58	B/g Ind/B.V.	Belgium	Netherlands	Netherlands	Investment holding	EUR841,267	-	100.00%
59	CIMC ENRIC Tank and P/ce B.V.	Belgium	Netherlands	Netherlands	Investment holding	EUR20,000,000	-	70.73%
60	Ziemann H/ieka B.V.	Belgium	Netherlands	Netherlands	Sales of vehicles	EUR136,200	-	70.73%
61	Ziemann H/ieka International B.V.	Belgium	Netherlands	Netherlands	Production, assembly and sale of vehicles	EUR682,500	-	70.73%
62	P.e Global Sdn. Bhd (P.e Global Sdn. Bhd)	Belgium	Malaysia	Malaysia	Sales of ice	MYR8,000,000	-	78.14%
63	N/dk/el B.V.	Belgium	Netherlands	Netherlands	Sales of vehicles	EUR500,000	-	70.73%
64	Beheelmaazha i j B.V.	Belgium	Netherlands	Netherlands	Investment holding	EUR123,155.95	-	100.00%
65	B/g Cal/ie B.V.	Belgium	Netherlands	Netherlands	Production of trailers	EUR18,151,21	-	63.33%
66	E/l/ia/maazha i j International B.V.	Belgium	Netherlands	Netherlands	Trade, financing and leasing of trailers	EUR15,925	-	63.33%
67	H/b/T en.e B.V.	Belgium	Netherlands	Netherlands	Production and sale of trailers and components and accessories	EUR45,378.02	-	100.00%

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (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)

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
						Direct	Indirect
68 B'lg Sel'ice B.V.	B'gin' en'i...	H'lland	H'lland	Asseml' and le ail' f' ad' la'g'... ehicle and ank e' i men'...	EUR150,000	.	70.73%
69 LAG T'alle' N.V.	B'gin' en'i...	Belgi m	Belgi m	Man fac' ting laile'	EUR3,245,000	.	63.33%
70 Ziemann H'li'ieka N.V.	B'gin' en'i...	Belgi m	Belgi m	Pl' d' c' i' n' ank e' i men'...	EUR991,600	.	70.79%
71 Imm' b' g N.V. B'lee	B'gin' en'i...	Belgi m	Belgi m	Pl' d' c' i' n' f' ad' la'g'...ehicle	EUR248,000	.	63.33%
72 Ziemann H'li'ieka A/S	B'gin' en'i...	Denma'k	Denma'k	Pl' d' c' i' n' ank e' i men'...	DKK1,000,000	.	70.73%
73 D'lec' Ch'gg' LLC (DCEC)	B'gin' en'i...	USA	USA	Man fac' ting and sale' f' ecial...ehicle	USD10,000,000	.	63.33%
74 CIMC TGE Gas In' ex' m' en' SA (TGESA)	B'gin' en'i...	L' emb' /' g	L' emb' /' g	In' ex' m' en' h' lding	EUR50,000	.	60.00%
75 TGE Gas Engine'ing GmbH (TGE Gas)	B'gin' en'i...	Ger'man	Ger'man	Pl' d' ide EP+CS, Design, P' ch'ge and C' n' t' r' o' l' s' el' e' c' t' r' o' n' i' c'...ehical' f' ec' t' e' c' i' o' n' i' n' L' NG, LPG and v' l' age and o' g' a' l' f' i' l' e'	EUR1,000,000	.	60.00%
76 CIMC Raff'ia O'gan' i' e (Singa' i' e) Limi'ed (Raff'ia)	B'gin' en'i...	Singa' i' e	Singa' i' e	Pl' d' c' i' n' f' a' i' v' e' p' n' i' f' i' c' a' n' t' e'...oil and gas, incl' ding jack- d' rilling la' i' n' g, semi- s' b' m' e' t' a' b' l' e' d' rilling Pl' a' t' f' o' r' FPSO, FSO	SGD594,416,915 and USD303,122,013	.	100.00%

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless specified)
 (English Translation for Reference Only)

VI.

Name	Category	Registration Place	Main Premises	Business scope	Share capital issued and information of bonds	Shareholding percentage (%)	
					of bonds	Direct	Indirect
88 CIMC A... E... (CARTE)	B...	A...	A...	In...	AUD8,300,000	.	63.33%
89 B... L... (H...)	B...	H'ng K'ng, China	H'ng K'ng, China	In...	HKD10,000,000	.	70.00%
90 B... (H'ng K'ng B...)	B...	H'ng K'ng, China	H'ng K'ng, China	C'n... Lade	HKD5,000,000	.	70.00%
91 P... L...	B...	Singa...e	Singa...e	In...	SGD322,947,152	.	78.14%
92 V... L... (VIL)	B...	Uni.Ed Kingd'm	Uni.Ed Kingd'm	In...	GBP1,108	.	100.00%
93 CIMC De... L... (CDL)	B...	Uni.Ed Kingd'm	Uni.Ed Kingd'm	P/... ackage	GBP1	.	100.00%
94 V... L... (VSL)	B...	Uni.Ed Kingd'm	Uni.Ed Kingd'm	M'd... I	GBP1	.	100.00%
95 B... L...	B...	Uni.Ed Kingd'm	Uni.Ed Kingd'm	Bee... engineering design and... e...	GBP3,385,000	.	70.73%
96 Re... L...	B...	Uni.Ed Kingd'm	Uni.Ed Kingd'm	P/... Lade	692,041	.	63.33%

Notes to the Financial Statements

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

VI. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(4) There is no significant partial disposal of subsidiary equity in current period (not losing control).

(5) There is no acquisition of significant minority interests in the current period.

2. Equity in associates and joint ventures

(1) Basic information of major associates and joint ventures

	Main Premises	Registration Place	Nature of business	Strategic for the group or not	Shareholding ratio-Direct	Shareholding ratio-Indirect
Joint ventures –						
NKY Zhenhua	Tianjin	Tianjin	Logistics business	No	-	38.25%
Y&C Engine	Wuhan, Anhui	Wuhan, Anhui	Manufacture and sale of heavy-duty engines and components and after	Yes	-	33.12%
Associates –						
Liha Energy	Bahui, Hebei	Bahui, Hebei	Gas production and transportation business	No	-	15.58%
Shanghai Fengang	Shanghai	Shanghai	Real estate development	Yes	-	40.00%
TSC	Hong Kong (USA)	Cayman Islands	Land and sea drilling platform business	Yes	-	13.42%
Jiahua Shipping	Hong Kong	Hong Kong	Logistics business	No	-	30.00%
China Finance Safe	Chengde	Cayman Islands	Finance business	Yes	-	30.00%
Shanghai In-Exmen	Beijing	Beijing	Investment management	No	-	45.00%

The entities mentioned above are measured by the equity method.

(2) Excess deficit of major associates and joint ventures

There is no excess deficit of major associates and joint ventures in the period.

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

The entities of the structured body not included in the consolidation range of the consolidated financial statements:

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. The company does not have any holding company.
2. For the information on the subsidiaries of the company, refer to Note VI.1.
3. For the information about the joint ventures and associates of the Company, refer to Note VI.2.

In addition, the following joint ventures and associates have been disclosed in Note VI, hereinafter referred to as "joint ventures and associates":

	Main place of business	Registered Address	The nature of the business	The group activity is strategic	Shareholding percentage - direct	Shareholding percentage - indirect
Joint ventures -						
Gangsi Logistics	Nanning	Nanning	Logistics	N	—	50.00%
'K'Line Zhenhai Logistics	Tianjin	Tianjin	Logistics	N	—	38.25%
Qingda Jiefeng Biogas	Qingda	Qingda	Chemical main business	N	—	35.00%
Shanghai Weide Biogas	Shanghai	Shanghai	Chemical main business	N	—	35.00%
Tianjin Jishi Biogas	Tianjin	Tianjin	Chemical main business	N	—	35.00%
Associates						
Xinhai Wood	Xinhai	Xinhai	Wood	N	—	35.00%
Riny Real Estate	Zhenjiang	Zhenjiang	Real Estate	N	—	16.40%
Qingchen Bamboo	Fujian	Fujian	Bamboo	N	—	30.00%
Xinang Wood Industry	Hong Kong	Hong Kong	Wood	N	—	20.00%
Shanghai Shenji	Shanghai	Shanghai	Automotive	N	—	15.83%
Zhejiang Xinling Bamboo	Zhejiang	Zhejiang	Bamboo	N	—	30.00%
Dalian Jilong Logistics	Dalian	Dalian	Logistics	N	—	30.00%
Tianjin Sinyuan Dongjiang Animal Husbandry	Tianjin	Tianjin	Animal husbandry	N	—	39.22%
Xiamen CIMC	Xiamen	Xiamen	Chemical business	N	—	45.00%
Ningbo Beilun	Ningbo	Ningbo	Chemical business	N	—	21.00%

Notes to the Financial Statements

For the period ended 31 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

4. Information of other related parties

Company name	Relationship with the Group
SUMITOMO CORPORATION	Minority shareholder
Shanghai Heaoda Automobile Orien International	Minority shareholder
FML	Significant shareholder
Garfin	Minority shareholder
Amahi Trading Co., Ltd.	Minority shareholder
Shunde Feili	Minority shareholder
China Melcham Shek Industrial Zone Holding Co., Ltd.	Significant shareholder
Flere Container Co., Ltd. S.A.	Significant shareholder
China COSCO Shipping Container Lines Limited	Significant shareholder
Flere Container Services Ltd.	Significant shareholder

Note: Significant shareholder/related party holding more than 5% (inclusive) of the Company's shares

Notes to the Financial Statements

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

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions

The following transactions related parties entered into during the period and are not in accordance with normal commercial terms and conditions.

(1) Purchase of goods and receiving of services

Name	Name of the related party	For the Period from 1 January to 30 June 2017 Amount	For the Period from 1 January to 30 June 2016 Amount
Y&C Engine	Purchase of goods	309,000	140,744
Shan i Hea D Automobile	Purchase of goods	49,559	28,966
Qingchen Bamb	Purchase of goods	8,259	2,943
Azahi Trading Co., Ltd.	Purchase of goods	1,855	23,053
X h W d	Purchase of goods	394	144
SUMITOMO CORPORATION	Purchase of goods	-	168
TSC	Purchase of goods	-	343
O. h e l e a e d a i e	Purchase of goods	1,758	2,526
S b a i	Purchase of goods	370,825	198,887
O. h e l e a e d a i e	Receiving of services	15,681	10,913

Emphasis on the disclosure of related parties and management of the Company refer to VIII.5(4).

Notes to the Financial Statements

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

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(2) Sales of goods and rendering of services

Name	Name of the Transaction	For the Period from 1 January to 30 June 2017 Amount	For the Period from 1 January to 30 June 2016 Amount
Shanghai Hea... ..	Sales of goods	93,174	38,242
Fl... ..	Sales of goods	63,809	66,874
SUMITOMO CORPORATION	Sales of goods	59,136	99,554
Fl... .. S.A.	Sales of goods	25,676	52
Fl... ..	Sales of goods	12,624	-
O... ..	Sales of goods	4,965	-
NYK Zhenh... ..	Sales of goods	228	984
G... ..	Sales of goods	-	4,516
O... ..	Sales of goods	8,298	6,119
S... ..	Sales of goods	267,910	216,341
O... ..	Rendering of services	20,078	10,352

(3) Financing

Name	Amount	Starting date	Ending date	Interest income earned/interest expense recognised from 1 January to 30 June 2017	Note
Financing received					
G... .. S.A.	45,571	19 September 2008	Re-assignment	522	Shareholder's loan
Sh... ..	27,215	12 April 2012	Re-assignment	-	Loan from shareholder's loan
	72,786				
Financing provided					
R... ..	503,568	25 December 2007	Re-assignment	6,690	Shareholder's loan
Shanghai Feng... ..	34,204	25 December 2007	Re-assignment	-	Shareholder's loan

Notes to the Financial Statements

For the period ended 31 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English translation is 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 share incentive scheme since 28 September 2010 (see Note 17). Details of the share incentive plan granted to key management personnel are as follows:

Name	Position	Number of granted share options (in'0000)
Mai Biliang	President/Chairman	285
Li Xubin	Vice Chairman	99.7
Wu Faqi	Vice Chairman	75
Li Yinhi	Vice Chairman	75
Yi Ya	Vice Chairman	65
Zhang Baoping	Vice Chairman	75
Gao Xiang	Vice Chairman	37.5
Yi Yubin	Secretary of the Board	75
Zeng Han	General Manager of Finance Department	28.9
Total		816.1

Some key management personnel also hold share options of the Company based on the share incentive plan of Enric, the subsidiary of the Company. Details of the share incentive plan granted to key management personnel are as follows:

Name	Position	Number of granted share options (in'0000)
Wu Faqi	Vice Chairman	50
Yi Ya	Vice Chairman	25
Gao Xiang	Vice Chairman	190
Zeng Han	General Manager of Finance Department	25
Yi Yubin	Secretary of the Board	129.8
Total		419.8

On 27 March 2017, a total of 1,400,000 shares were issued to key management personnel of the Company. On 27 March 2017, Mr. Jin Jianping, left office due to his resignation. On 27 March 2017, Mr. Zeng Han resigned as general manager of finance department. On 30 June 2017, Mr. Jin Qian had 640,000 shares of the Company and 1,400,000 shares of Enric were issued.

For details of the share incentive plan, please refer to Note 17.

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English Translation for Reference Only)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

()

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

Name	Remuneration	Emoluments for other management service of the Company or subsidiaries						Total
		Salary and allowance	Pension	Bonus	Entry Bonus	Housing allowance	Others	
Directors								
Wang Hong	-	-	-	-	-	-	-	-
Wang Yuhang	-	-	-	-	-	-	-	-
Mai Biliang	-	1,350	42	-	-	-	223	1,615
Wang Zhijian	-	-	-	-	-	-	-	-
Li Chong	-	-	-	-	-	-	-	-
Pan Chengwei	100	-	-	-	-	-	-	100
Wang Guolin	100	-	-	-	-	-	-	100
Pan Zhengfei	100	-	-	-	-	-	-	100
Total	300	1,350	42	-	-	-	223	1,915
Senior Management								
Xi'ngbo	-	86	21	-	-	-	6	113
Lin Li (N.E(i))	-	-	-	-	-	-	-	-
Zhang Mingren	-	-	-	-	-	-	-	-
L. Shenghui (N.E(i))	-	-	-	-	-	-	-	-
Total	-	86	21	-	-	-	6	113
Other Senior Executives								
W. Fa'ei	-	661	55	-	-	-	16	732
Li Yinhi	-	401	54	-	-	-	16	471
Li Xubin	-	688	55	-	-	-	16	759
Zhang Baofeng	-	661	-	-	-	-	-	661
Y. Ya	-	375	-	-	-	-	-	375
Ga' Xiang	-	718	45	-	-	-	11	774
Jin Jianfeng (N.E(ii))	-	330	-	-	-	-	-	330
Zeng Han (N.E(ii))	-	170	22	-	-	-	8	200
Yang Rong	-	568	48	-	-	-	16	632
Y. Y. n	-	660	42	-	-	-	16	718
Sub-total	-	5,232	321	-	-	-	99	5,652
Total	300	6,668	384	-	-	-	328	7,680

(i): As at 20 December 2016, a resolved by 2016 extraordinary general meeting, Mr. Lin Li resigned due to a legal dispute while Mr. L. Shenghui was appointed in his stead in behalf of the independent non-executive director.

(ii): A resolved by the meeting in 2017 of the independent director Mr. Jin Jianfeng, left office due to the resignation of Mr. Zeng Han as an independent manager of finance department.

The figures indicated above received the highest are included as paid from 1 January to 30 June 2017.

Notes to the Financial Statements

255

Financial statements from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English Translation: Reference Only)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

()

Notes to the Financial Statements

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

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Other related party transactions (Continued)

(i) On 31 March 2016, at the 2015 Annual General Meeting, Mr. Zhang Liang, Mr. Wang Shiqing and Mr. Li Kejin were elected as members of the Board of Directors.

(ii) On 31 March 2016, at the 2015 Annual General Meeting, Mr. Wang Yuhang was recommended by the Board of Directors as the vice chairman of the Board of Directors and non-executive director, Mr. Li Chang was appointed as non-executive director and Mr. Pan Zheng was appointed as an independent non-executive director of the Board of Directors.

(iii) On 31 March 2016, at the 2015 Annual General Meeting, Mr. Wang Zhiqian and Mr. He Jiale were elected as Mr. Wang Zhiqian was recommended by the Board of Directors as non-executive director of the Board of Directors while Mr. Lin Li and Mr. Zhang Mingren were recommended by the Board of Directors on behalf of the Board of Directors as non-executive directors.

(iv) At the 2016 Board Meeting, Mr. Zeng Beihua was appointed as Chairman and Mr. Yang Rong was appointed as General Manager of the Company.

The financial results of the Company are included in the consolidated financial statements for the period from 1 January to 30 June 2016.

Other benefits mainly consist of housing fund, pension, medical insurance, etc.

(v) On 30 June 2017, the Company did not enter into any agreement with related parties.

For the period from 1 January to 30 June in 2017, the Company did not receive any financial contribution from the Chairman and the Board of Directors (For the period from 1 January to 30 June in 2016: Nil).

(vi) On 30 June 2017, the Company did not receive any financial aid from related parties.

For the period from 1 January to 30 June 2017, the Company did not receive any financial aid from related parties (For the period from 1 January to 30 June 2016: Nil).

(vii) On 30 June 2017, the Company did not receive any financial aid from related parties.

On 30 June 2017, the Company did not receive any financial aid from related parties and guarantee fees (For the period from 1 January to 30 June 2016: Nil).

(viii) On 30 June 2017, the Company did not receive any financial aid from related parties.

For the period from 1 January to 30 June 2017, the Company did not enter into any agreement with related parties in which the Company has a significant interest in any transaction, arrangement and contract (For the period from 1 January to 30 June 2016: Nil).

Notes to the Financial Statements

Financial statements for the period from 1 Jan. a. and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6. Receivables due from and payables due to related parties

- Refer to Note IV.4 for details of accounts receivable.
- Refer to Note IV.5 for details of other receivables.
- Refer to Note IV.6 for details of advances received.
- Refer to Note IV.9 for details of consolidated non-current assets.
- Refer to Note IV.12 for details of long-term receivables.
- Refer to Note IV.22 for details of other non-current assets.
- Refer to Note IV.28 for details of accounts payable.
- Refer to Note IV.34 for details of other payables.
- Refer to Note IV.29 for details of advances from related parties.

7. Commitments in relation to related parties

As at 30 June 2017, there are no commitments in relation to related parties that are not necessary to be recognized in the balance sheet.

Notes to the Financial Statements

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

IX. SHARE-BASED PAYMENTS

1. Information about share-based payments

The total number of shares granted during the period	The total number of shares granted by the Company and Enlic is 0 shares.				
The total number of shares exercised during the period	The number of shares exercised by the Company and Enlic is 1,776,000 and 1,676,000 respectively.				
The total number of shares forfeited during the period	The Company has no ineffective share-based payments and the number of shares forfeited in Enlic is 294,000 shares.				
The exercise price of outstanding shares at the end of the period and the weighted average exercise price	1. Exercise price of shares granted by Enlic in 2009, 2011 and 2014: HKD4, HKD2.48 and HKD11.24 respectively, the weighted average exercise price is 2.30, 4.32 and 6.93 respectively; 2. Exercise price of shares granted by the Company in 2010 and 2011: RMB10.49 (after adjustment) and RMB16.02 respectively (after adjustment), the weighted average exercise price is 3.24 respectively.				
The exercise price of shares granted by the Company at the end of the period and the weighted average exercise price	Nil				
Exercise expense recognized for the period arising from share-based payments					
	<table border="1"> <thead> <tr> <th data-bbox="1021 1207 1212 1369"> For the Period from 1 January to 30 June 2017 </th> <th data-bbox="1212 1207 1412 1369"> For the Period from 1 January to 30 June 2016 </th> </tr> </thead> <tbody> <tr> <td data-bbox="1021 1369 1212 1412"> Exercise expense recognized from share-based payments </td> <td data-bbox="1212 1369 1412 1412"> 9,583 19,889 </td> </tr> </tbody> </table>	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	Exercise expense recognized from share-based payments	9,583 19,889
For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016				
Exercise expense recognized from share-based payments	9,583 19,889				

Notes to the Financial Statements

For the period ended 31 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English text has primary 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 share incentive plan (the Plan I), which was approved by the shareholders' meeting on 11 November 2009. According to the Plan, the key management personnel and the employees in Enric were granted shares in Enric a total of 43,750,000 shares in Enric. The shares are 50% exercisable after the first year of grant and are 100% exercisable after the first year of grant. Each share has a high exercise price of one dollar in Enric. The total number of shares granted was 43,750,000, with the exercise price of HKD4 per share.

Enric carried out another share incentive 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 granted shares in Enric. The key management personnel and the employees of Enric a total of 38,200,000 shares in Enric. The shares are 40% exercisable after the first year of grant and, 70% exercisable after 2 years of grant and 100% exercisable after 3 years of grant. Each share has a high exercise price of one dollar in Enric. The total number of shares granted was 38,200,000, with the exercise price of HKD2.48 per share.

Enric, a subsidiary of the Company, carried out another share incentive plan (the Plan III), which was approved by the shareholders' meeting on 5 June 2014. According to the Plan, the key management personnel and the employees in Enric were granted shares in Enric a total of 38,420,000 shares in Enric. The shares are 40% exercisable after the first year of grant, 70% exercisable after the second year of grant and 100% exercisable after the third year of grant. Each share has a high exercise price of one dollar in Enric. The total number of shares granted was 38,420,000, with the exercise price of HKD11.24 per share.

Movement of shares in Enric:

	30 June 2017 '000	31 December 2016 '000
Beginning balance	83,572	86,599
Granted in connection	-	-
Exercised in connection	(1,676)	(1,211)
Cancelled in connection	(162)	(1,776)
Forfeited in connection	(132)	(40)
Ending balance	81,602	83,572

Notes to the Financial Statements

For the period from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(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 incentive scheme (the Scheme) was approved in the shareholders' meeting of the Company held on 28 September 2010. According to the Scheme, the board of directors of the Company has authorized the management, the board of directors and the employees to subscribe for shares of the Company. The effective period of the Scheme will end from the grant date of the last share incentive plan. The share incentive plan is applicable in the period from the grant date of the first share incentive plan to the grant date of the 24th share incentive plan since the grant date of the last share incentive plan is 48 months since grant date. The remaining 75% will be applicable from the grant date of the 48th share incentive plan to the grant date of the last share incentive plan of the Scheme. Each share incentive plan will be subject to the following conditions in the Company. In addition, the holders of the shares will be subject to all the conditions of the plan.

- The holders of the shares will be subject to the following conditions:
- The increase of the share price of the Company after the grant date of the share incentive plan will be at least 6% and the share price of the Company after the grant date of the share incentive plan will be at least 10% of the share price of the Company at the grant date.
- During the period of the share incentive plan, the share price of the Company and the share price of the Company will be at least 6% and the share price of the Company will be at least 10% of the share price of the Company at the grant date.

The total number of shares granted was 60,000,000, 54,000,000 among which the initial grant of the share incentive plan was 12.39 million shares while the remaining 6,000,000 shares were forfeited.

The Company has granted a cash dividend of 0.35 shares, 0.46 shares, 0.23 shares, 0.27, 0.31 shares, 0.22 shares and 0.06 shares on 31 May 2011, 21 June 2012, 28 June 2013, 27 June 2014, 29 July 2015, 20 July 2016 and 20 July 2017 respectively. In accordance with the Scheme, the management of the Company has granted a cash dividend of 10.49 shares, 10.49 shares, 10.49 shares, 10.49 shares, 10.49 shares and 10.49 shares on 28 September 2010. After the grant date, the share price of the Company was 10.49 shares.

According to the share incentive plan approved in the shareholders' meeting on 28 September 2010, the share incentive plan was granted 6,000,000 shares to the employees of the Company on 28 September 2010. The share price of the Company at the grant date was 17.57 shares. With the implementation of the cash dividend of 10.49 shares, 10.49 shares, 10.49 shares, 10.49 shares, 10.49 shares and 10.49 shares on 28 September 2010, 21 June 2012, 28 June 2013, 27 June 2014, 29 July 2015 and 20 July 2016 respectively, the cash dividend of 0.46, 0.23, 0.27, 0.31, 0.22 and 0.06 shares respectively, the share price of the Company was 16.02 shares.

Notes to the Financial Statements

For the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation 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)

Measurement of share-based payment of the Company:

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

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

At each balance sheet date, the Company expects to make the best estimate according to the latest information about the number of employees who are granted the share-based payment and the number of employees who are expected to leave the Company. On the reporting date, the estimate shall be equal to the number of employees who are expected to leave.

The significant difference between the expected and actual number of employees is as follows:

As at 30 June 2017, the Company has granted in connection with the share-based payment	414,679
Total employees granted for the share-based payment in connection	
Including:	
- the Company	-
- the Entity	9,583
	9,583

Notes to the Financial Statements

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

X. CONTINGENCIES

1. Contingent liabilities

CIMC Raffles, a subsidiary of the Company, entered into several contracts and entered into leasing contracts in the lease contracts, which include the contract of delivery of items and termination. The management of Raffles received the contract of delivery of items and high high ill inc the contract of delivery, therefore the management decided to accrue a provision amount of USD3,650,000 (equivalent to RMB24,729,000) (31 December 2016: USD3,650,000 (equivalent to RMB25,320,000)) in accordance with the daily contract of delivery amount in the contract and the received of the high chance. Also, CIMC Raffles entered into the contract of the agreement in the contract of the drilling platform. As at 30 June 2017, the balance of the liability of the delivery of the vessel is USD3,694,000 (equivalent to RMB25,027,000) (31 December 2016: USD5,964,000 (equivalent to RMB38,150,000)).

YZTH, a subsidiary of the Company, provided guarantee for the mortgage of the client's goods. The management of YZTH has been advised by the management team and received the liability of YZTH for the client, therefore the management decided to accrue a provision amount of 9,272,000 (31 December 2016: 19,778,000).

2. Guarantees provided for external parties

CIMC Raffles, a subsidiary of the Company, provided guarantee for the leasing of the client. As at 30 June 2017, the amount of guarantee provided by Raffles is 334,250,000 (31 December 2016: 382,000,000).

CIMC Vehicle (Group), a subsidiary of the Company, signed contracts with H Shanghai Bank, China Merchants Bank, Bank of Communications, China Guangfa Bank, Industrial Bank, Industrial and Commercial Bank of China, Zhongyuan Bank and China Finance Company, and other financial banks provided guarantee in the contract of banking facilities provided to the client and company of CIMC Vehicle (Group) and subsidiary of the company. As at 30 June 2017, the aggregate amount of credit facilities in the contract of CIMC Vehicle (Group) and subsidiary of the company provided guarantee is 786,333,000 (31 December 2016: 1,031,416,000).

ShenYang Vehicle Garden and Shanni Vehicle Garden, subsidiaries of the Company, signed the contract of the mortgage of the client in the China Construction Bank and Qindong Real Commercial Bank. The management of the company provided guarantee for the client in the bank. As at 30 June 2017, the amount of guarantee provided by ShenYang Vehicle Garden and Shanni Vehicle Garden is 8,295,000 (31 December 2016: Nil).

Yanghe Da Real Estate, CIMC HaiYi, YJFR and Donggong International Park, subsidiaries of the Company, provided guarantee for the contract of the company. The amount of guarantee provided by the Company is 714,347,000 (30 June 2017 (31 December 2016: 733,443,000)).

C&C Truck and subsidiary of the company signed contracts with the financial banks, and other financial banks provided guarantee in the contract of banking facilities provided to the client and company of C&C Truck and subsidiary of the company. As at 30 June 2017, the aggregate amount of credit facilities in the contract of C&C Truck and subsidiary of the company provided guarantee is 314,477,000 (31 December 2016: 386,879,000).

Notes to the Financial Statements

263

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

X. CONTINGENCIES (CONTINUED)

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

The Group's contingent liabilities include a letter of credit issued by the Company's subsidiary, China National Petroleum Corporation, and a letter of credit issued by the Company's subsidiary, China National Petroleum Corporation, and a letter of credit issued by the Company's subsidiary, China National Petroleum Corporation. As at 30 June 2017, the Group had contingent liabilities of RMB330,227,000 and outstanding letters of credit of RMB88,443,000, totaling RMB418,670,000 (31 December 2016: RMB1,143,013,000).

As at 30 June 2017, the Company had outstanding balance of foreign currency payable to the subsidiary of RMB915,000,000 and USD20,000,000 (equivalent to RMB135,501,000) respectively, totaling RMB1,050,501,000.

As at 30 June 2017, CIMC Raffles had outstanding balance of foreign currency payable to the bank totaling USD53,753,000 (equivalent to RMB364,183,000), of which the balance of advance payment of foreign currency, and foreign currency payable of USD32,000,000 (equivalent to RMB216,802,000), USD21,753,000 (equivalent to RMB147,381,000) respectively (31 December 2016: RMB905,730,000).

As at 30 June 2017, CIMC Enlic had outstanding balance of foreign currency payable to the bank totaling RMB698,752,000 of which the balance of performance and advance payment of foreign currency of RMB342,096,000, the balance of advance payment of foreign currency of RMB356,656,000 (31 December 2016: RMB779,018,000).

As at 30 June 2017, TLC, the subsidiary of the Group, had outstanding balance of foreign currency payable to the bank totaling USD115,000 (equivalent to RMB799,000). (31 December 2016: RMB2,844,000).

As at 30 June 2017, QDCRC, the subsidiary of the Group, had outstanding balance of performance guarantee of foreign currency payable to the bank totaling RMB32,537,000 (31 December 2016: RMB10,478,000).

As at 30 June 2017, TAS had outstanding balance of foreign currency payable to the bank totaling 684,748,000, of which the balance of performance guarantee of foreign currency, foreign currency payable, advance payment of foreign currency of RMB375,133,000, RMB20,540,000, RMB32,669,000 and RMB256,406,000 respectively (31 December 2016: RMB682,818,000).

As at 30 June 2017, CIMC Finance Company, the subsidiary of the Group, had outstanding balance of foreign currency payable to the subsidiary of the Group, of which the balance of performance guarantee of foreign currency, foreign currency payable, margin of foreign currency and advance payment of foreign currency of RMB23,493,000, RMB1,593,000, RMB5,600,000 and RMB9,000,000 respectively, totaling RMB39,916,000 (31 December 2016: RMB28,396,000).

As at 30 June 2017, Zhenhua Logistics Group, the subsidiary of the Group, had outstanding balance of performance guarantee of foreign currency payable to the bank totaling RMB12,970,000 (31 December 2016: RMB42,125,000).

Notes to the Financial Statements

For the period ended 31 December 2017 and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English Translation for Reference Only)

X. CONTINGENCIES (CONTINUED)

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

As at 30 June 2017, QDHFL, a wholly-owned subsidiary of the Group, had outstanding balance of performance guarantees issued by the bank amounting RMB83,000 (31 December 2016: Nil).

As at 30 June 2017, LYV, a wholly-owned subsidiary of the Group, had outstanding balance of performance guarantees issued by the bank amounting RMB1,702,000 (31 December 2016: Nil).

As at 30 June 2017, ZCIMG, a wholly-owned subsidiary of the Group, had outstanding balance of performance guarantees issued by the bank amounting RMB18,392,000 (31 December 2016: Nil).

As at 30 June 2017, YanTai Tie h'ngba, a wholly-owned subsidiary of the Group, had outstanding balance of performance guarantees issued by the bank amounting RMB255,000 and USD868,000 (equivalent to RMB6,136,000). (31 December 2016: Nil).

As at 30 June 2017, QDCSR, a wholly-owned subsidiary of the Group, had outstanding balance of performance guarantees issued by the bank amounting RMB3,200,000 (31 December 2016: Nil).

As at 30 June 2017, QDCC, a wholly-owned subsidiary of the Group, had outstanding balance of performance guarantees issued by the bank amounting RMB59,734,000 (31 December 2016: Nil).

As at 30 June 2017, Ziegler, a wholly-owned subsidiary of the Group, had outstanding balance of performance guarantees issued by the bank amounting EUR1,295,000 (equivalent to RMB10,039,000). (31 December 2016: Nil).

As at 30 June 2017, Velb'ny, a wholly-owned subsidiary of the Group, had outstanding balance of performance guarantees issued by the bank amounting GBP 5,947,000 (equivalent to RMB52,395,000). (31 December 2016: Nil).

4. Significant pending litigations

CIMC Raffles, a wholly-owned subsidiary of the Company, entered into a drilling contract with CIMC and the contract had been delivered to the charterer in 2015. The charterer believed that the deliverable cannot fulfill the technical requirements in the contract, hence the chartered Raffles was a time charter party. The management team of Raffles received the high risk as a time charter party, hence the decided to accrue a provision of USD2,000,000 (equivalent to RMB13,550,000) as at 30 June 2017 (31 December 2016: RMB13,874,000).

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless specified)
(English Translation Reference Only)

Notes to the Financial Statements

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

XII. EVENTS AFTER THE BALANCE SHEET DATE

- On 5 July 2017, EIHL (Shenzhen) entered into a share purchase agreement with SOE and SOE Bank, Ltd. and Liquidation Team (南通太平洋破產清算組) to acquire the majority share of SOE through acquiring the entire equity interest in SOE. On 4 August 2017, the SOE Board of Directors adopted a special resolution meeting of SOE and a special board meeting. On 16 August 2017, SOE has become an independent listed subsidiary of CIMC Enric and an independent listed subsidiary of the Group. SOE has renamed as 南通中集太平洋海洋工程有限公司 (Nantong CIMC Sin Pacific Offshore & Engineering Co., Ltd.). For more information, please refer to the announcement dated 6 July 2017, 4 August 2017 and 16 August 2017 included in China Securities Journal, Shanghai Securities News, Securities Times, Chinafunds (www.cninfo.com.cn), the Company website (www.cimc.com) (Notice No.: [CIMC]2017-036, [CIMC]2017-047 and [CIMC]2017-054) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).
- On 17 July 2017, CIMC Skanska Real Estate and CGRE entered into a capital increase agreement with an agreement which CGRE injected an amount of RMB926,322,300 into the capital of CIMC Skanska Real Estate and held 25% of the issued and fully paid-up shares of the Company while the Company held 61.5% equity interest in CIMC Skanska Real Estate through CIMC Shenfa. For more information, please refer to the announcement dated 17 July 2017 included in China Securities Journal, Shanghai Securities News, Securities Times, Chinafunds (www.cninfo.com.cn).

Notes to the Financial Statements

267

For the period ended from 1 Jan. a. and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English translation for Reference Only)

XIII. SEGMENT REPORTING

In accordance with the Group's internal organizational structure, management decisions and internal reporting, nine reportable segments are identified by the Group, including: Chemicals, Radicals, Chemicals, Energy and Chemicals & Fertilizers, Chemicals, Air Pollution Control, Logistics, Finance, Pharmaceuticals and Healthcare. Each reportable segment is an independent business segment, including different products and services. Independent management is applied to identify all business segments and differentiate technical and market strategies adopted. The Group reports the financial information of independent segments separately to determine the overall cash and performance of the segments.

1. Segment profits, losses, assets and liabilities

In order to assess the segments' performance and the overall cash, the Group's management reports the segment revenue, expenses and liabilities of each segment separately. The following table provides the financial information in detail as follows:

Segments include tangible assets, intangible assets, long-term assets and accounts receivable, etc., but exclude deferred assets and the non-current head assets. Segment liabilities include accounts payable, bank loans, financial liabilities and other liabilities, while deferred liabilities are excluded.

Segment financial revenue (including external revenue and inter-segment revenue), inter-segment revenue, depreciation and amortization, impairment losses, interest expense and income attributable to independent segments and consolidated management are determined on a non-related party basis.

Notes to the Financial Statements

For the period ended 31 Jan. and ended 30 J. ne 2017
 (All amounts in RMB'000 unless otherwise stated)
 (English translation is for Reference Only)

XIII. SEGMENT REPORTING (CONTINUED)

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

Information is disclosed in each of the following reportable segments (including management) effectively the same information and disclosed in the consolidated financial statements. The following information is presented in the following table (continued)

Line	30 J. ne 2016	30 J. ne 2016	30 J. ne 2016	30 J. ne 2016	30 J. ne 2016	30 J. ne 2016	30 J. ne 2016	30 J. ne 2016	30 J. ne 2016	30 J. ne 2016	30 J. ne 2016	30 J. ne 2016	30 J. ne 2016
	Cellular	Radio	Energy and chemical	Other	Air	Logistic	Finance	Development	Health	Other	Eliminated	Unallocated	Total
	Period	Period	Period	Period	Period	Period	Period	Period	Period	Period	Period	Period	Period
	1 Jan. 2016	1 Jan. 2016	1 Jan. 2016	1 Jan. 2016	1 Jan. 2016	1 Jan. 2016	1 Jan. 2016	1 Jan. 2016	1 Jan. 2016	1 Jan. 2016	1 Jan. 2016	1 Jan. 2016	1 Jan. 2016
Revenue	4,604,375	6,957,207	4,180,802	1,108,446	1,128,444	3,183,410	1,114,356	315,698	795,514	154,591	.	.	23,542,843
Expenses	294,243	56,147	157,307	2,595,243	.	35,207	.	.	64,845	142,732	(3,345,724)	.	.
Operating profit	4,059,329	5,628,816	3,529,358	3,316,300	886,690	2,798,683	366,336	100,269	833,364	196,168	(2,919,444)	.	18,795,869
Other income	(1,008)	876	.	.	.	10,816	1,638	729	285	464	.	.	13,800
Income before tax	2,777	5,957	1,243,256	(74)	(5,611)	3,003	18,193	.	.	.	.	.	1,267,501
Depreciation and amortization	209,275	254,554	149,758	308,335	39,122	78,255	85,057	4,913	65,959	13,706	.	33,747	1,242,681
Impairment	101,117	35,774	27,336	51,829	1,476	6,149	104,947	7,358	1,722	563,003	(825,427)	22,010	97,294
Income tax	23,844	47,735	58,941	123,596	10,075	18,951	71,008	10,655	48,240	16,749	(652,781)	538,069	315,082
Segment profit	(111,321)	481,392	(946,223)	(3,315)	19,751	108,555	490,441	60,771	(6,906)	(14,346)	(56,312)	(98,331)	(165,844)
Income tax	28,311	119,499	75,354	673	9,046	40,121	36,733	17,996	(383)	677	.	.	47,289
Net profit	(139,632)	361,893	(1,021,577)	(3,988)	10,705	68,434	453,708	42,775	(6,523)	(15,023)	(56,312)	(145,620)	(541,160)
Segment assets	17,397,726	14,247,786	14,321,362	32,436,954	3,601,739	3,782,472	26,209,657	3,978,965	3,854,489	6,346,909	(16,845,957)	5,467,815	114,799,917
Segment liabilities	9,770,436	7,739,888	9,853,675	32,138,731	2,285,789	2,786,536	22,213,077	2,805,512	3,768,664	3,010,122	(53,106,584)	37,180,383	80,446,229
Segmental information:													
Segment ending (inc) net	.	.	.	.	.	.	.	.	.	.	.	.	.
Change in net	(14,050)	7,947	1,225,737	2,716	1,699	2,313	30,740	.	(318)	39,767	.	(187,384)	1,109,167
Change in net	54,358	78,521	4,678	.	.	532,944	192,774	100,217	194,566	842,949	.	.	2,001,007
Segment ending net	331,544	739,497	155,752	967,801	177,076	229,971	3,603,214	1,917	17,927	326,734	.	6,456	6,557,889

Notes to the Financial Statements

For the period ended from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (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 for the period ended from 1 January and ended 30 June 2017 and the Group's non-current assets (including financial assets and deferred tax assets) (same as above). The geographical information of revenue are based on the location at which the services are provided. The geographical information of the specified non-current assets are based on the historical location of the assets (fixed assets). The geographical information of the business which the assets are allocated (fixed intangible assets and goodwill), the geographical information of the subsidiaries and joint ventures.

	Revenue from external customers		Total non-current assets	
	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	30 June 2017	31 December 2016
P.R.China	14,794,349	8,454,654	53,714,927	53,280,989
Asia (excluding P.R.China)	3,384,378	1,838,387	797,571	714,570
America	6,645,230	3,503,214	371,495	391,179
Europe	7,341,001	8,283,362	1,587,871	1,544,659
Others	1,222,194	1,463,226	82,901	85,495
Total	33,387,152	23,542,843	56,554,765	56,016,892

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES

The Group has exposure to the following financial risks in its normal course of business operations, which mainly include:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk

The information on financial information about the Group's exposure to each of these risks and the Group's policies and procedures for measuring and managing these risks are set out below.

The Group aims to seek a fair value balance between the risks and benefits of financial instruments and mitigate the adverse effects of financial instruments on the Group's financial performance. Based on such objectives, the Group's risk management policies are established, identified and analyzed the risks faced by the Group, the fair value risk limits and controls, and the monitoring and adherence to risk management policies and procedures 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 review of risk management controls and procedures.

Notes to the Financial Statements

271

For the period from 1 Jan. and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English translation for Reference Only)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

1. Credit risk

Credit risk is the risk that a financial instrument will cause a financial loss if the counterparty fails to discharge an obligation. The Group's credit risk is mainly related to cash, bank receivables, debt instruments and derivative financial instruments entered into for hedging and other purposes. The Group's credit risk is managed by management in an ongoing basis.

The cash and bank of the Group is mainly held in well-known financial institutions. Management does not face an significant credit risk from these deposits and derivatives. The financial instruments do not default and cause losses to the Group.

In the event of receivables, the Group's management committee of the Group has established a credit policy under which individual credit is allocated and effectively determined the credit limit and terms applicable to the counterparty. These elements are finalized through the counterparty and the bank's credit check. The receivables are due within 30 days from the date of billing. Normally, the Group does not bear a significant credit risk, because the management has established a credit policy and effectively managed the credit risk.

The management team of the Group had made the plan for financial leasing receivable management based on the research in the industry, the credit rating of counterparty and the knowledge of the counterparty's business and financial standing. If the default of counterparty, the management team of the Group may seek for re-structuring, including selling leased equipment ending in the liquidation in individual cases. If the default of counterparty, the management team keeps the high level of default in the industry based on the amount of the default and default in the industry. The default amount will have been paid. In addition, the management team may seek for the debt which can be paid from the secured by the leased equipment ending in individual cases. When the Group's credit risk, the management team and counterparty of the credit risk, especially, legal re-structuring leased equipment make the counterparty.

Based on the indicators such as credit rating and financial strength of the counterparty and in addition, the Group's credit risk is managed and controlled by the management team and business credit risk, especially, the credit risk is managed.

In addition, the receivables of the Group have been paid mainly from a wide range of counterparty from the Group's recent history of default.

The Group's credit risk is influenced mainly by the individual characteristics and industry of each counterparty. The Group's credit risk is managed and controlled by the management team and business credit risk, especially, the credit risk is managed. The Group's credit risk is managed and controlled by the management team and business credit risk, especially, the credit risk is managed. The Group's credit risk is managed and controlled by the management team and business credit risk, especially, the credit risk is managed.

In the event of a small made in the industry, the Group's credit risk is managed and controlled by the management team and business credit risk, especially, the credit risk is managed. The Group's credit risk is managed and controlled by the management team and business credit risk, especially, the credit risk is managed. The Group's credit risk is managed and controlled by the management team and business credit risk, especially, the credit risk is managed.

The management team of the credit risk is managed by the call management of each financial institution including derivative financial instruments in the balance sheet. The Group's financial guarantee is provided by the Group's management team and the Group's management team. The management team of the credit risk is managed and controlled by the management team and business credit risk, especially, the credit risk is managed.

Notes to the Financial Statements

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

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk

Liquidity risk is the risk that the company will encounter difficulties in meeting its obligations when they fall due. The company's financial liabilities are primarily contractual obligations that require the company to deliver cash or other financial assets. The company's liquidity risk is primarily managed through the use of cash and cash equivalents. The company's liquidity risk is primarily managed through the use of cash and cash equivalents. The company's liquidity risk is primarily managed through the use of cash and cash equivalents.

The following table shows the remaining contractual cash flows of the company's financial assets and financial liabilities, which are based on contractual cash flows (including interest) at the reporting date. The carrying amount of the company's financial assets and financial liabilities is shown in the balance sheet as at 30 June 2017 and is shown in the following table:

30 June 2017
Undiscounted contractual cash flow

	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount at balance sheet date
Financial assets						
Cash, bank and hand	5,737,102	-	-	-	5,737,102	5,737,102
Financial assets available for sale	187,117	-	249,034	-	436,151	436,151
Accounts receivable and other receivables	28,068,602	-	-	-	28,068,602	28,068,602
Contractual financial assets	5,713,273	-	-	-	5,713,273	4,118,028
Available-for-sale financial assets	20,000	-	36,405	411,970	468,375	461,762
Interest receivable	8,580	-	-	-	8,580	8,580
Dividend receivable	42,055	-	-	-	42,055	42,055
Long-term receivables	-	2,306,274	6,769,078	12,501,833	21,577,185	13,499,327
Sub-total	39,776,729	2,306,274	7,054,517	12,913,803	62,051,323	52,371,607
Financial liabilities						
Financial liabilities available for sale	134,772	-	57,718	-	192,490	192,490
Short-term borrowings	17,945,748	-	-	-	17,945,748	17,945,748
Notes payable	1,253,175	-	-	-	1,253,175	1,253,175
Debt payable	189,000	189,000	8,175,500	-	8,553,500	7,986,500
Accounts payable and other payables	17,472,557	-	-	-	17,472,557	17,472,557
Interest payable	533,428	-	-	-	533,428	533,428
Dividend payable	253,412	-	-	-	253,412	253,412
Contractual financial liabilities	5,015,501	-	-	-	5,015,501	5,015,501
Other financial liabilities	2,583,959	-	-	-	2,583,959	2,612,280
Long-term borrowings	735,724	4,954,569	16,058,290	2,812,230	24,560,813	23,665,089
Long-term payables	-	251,518	243,530	19,263	514,311	504,909
Other non-current liabilities	314,210	314,210	314,210	1,685,812	2,628,442	2,037,458
Sub-total	46,431,486	5,709,297	24,849,248	4,517,305	81,507,336	79,472,547
Net total	(6,654,757)	(3,403,023)	(17,794,731)	8,396,498	(19,456,013)	(27,100,940)

As at 30 June 2017, the company has no contractual cash flows from its main financial instruments that are denominated in foreign currencies. The company's financial instruments are primarily denominated in RMB.

Notes to the Financial Statements

For the reporting period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Text and Chinese Text are for Reference Only)

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

2. Liquidity risk (Continued)

31 December 2016
 Undisclosed non-current assets and liabilities

	Within 1 year	1-2 years	2-5 years	Over 5 years	Total	Carrying amount
Financial assets						
Cash at bank and in hand	6,325,998	-	-	-	6,325,998	6,325,998
Financial assets available for sale	141,160	-	325,187	-	466,347	466,347
Accounts receivable and other receivables	24,619,828	-	-	-	24,619,828	24,619,828
Contract assets	5,513,253	-	-	-	5,513,253	3,941,689
Available-for-sale financial assets	-	-	36,803	412,240	449,043	442,726
Interest receivable	9,250	-	-	-	9,250	9,250
Dividend receivable	41,959	-	-	-	41,959	41,959
Long-term receivables	-	3,997,923	5,268,322	12,907,684	22,173,929	13,220,242
Subtotal	36,651,448	3,997,923	5,630,312	13,319,924	59,599,607	49,068,039
Financial liabilities						
Financial liabilities available for sale	199,225	-	3,816	-	203,041	203,041
Share borrowings	15,729,787	-	-	-	15,729,787	15,729,787
Notes payable	1,551,582	-	-	-	1,551,582	1,551,582
Debt payable	189,000	189,000	8,175,500	-	8,553,500	7,986,500
Accounts payable and other payables	15,315,024	-	-	-	15,315,024	15,315,024
Interest payable	303,375	-	-	-	303,375	303,375
Dividend payable	16,746	-	-	-	16,746	16,746
Contract liabilities	3,667,872	-	-	-	3,667,872	3,667,872
Other contract liabilities	1,666,966	-	-	-	1,666,966	1,687,762
Long-term borrowings	1,056,608	10,819,611	16,387,132	3,464,214	31,727,565	27,023,222
Long-term payables	-	520,988	4,767	23,220	548,975	529,372
Other non-current liabilities	314,210	314,210	314,210	1,685,812	2,628,442	2,037,458
Subtotal	40,010,395	11,843,809	24,885,425	5,173,246	81,912,875	76,051,741
Net total	(3,358,947)	(7,845,886)	(19,255,113)	8,146,678	(22,313,268)	(26,983,702)

Bank and other borrowings are analyzed by the amount of:

	30 June 2017		31 December 2016	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Within 1 year	23,546,054	-	19,255,497	-
1-2 years	4,773,878	-	9,763,003	-
2-5 years	15,472,650	-	14,362,508	-
Over 5 years	2,709,669	-	2,897,711	-
Total	46,502,251	-	46,278,719	-

Notes to the Financial Statements

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

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

3. Interest rate risk

Fixed and floating interest-bearing financial instruments held by the Group are exposed to fair value and cash flow interest rate risk. The interest rate risk is managed by the Group by borrowing in a currency and a term that is similar to the currency and term of the related assets. The Group had entered into interest rate swap contracts which were made based on the currency and term of the borrowing. Hence the Group does not have a net floating and fixed interest rate risk position.

(1) As at 30 June 2017, the Group held the following interest-bearing financial instruments:

	30 June 2017		31 December 2016	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Fixed and floating interest-bearing financial instruments				
Financial asset				
• Long-term receivables	2.58%-17.53%	13,499,327	2.58%-17.53%	13,220,242
• Current financial instruments	2.58%-17.53%	4,118,028	2.58%-17.53%	3,941,689
Financial liabilities				
• Short-term borrowings	1.30%-6.09%	8,103,587	0.65%-16.41%	6,280,953
• Debtors payable	3.07%-3.89%	7,986,500	3.07%-3.89%	7,986,500
• Current financial liabilities	2.38%-3.35%	995,408	2.65%-2.90%	800,000
• Long-term borrowings	1.20%-6.37%	1,936,946	1.45%-6.37%	1,043,007
• Other current liabilities	0.01%-1.00%	2,583,959	0.01%-1.00%	1,666,966
• Other non-current liabilities	4.99%-12.00%	2,037,458	4.99%-12.00%	2,037,458
Total		(6,026,503)		(2,652,953)

	30 June 2017		31 December 2016	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Floating interest-bearing financial instruments				
Financial asset				
• Cash at bank and in hand	0.30%-2.75%	5,737,102	0.30%-2.75%	6,325,998
Financial liabilities				
• Current floating long-term borrowings	3M Libor+165bps~3M Libor+240bps	3,896,006	1.15%+1M Libor+240bps	2,725,710
• Long-term borrowings	1.15%+1M Libor~6M Libor+195bps	21,728,143	1.15%+1M Libor+310bps	25,980,215
• Short-term borrowings	1M Libor+150bps~6M Libor+70bps	9,842,161	1M Libor+180bps	9,448,834
• Long-term receivables	8.02%~12.86%	504,909	8.02%~12.86%	529,372
• Current floating receivables	8.02%~12.86%	124,087	8.02%~12.86%	138,312
Total		(30,358,204)		(32,496,445)

Notes to the Financial Statements

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

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

3. Interest rate risk (Continued)

(2) Sensitivity analysis

As at 30 June 2017, if the estimated general increase/decrease of 25 basis points (31 December 2016: 25 basis points) in interest rate, the total net assets held by the Group would increase/decrease by RMB 56,922,000 and by RMB 56,922,000 (2016: 60,931,000 and 60,931,000, respectively).

The sensitivity analysis above indicates the impact of change in the net financial assets and liabilities. The change in interest rate had caused a net balance sheet decrease and had been a net decrease in the financial instruments held by the Group, which is a net decrease in the balance sheet. In the case of cash flow, the net financial instruments held by the Group would increase in the net financial assets and liabilities. The estimated net financial assets and liabilities would increase in the net financial assets and liabilities. The analysis is performed in the same manner as the sensitivity analysis.

4. Foreign exchange risk

The major currencies received by the Group are USD and the major currency paid is RMB. In addition, the Group is also exposed to the exchange rate of RMB, in the case of accounts receivable and payable denominated in foreign currencies. The Group enters into foreign exchange contracts to manage the foreign exchange risk. The Group has entered into foreign exchange contracts to manage the foreign exchange risk.

(1) Besides the foreign exchange risk arising from financial assets and liabilities and financial liabilities, the Group has also entered into foreign exchange contracts to manage the foreign exchange risk. The Group has entered into foreign exchange contracts to manage the foreign exchange risk. The Group has entered into foreign exchange contracts to manage the foreign exchange risk.

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

Notes to the Financial Statements

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

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

4. Foreign exchange risk (Continued)

(2) The following are the exchange rates for RMB against foreign currencies applied by the Group and the Company:

	Average exchange rate		Benchmark average exchange rate	
	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	30 June 2017	31 December 2016
USD	6.8871	6.5359	6.7744	6.6312
EUR	7.4349	7.2993	7.7496	7.3750
HKD	0.8857	0.8418	0.8679	0.8547
JPY	0.0616	0.0590	0.0605	0.0645

(3) Sensitivity analysis

Assuming all the financial liabilities remained constant, a 2.80%, 2.80%, 2.70% and 1.90% weakening of the RMB against the USD, EUR, HKD and JPY respectively as at 30 June 2017 (2.80%, 2.80%, 2.70% and 1.90% weakening of the RMB against the USD, EUR, HKD, and JPY respectively as at 31 December 2016) would have increased (decreased) earnings and net profit by the amount shown in below; the effect in RMB and translated into the balance sheet.

	Equity	Net profit
30 June 2017		
USD	(245,269)	(245,269)
EUR	19,759	19,759
HKD	(3,333)	(3,333)
JPY	727	727
Total	(228,116)	(228,116)
31 December 2016		
USD	(415,669)	(415,669)
EUR	26,128	26,128
HKD	(2,115)	(2,115)
JPY	1,716	1,716
Total	(389,940)	(389,940)

2.80%, 2.80%, 2.70% and 1.90% strengthening of the RMB against the USD, EUR, HKD and JPY respectively as at 30 June 2017 (2.80%, 2.80%, 2.70% and 1.90% strengthening of the RMB against the USD, EUR, HKD, and JPY respectively as at 31 December 2016) would have had the effect in RMB and translated into the balance sheet as follows: all the financial liabilities remain constant.

Notes to the Financial Statements

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

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates

The level in the fair value hierarchy is high which fair value measurement category used in the level is determined in the basis of the level of significance of the fair value measurement in the level.

Level 1: Quoted prices (adjusted) in active markets for identical assets or liabilities;

Level 2: Instruments included in level 1 have been able to be used for the assets or liabilities held directly or indirectly, defined from price;

Level 3: Instruments or liabilities have been based on the best available market data, not able in the.

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

The following table shows the Group's assets and liabilities that are measured at fair value as at 30 June 2017:

Assets	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Instruments in the trading held for trading	IV.2	180,357	-	-	180,357
Derivative financial instruments	IV.2	-	251,402	-	251,402
Hedging instruments	IV.2	-	4,392	-	4,392
Available-for-sale financial assets	IV.11	1,761	51,086	-	52,847
Financial assets at		182,118	306,880	-	488,998
Non-financial assets					
Instruments held	IV.14	-	-	1,722,065	1,722,065
Total		182,118	306,880	1,722,065	2,211,063
Liabilities					
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	IV.26	-	(6,359)	-	(6,359)
Hedging Instrument	IV.26	-	(186)	-	(186)
Financial guarantee contracts	IV.26	-	-	(55,980)	(55,980)
Contingent considerations	IV.26	-	-	(129,965)	(129,965)
Total		-	(6,545)	(185,945)	(192,490)

Notes to the Financial Statements

279

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

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

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

The following table presents the Group's assets and liabilities that are measured at fair value in the above table as at 31 December 2016:

Assets	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss					
Investment in equity instruments held for trading	IV.2	138,072	-	-	138,072
Derivative financial assets	IV.2	-	326,969	-	326,969
Hedging instruments	IV.2	-	1,306	-	1,306
Available-for-sale financial assets	IV.11	2,441	30,803	-	33,244
Financial assets total		140,513	359,078	-	499,591
Non-financial assets					
Investment properties	IV.14	-	-	1,752,608	1,752,608
Total		140,513	359,078	1,752,608	2,252,199
Liabilities					
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	IV.26	-	(15,838)	-	(15,838)
Hedging instruments	IV.26	-	(4,244)	-	(4,244)
Financial guarantee contracts	IV.26	-	-	(57,419)	(57,419)
Contingent consideration	IV.26	-	-	(125,540)	(125,540)
Total		-	(20,082)	(182,959)	(203,041)

The Group makes the determination of whether an asset or liability is significant based on the following factors. During the year ended 31 December 2016, there were no significant changes based on the determination in Level 1 and Level 2 neither Level 2 and Level 3.

For listed in active market financial instruments, the Group measures the fair value at acquisition date; for non-listed in active market financial instruments, the Group uses the available techniques to determine the fair value. Valuation model mainly used are discounted cash flow model and market comparable company model. In addition, the available techniques include the use of free interest rate, benchmark interest rate, change rate, credit default swap, liability, semi, EBITDA multiple, the lack of liability, discount rate.

Notes to the Financial Statements

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

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

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

The Group has a 'in ed' alifid . al g' c'nd c' al a i'n f' h' h' e' in . e' i' e' .
 The me h' d' incl de inc me m' del and c' m' del. The ke a' m' i' h' incl de /en. a' g' h' a. e' .
 ca i. a' n' a. e' and ni. fice' .

The following table represents the movement of non-financial assets in Level 3:

	Investment properties
1 January 2017	1,752,608
Change	-
Transferred from fixed assets, intangible assets and contracts in level 1	1,287
Transferred from level 3 to level 1	-
Total gain	-
Gain/loss recognized in profit/loss	-
Gain/(loss) recognized in other comprehensive income	-
Transferred during the period	(35,389)
Exchange difference arising from translating foreign currencies	3,559
30 June 2017	1,722,065
1 January 2016	730,168
Change	78,176
Transferred from fixed assets, intangible assets and contracts in level 1	310,039
Transferred from level 3 to level 1	(26,401)
Total gain	660,626
Gain/loss recognized in profit/loss	75,792
Gain/(loss) recognized in other comprehensive income	584,834
31 December 2016	1,752,608

Finance Department of the Group is responsible for calculating the fair value of financial assets and financial

Notes to the Financial Statements

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

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

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

The following table shows the information for assets measured at fair value in Level 3:

	Fair value as at 30 June 2017	Valuation technique	Name	Significant observable inputs		
				Scatter/weighted average	Relationship to fair value	Observable/Unobservable
Investments Committed investments	1,126,654	Income/deferred	Real estate investment	6%-8%		
			Mineral (RMB value million)	7-9%	(a)	Unobservable
			Biodegradable plastic (RMB value million)	650-4,600		
Land use rights	595,411	Direct comparison	Anticardiac drug financial gain	9%-12%	(a)	Unobservable
			Market price (RMB value million)	450-2200	(a)	Unobservable

- (a) The relationship of non-observable inputs to fair value are as follows:
- The higher the real estate investment, the higher the fair value;
 - The higher the economic activity, the higher the fair value;
 - The higher the mineral, the higher the fair value;
 - The higher the market price, the higher the fair value;
 - The higher the biodegradable plastic, the higher the fair value;
 - The higher the anticardiac drug financial gain, the higher the fair value.

Notes to the Financial Statements

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

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

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

	Fair value as at 31 December 2016	Valuation technique	Name	Significant inputs		
				Scenarios/weighted average	Reliability of the inputs	Observable/Unobservable
Inventory	1,139,285		Raw materials	6%-8%		
Commodity inventory		Income model	Mineral (RMB)	7-9%	(a)	Unobservable
		Cost model	Buildings			
			(RMB)	650-4,600		
			Anticorrosion	9%-12%	(a)	Unobservable
Land	613,323	Direct comparison	Market (RMB)	450-2200	(a)	Unobservable

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

The non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. As at 30 June 2017, the Group's assets classified as available for sale include inventory of RMB26,401,000, fixed assets of RMB92,269,000 and intangible assets of RMB85,177,000, measured at fair value less costs to sell (Net TV.8). The fair value is estimated based on the open market value of the cash flows (RMB26,401,000, RMB115,743,000 and RMB97,563,000), which belong to the highest level.

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

Financial assets and liabilities in the group are measured by the amount of cash or cash equivalents receivable, payable, including accounts receivable, long-term receivables, debtors, long-term assets, etc.

As at 30 June 2017, all financial instruments are carried at amortized cost, with the following fair value.

The carrying amount of the financial assets and liabilities is determined by the market value which belongs to the highest level. Fair value of long-term receivables, long-term debtors and debtors in the market is determined by the carrying amount of the cash flows. The carrying amount of the financial assets and liabilities is determined by the carrying amount of the cash flows, which belong to the highest level.

Notes to the Financial Statements

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

XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

6. Fair value estimates (Continued)

(4) Estimation and assumption of fair values

The following table shows the major methods and assumptions used in estimating the fair value of financial assets and liabilities held for trading and financial liabilities at fair value held for trading, available-for-sale financial assets in the balance sheet.

()

Fair value is based on quoted market prices at the balance sheet date for financial assets and liabilities held for trading and financial liabilities at fair value held for trading (excluding derivatives), and available-for-sale financial assets if there is an active market.

()

The fair value is estimated as the present value of the cash flows, discounted at the market interest rate.

()

The fair value of borrowings, debentures, long-term debt and non-derivative financial liabilities is estimated as the present value of the cash flows, discounted at the market interest rate.

()

The fair value of the available-for-sale change in net assets is based on the quoted market price by discounting the cash flows at the risk-free rate and discounting the cash flows at the risk-free rate. The fair value of the available-for-sale change in net assets is based on the quoted market price by discounting the cash flows at the risk-free rate and discounting the cash flows at the risk-free rate. The fair value of the available-for-sale change in net assets is based on the quoted market price by discounting the cash flows at the risk-free rate and discounting the cash flows at the risk-free rate.

()

The fair value of financial guarantees is determined by reference to the quoted price of similar securities, hence the fair value is determined by reference to the quoted price of similar securities. The fair value of financial guarantees is determined by reference to the quoted price of similar securities. The fair value of financial guarantees is determined by reference to the quoted price of similar securities.

Notes to the Financial Statements

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

XV. CAPITAL MANAGEMENT

The Group's objective of managing capital is to safeguard the ability of the Group to maintain a sufficient level of liquidity, solvency and ability to meet its financial obligations and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain and adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, issue debt, or sell assets to reduce debt.

The capital structure of the Group is shown in the consolidated balance sheet. The Group's objective is to maintain a capital structure that is flexible and to reduce the cost of capital.

The Group's main capital structure is Debt. The following table shows the capital structure of the Group as at 30 June 2017 and 31 December 2016.

In 2017, the Group managed capital structure by issuing Debt. The Debt issued in 2017 exceeded 70% (2016: not exceed 70%). The Debt issued as at 30 June 2017 and 31 December 2016 are as follows:

	30 June 2017	31 December 2016
Total Liabilities	89,626,971	85,479,956
Total Assets	129,498,854	124,614,748
Debt to Equity Ratio	69%	69%

XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS

1. Cash at bank and on hand

	30 June 2017	31 December 2016
Bank deposits	2,292,935	2,647,574
Other cash balances	7,391	12,648
	2,300,326	2,660,222
Including cash at hand	503	519

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

As at 30 June 2017, the fixed deposits of the Company in the Financial Company, a subsidiary of the Group, are RMB1,594,000,000 (31 December 2016: RMB942,000,000).

Notes to the Financial Statements

285

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation Reference Only)

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

2. Dividends receivable

	30 June 2017	31 December 2016
CIMC Hong Kong	3,333,084	3,435,198
SCIMC	592,706	592,706
SCIMCEL	462,372	462,372
SCRC	216,000	-
TJCMCLE	48,915	48,915
SCIMCEL	19,263	19,263
Morden Logistics	29,146	29,146
CIMC World	-	874
CIMCVL	-	149,577
QDSV	2,468	17,356
Tianjin Kangde Logistics Equipment Co., Ltd.	411	411
	4,704,365	4,755,818

3. Other receivables

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

	30 June 2017	31 December 2016
Accounts receivable	12,940,182	13,109,464
Debt and margin	14,739	15,711
Others	18,233	10,821
Sub-total	12,973,154	13,135,996
Less: Provision for bad debts	(4,580)	(4,580)
Total	12,968,574	13,131,416

Notes to the Financial Statements

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

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

3. Other receivables (Continued)

(2) Other receivables are analysed by aging as follows:

Aging	30 June 2017	31 December 2016
Within 1 year (inclusive)	9,525,395	9,642,304
1-2 years (inclusive)	1,528,555	1,530,022
2-3 years (inclusive)	587,541	574,631
Over 3 years	1,331,663	1,389,039
Sub-total	12,973,154	13,135,996
Less: Provision for bad debts	(4,580)	(4,580)
Total	12,968,574	13,131,416

The ageing is calculated from the date the receivable is recognised.

As at 30 June 2017 and 31 December 2016, the Company did not have any receivables that were not immediately paid.

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

Nature	30 June 2017				31 December 2016			
	Ending balance		Provision for doubtful debts		Ending balance		Provision for doubtful debts	
	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance
Other receivables that are individually not significant (4)	12,873,563	99.23%	-	-	13,066,919	99.47%	-	-
Other receivables that are not individually significant (5)	99,591	0.77%	4,580	4.60%	69,077	0.53%	4,580	6.63%
Total	12,973,154	100.00%	4,580	0.04%	13,135,996	100.00%	4,580	0.03%

The receivable classification of the Company held for other receivables that were made immediately paid.

Notes to the Financial Statements

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

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

3. Other receivables (Continued)

- (4) Other receivables with amounts that are individually significant and that the related provision for doubtful debts is provided on the individual basis

As at 30 June 2017 and 31 December 2016, the Company has no receivables which are individually significant and have related provision for doubtful debts provided on the individual basis.

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

As at 30 June 2017 and 31 December 2016, the Company has no receivables which are not individually significant but have related provision for doubtful debts provided on the individual basis.

- (6) Other receivables that the related provision for bad debts is provided on grouping basis using the ageing analysis method are analysed as follows:

30 June 2017	31 December 2016
--------------	------------------

--	--

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English Translation for Reference Only)

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

3. Other receivables (Continued)

(9) As at 30 June 2017, the five largest other receivables are analysed as follows:

	Nature	Amount	Aging	% of total balance	Provision for doubtful debts
CIMC Hong Kong	fundamental, daily	3,612,395	Within 1 year	27.85%	-
C&C Truck	fundamental	1,421,641	Within 1 year, 1-2 years, 2-3 years	10.96%	-
Hong Kong in Belgium	fundamental	1,098,758	Within 1 year	8.47%	-
CIMCVL and its subsidiaries	fundamental	849,639	Within 1 year	6.55%	-
Tianjin Hong Kong in Belgium	fundamental	591,447	Within 1 year	4.56%	-
		7,573,880		58.39%	-

The Company's five largest receivables as at 31 December 2016 amounted to 7,609,722,000 and accounting for 57.93% of the total 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 2017, no amount is due from shareholders holding more than 5% (including 5%) of the voting rights of the Company included in the above balance of receivables.

Notes to the Financial Statements

289

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

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

3. Other receivables (Continued)

(11) Other receivables from related parties

	Relationship with the Company	Amount	% of total balance
Accounts receivable	Accounts receivable	255,255	1.97%
Subsidiaries	Subsidiaries	12,684,927	97.78%
Total		12,940,182	99.75%

(12) Other receivables derecognised due to transfer of financial assets

As at 30 June 2017, there were other receivables derecognised due to the transfer of financial assets of the Company (31 December 2016: Nil).

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

There were no recognised other receivables during the year (31 December 2016: Nil).

4. Available-for-sale financial assets

	30 June 2017	31 December 2016
Measured at cost		
Available-for-sale investments	391,970	391,970
Less: Impairment	(3,065)	(3,065)
	388,905	388,905

Notes to the Financial Statements

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

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

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

(1) Related information analysis of available-for-sale financial assets is as follows:

A. Available-for-sale financial assets measured at cost:

	31 December 2016	Increase in cost during the period	Decrease in cost during the period	30 June 2017	Share holding (%)	Carrying amount declared
A. Available-for-sale equity investments						
China Railway Group Limited	8,125			8,125	5.00%	
BOCM School of Supply and Management	380,780			380,780	10.00%	4,000
Guangdong Sanxing	1,365			1,365	0.09%	
Beihai Yinjian	1,700			1,700	1.01%	
Subtotal	391,970			391,970		4,000
Less: Impairment allowances	(3,065)			(3,065)		
Total	388,905			388,905		4,000

(2) Available-for-sale financial assets measured at cost held by the group are mainly unlisted equity investments with no active market price and their reasonable fair value estimates has large variation range; the probability determining the fair value estimate can not be reasonably determined so their fair value cannot be reliably measured. The group has no disposal of the investment plan.

5. Long-term equity investments

(1) Long-term equity investments are analysed by categories as follows:

	30 June 2017	31 December 2016
Subsidiaries	9,490,535	9,375,276
Less: Impairment allowances	-	
Total	9,490,535	9,375,276

The investment in the available-for-sale long-term equity investments held by the Company

Notes to the Financial Statements

Financial statements from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation Reference Only)

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

5. Long-term equity investments (Continued)

(2) Subsidiaries:

In. e. i. e.	31 December/2016	Change in investment	30 June 2017	State holding (%)	Voting right (%)	Percentage of investment included in the consolidated	Cash dividend declared
Cost method – Investment in subsidiaries							
SCIMC	110,831	-	110,831	100%	100%	-	-
XHCIMC	36,500	-	36,500	100%	100%	-	-
TJCIMC	77,704	-	77,704	100%	100%	-	-
DLCIMC	48,764	-	48,764	100%	100%	-	-
TCCIMC	131,654	(40,230)	91,424	100%	100%	-	33,642
CQVL	39,499	-	39,499	100%	100%	-	-
SCRC	200,892	-	200,892	92%	92%	-	216,000
XHCIMCS	82,026	-	82,026	100%	100%	-	-
CIMC Hong Kong	1,690	-	1,690	100%	100%	-	-
CIMC SD	162,686	-	162,686	100%	100%	-	-
HI	606,912	-	606,912	80%	80%	-	98,789
CIMC Tech	41,526	-	41,526	100%	100%	-	-
CIMCWD	54,817	-	54,817	100%	100%	-	-
CIMC Training	48,102	-	48,102	100%	100%	-	-
DLZH	182,136	-	182,136	100%	100%	-	-
MEA	111,703	-	111,703	100%	100%	-	-
CIMC World	3,472	-	3,472	100%	100%	-	-

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

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

5. Long-term equity investments (Continued)

(2) Subsidiaries: (Continued)

In. 0x00	31 December/ 2016	Change during the period	30 June 2017	Share holding (%)	Voting right (%)	Participating in dividends	Immunized in dividends	Capital dividend declared
SZ In. 0x00								
Holding	72,401		72,401	100%	100%			
Finance Company	482,590		482,590	100%	100%			
CIMCVL	422,363		422,363	100%	100%			
QDSV	26,912		26,912	80%	80%			
SHOE	40,000		40,000	100%	100%			
SZ In. 0x00	140,000		140,000	100%	100%			
SESKYC	90,000		90,000	100%	100%			
DLQIMCS	69,806		69,806	100%	100%			
China. 0x00 Holding	4,104,227		4,104,227	100%	100%			
COOP	205,022		205,022	99%	99%			
CIMC Marine Logistics Development Company, Ltd.	803,904		803,904	100%	100%			
C&C Truck	898,977	81,616	980,593	70%	70%			
Oman. 0x00 Holding	35,000		35,000	100%	100%			
Oman. 0x00 Holding Company	13,160		13,160	100%	100%			
Gangdong Vehicle Park In. 0x00 Company	30,000		30,000	100%	100%			
Taicang Special Economic Development Zone		73,873	73,873	100%	100%			
Sub-total	9,375,276	115,259	9,490,535					348,431

Notes to the Financial Statements

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

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

6. Short-term borrowings

(1) The analysis of the Company's short-term loans is as follows:

	30 June 2017	31 December 2016
Bank borrowings		
Unsecured	3,660,000	2,710,000

7. Financial liabilities at fair value through profit or loss

	30 June 2017	31 December 2016
Current		
In. e. i. m a. c. n. l. a. c.	-	65
Non-current		
In. e. i. m a. c. n. l. a. c.	1,738	3,296

8. Taxes payable

	30 June 2017	31 December 2016
Income tax payable	2,834	2,042
Withholding individual income tax	1,067	1,120
Other	123	484
Total	4,024	3,646

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English Translation for Reference Only)

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

9. Interest payable

	30 June 2017	31 December 2016
Interest payable on bank deposits	218,242	70,249
Interest payable on bank borrowings including inter-bank deposits	5,957	3,522
Interest payable on bank borrowings including inter-bank deposits	1,365	1,984
Total	225,564	75,755

10. Other payable

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

	30 June 2017	31 December 2016
Contractual liabilities	2,162,672	2,948,279
Employee benefits	10,459	16,735
Quality assurance	429	429
Accruals	-	7,592
Others	11,962	17,769
Total	2,185,522	2,990,804

(2) Significant other payables aged over one year

Notes to the Financial Statements

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

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

11. Current portion of non-current liabilities

(1) The analysis of the Company's current portion of non-current liabilities by categories is as follows:

	Note	30 June 2017	31 December 2016
Current portion of long-term borrowings			
Unsecured	(2)	995,000	800,000

(2) As at 30 June 2017, there were no overdue long-term borrowings of which the durations are extended (31 December 2016: Nil).

12. Long-term borrowings

(1) The analysis of the Company's long-term loans is as follows:

	30 June 2017	31 December 2016
Bank borrowings		
Unsecured	826,000	1,621,000

As at 30 June 2017, there were no overdue long-term borrowings of which the durations are extended (31 December 2016: Nil).

As at 30 June 2017, the interest rate of long-term borrowings ranged from 1.20% to 3.35% (31 December 2016: 1.20% to 3.65%).

13. Debentures payable

Information of the Company's debentures payable is referred to Note IV.39.

Notes to the Financial Statements

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

(All amounts in RMB'000 unless otherwise specified)

(English Translation for Reference Only)

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

14. Deferred tax assets and deferred tax liabilities

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

	30 June 2017		31 December 2016	
	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) Temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Employee benefits payable	196,808	49,202	205,760	51,440
Provision for impairment of financial assets and impairment of financial assets	1,738	434	3,360	840
Subsidiary Offsetting amount	198,546	49,636	209,120	52,280
Offsetting balances	198,546	49,636	209,120	52,280
Including: Amounts measured at carrying amount (included)		49,636		52,280

Notes to the Financial Statements

Financial statements for the period from 1 January and ended 30 June 2017
 (All amounts in RMB'000 unless otherwise specified)
 (English translation is for reference only)

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

15. Capital surplus

	31 December/ 2016	Increase in contribution during the period	Decrease in contribution during the period	30 June 2017
Share premium	3,601,855	29,311	-	3,631,166
Other capital reserves				
- Exchange difference in foreign currency	687	-	-	687
- Defined pension assets	87	-	-	87
- Employee share-based payments	253,012	-	(12,104)	240,908
Other	(568,492)	-	-	(568,492)
Total	3,287,149	29,311	(12,104)	3,304,356

	1 January/ 2016	Increase in contribution during the period	Decrease in contribution during the period	31 December/ 2016
Share premium	3,589,082	12,773	-	3,601,855
Other capital reserves				
- Exchange difference in foreign currency	687	-	-	687
- Defined pension assets	87	-	-	87
- Employee share-based payments	258,211	-	(5,199)	253,012
Other	(568,492)	-	-	(568,492)
Total	3,279,575	12,773	(5,199)	3,287,149

Notes to the Financial Statements

For the period ended 31st June 2017 and ended 30 June 2017
(All amounts in RMB'000 unless otherwise specified)
(English Translation for Reference Only)

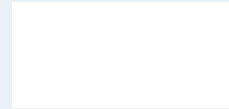
XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS (CONTINUED) Amount

Notes to the Financial Statements

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

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

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



Notes to the Financial Statements

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

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

22. Non-operating expenses

	For the period from 1 January to 30 June 2017	For the period from 1 January to 30 June 2016
Abnormal loss	396	-
Loss on disposal of fixed assets	586	1
Others	764	248
Total	1,746	249

23. Income tax expenses

	For the period from 1 January to 30 June 2017	For the period from 1 January to 30 June 2016
Change in deferred income tax	2,644	27,968
The income tax based on the taxable financial adjusted income tax expense based on the actual financial consolidated income tax expense		
	For the period from 1 January to 30 June 2017	For the period from 1 January to 30 June 2016
Total financial expense	31,304	153,333
Income tax expense calculated at applicable rates	7,826	38,333
Expense on deductible financial expense	803	1,878
The amount accrued from deferred income tax expense recognized	82,123	17,498
Income tax expense	(88,108)	(29,741)
Income tax expense	2,644	27,968

Notes to the Financial Statements

For the period ended from 1 Jan. a/ and ended 30 J. ne 2017
 (All am. n. in RMB'000 unless o. e. a. e. d)
 (English T. a. n. f. Reference Onl.)

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

24. Notes to the cash flow statement

(1) Supplementary information to the cash flow statement:

()

	For the period from 1 January to 30 June 2017	For the period from 1 Jan. a/ to 30 J. ne 2016
Net financial assets	28,661	125,365
Decrease/Increase in fixed assets	6,370	5,965
Amortization of intangible assets	129	129
Amortization of long-term prepaid expenses	5,517	2,113
The decline in amount of financial assets	3,000	-
Accrued expenses increased	(7,592)	-
(Purchase)/Sale of financial assets in intangible assets	586	(115)
Purchase change in financial assets	(1,623)	(1,985)
Financial expenses	300,050	50,735
Income tax	(359,040)	(118,963)
Decrease/(Increase) in deferred assets	2,644	27,968
Decrease/(Increase) in available-for-sale	185,423	(501,056)
Decrease/(Increase) in available-for-sale	(1,544,959)	44,642
Net cash flow from operating activities	(1,380,835)	(365,202)

()

	For the period from 1 January to 30 June 2017	For the period from 1 Jan. a/ to 30 J. ne 2016
Cash and cash equivalents at the end of the year	699,840	330,140
Less: Cash and cash equivalents at the beginning of the year	1,715,470	652,865
Net change of cash and cash equivalents	(1,015,630)	(322,725)

(2) Composition of cash and cash equivalents

	30 June 2017	30 J. ne 2016
I. Cash		
Including: Cash at bank held by the company	698,935	320,261
Other monetary fund held by the company	905	9,879
II. Cash and cash equivalents at the end of the year held by the company	699,840	330,140

Note: At the end of the year, cash at bank and other monetary fund held by the company.

Supplementary Information

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

I. STATEMENT OF NON-RECURRING PROFIT OR LOSS

	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Profit/(Loss) from non-recurring items	13,739	(3,332)
Government grants recognized in the period	91,032	135,375
Remediation of failure of vessel in operation held in the period	-	-
Gain/(Loss) from change in fair value of holding financial assets, disposal of financial liabilities and in the period of financial assets, disposal of financial liabilities and available-for-sale financial assets, effective hedging activities	(20,332)	12,264
Occurrence of non-financial business in the period	-	-
Net gain/(Loss) from disposal of fixed assets	(25,460)	23,712
Reversal of accounts receivable provided for bad debts in an individual basis	-	-
Other non-recurring income and expenses	38,201	21,101
Other non-recurring gains and losses	(105,549)	-
Sub-total	(8,369)	189,120
Effective income tax	(30,200)	(30,604)
Effective minority interest (after-tax)	(29,616)	(34,350)
Total	(68,185)	124,166

Note: After paid non-recurring loss in the period, the company has no non-recurring loss in the period.

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

Under the provisions in Financial Accounting Standards No. 1 in information disclosure for companies offering securities to the public, non-recurring loss/(gain) [2008] issued by CSRC, non-recurring loss/(gain) refers to the abnormal items in the accounting and earnings which are not directly related to the normal business activities, but are the result of financial assets, disposal of financial assets, effective hedging activities, making economic decisions on the financial performance and liabilities of an enterprise.

Supplementary Information

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

II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with the PRC Accounting Standards for Enterprises, the PRC Accounting Information Disclosure Regulations for Companies Listing Public Shares No. 9, Earnings per share and return on net assets (2010 revised) and relevant implementation standards, the calculation of earnings per share and return on net assets of the Company is as follows:

	Weighted average return on net assets(%)		Earnings per share			
			Basic earnings per share		Diluted earnings per share	
	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016	For the Period from 1 January to 30 June 2017	For the Period from 1 January to 30 June 2016
Net attributable ordinary shares of the Company	2.76%	(1.64%)	0.2554	(0.1444)	0.2544	(0.1444)
Net attributable ordinary shares of the Company after deducting non-representative shares	3.00%	(2.11%)	0.2783	(0.1861)	0.2772	(0.1861)

304 Chapter X Documents Available for Inspection

- I. The original copy of the interim report of the Company for 2017 signed by the Company's legal representative.
- II. The original copy of the annual financial report of the Company for the period ended 30 June 2017 filed under CASBE filed and under the seal of the legal representative of the Company, the chairman-in-charge of accounting affairs, and accounting officer-in-charge (General Manager of Financial Management Department).
- III. The original copy of the documents and announcements of the Company published in the newspaper published by the China Securities Regulatory Commission and the Renmin Daily.
- IV. The English and Chinese version of the 2017 interim report of the Company published in the English Hong Kong Stock Exchange.

Wang Hong

China International Marine Containers (Group) Co., Ltd.

September 2017

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