# IMPORTANT NOTICE

The B a d, he S e i C mmi ee and he Di ec , S e i and eni managemen f he C m an a an ha he e a e n fal e ec d , mi leading a emen ma e ial mi i n in he 2017 in e im e ( hi Report ), and j in l and e e all acce f ll legal e n ibili f he hf lne , acc ac and c m le ene f he inf ma i n c n ained in hi Re .

The Re ha been e ie ed and a ed a he 11 h mee ing f he eigh h e i n f he B a d in 2017 ( he Meeting ). M . Wang Y hang, Vice Chai man, a nable a end he Mee ing d e k ea n , and ha a h i ed M . Li Ch ng, n n-e ec i e Di ec , e n hi behalf. All he Di ec a ended he Mee ing.

The financial a emen f he G ha e been e a ed in acc dance i h China Acc n ing S anda d f B ine En e i e ( CASBE ). The in e im financial a emen and n e ( he 2017 Interim Financial Report ) f he G f he i m n h ended 30 J ne 2017 e a ed in acc dance i h CASBE in hi Re ha e n been a di ed.

M . Wang H ng, e n-in-cha ge f he C m an and chai man f he B a d, M . Mai B liang, CEO and e iden , and M . Zeng Han, gene al manage f he financial managemen de a men , e n-in-cha ge f acc n ing affai and head f he acc n ing de a men ( he financial c n lle ), he eb a an he hf lne , acc ac and c m le ene f hi Re and he 2017 In e im Financial Re .

Nei he an c n lling ha eh lde (incl ding i b idia ie ) n b an ial ha eh lde (incl ding i b idia ie ) f he C m an ha ili ed he n n- e a ing f nd f he C m an .

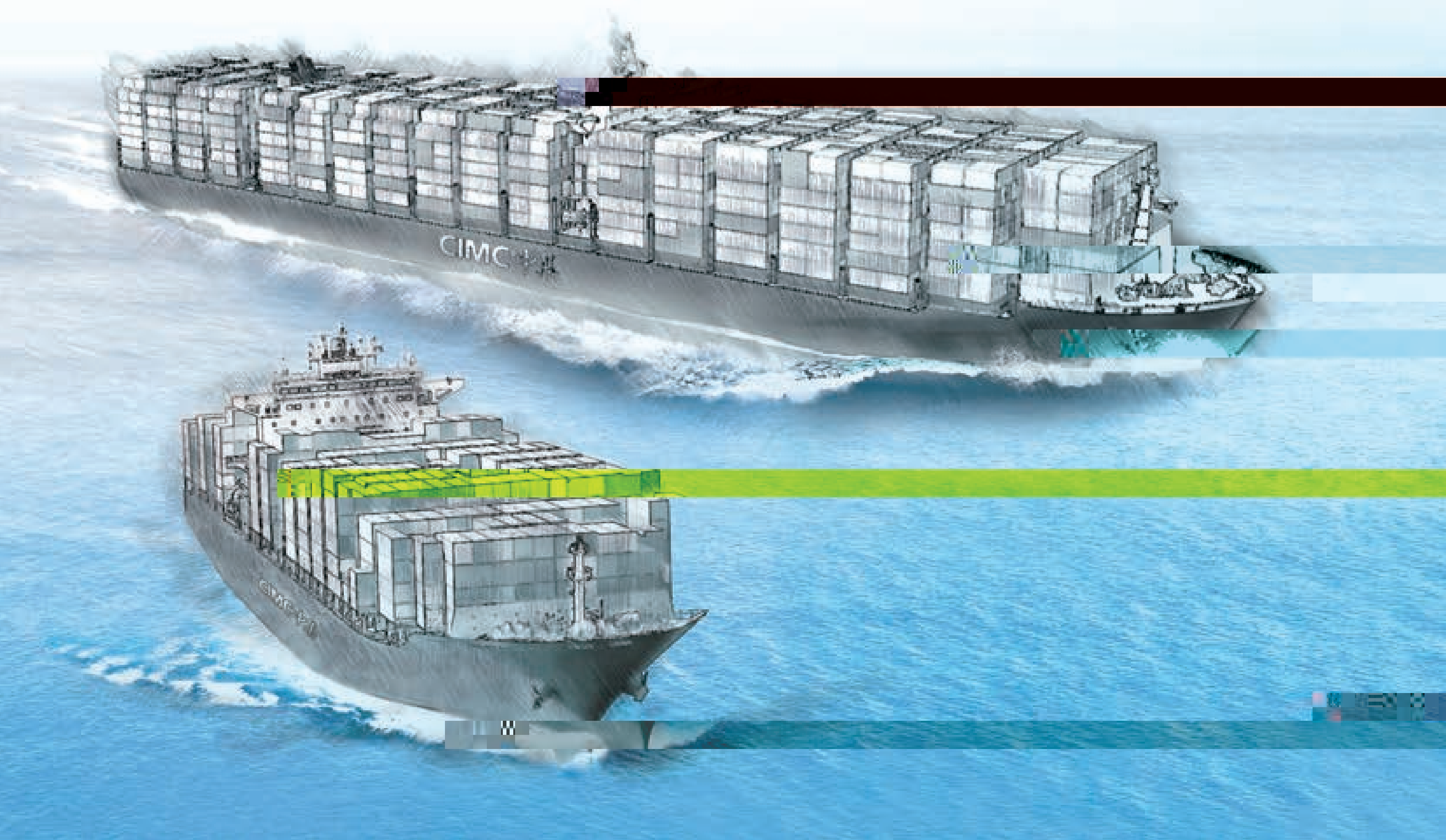
The C m an ed n di ib e an ca h di idend, i e b n ha e c n e ha e f m e e e in ha e ca i al f he i m n h ended 30 J ne 2017 ( i m n h ended 30 J ne 2016: Nil).

Thi Re c n ain ce ain f a d-l king a emen made n he ba i f bjec i e a m i n and j dgmen n f e lic and ec n mic de el men in ela i n he financial c ndi i n , e a ing e l and b ine f he G , hich a e bjec a a ie f i k , nce ain ie and a m i n be nd he G ' c n l and i h a high deg ee f nce ain in na e. The ef e, he ac al c me ma diffe ma e iall f m ch f a d-l king a emen . S ch f a d-l king a emen a e nl he ecen e ec a i n f he G n f e e en and a e n g a an ee f f e b ine e f mance and d n c n i e a an ac al c mmi men in e . In e h ld be a a e ha nd e eliance n e f ch inf ma i n ma lead i k f in e men .

Thi Re ha been e a ed in b h Chine e and Engli h. In he e en f an inc n i enc be een he e i n , he Chine e e i n hall e ail.

# CONTENTS





# Definitions

F he u e f hi Re , unle he c n e he i e e ui e , he f ll ing e m hall ha e he meaning e u bel :

| Items | Definitions |
|---|---|
| A Sha e( ) ( RMB-den mina ed O dina Sha e( ) ) | d me ic dina ha e( ) i ued b he C m an i h a n minal alue f RMB1.00 each, hich a e li ed n he Shen hen S ck E change and aded in Renminbi. |
| A Sha e( ) Sha e O i n Incen i e Scheme | ha e i n incen i e cheme f China In e na i nal Ma ine C n aine (G u ) C ., L d. c n ide ed and a ed a he e a dina gene al mee ing f he C m an n 17 Se embe 2010. |
| A icle f A cia i n | The A icle f A cia i n f China In e na i nal Ma ine C n aine (G u ) C ., L d.. |
| B a d | he B a d f he C m an . |
| C&C T uck | C&C T uck C ., L d. (集瑞聯合重工有限公司), a c m an inc a ed in he PRC i h limi ed liabili n 12 Ma ch 2009 and a n n- h ll - ned ub idia f he C m an . |
| CASBE | Acc un ing S anda d f Bu ine En e i e . Ba ic S anda d and 38 S ecific Acc un ing S anda d i ued b he Mini f Finance f he Pe le' Re ublic f China n 15 Feb ua 2006, and a lica i n guidance and in e e a i n CASBE and he ela ed egula i n ub e uen l i ued. |
| CFSE | China Fi e Safe En e i e G u Limi ed, a c m an li ed n he main b a d f he H ng K ng S ck E change ( ck c de: 445) and an a cia ed c m an f he C m an . |
| China COSCO Shi ing | China COSCO Shi ing C a i n Limi ed, a c m an inc a ed in he PRC i h limi ed liabili in Feb ua 2016 and a he indi ec ec nd la ge ha eh lde f he C m an a a he da e f hi Re . |
| China Me chan G u | China Me chan G u Limi ed, a c m an inc a ed in he PRC i h limi ed liabili n 14 Oc be 1986 and a he indi ec la ge ha eh lde f he C m an a a he da e f hi Re . |
| CIMC C m an | China In e na i nal Ma ine C n aine (G u ) C ., L d. (中國國際海運集裝箱(集團)股份有限公司), a j in ck c m an inc a ed in he PRC i h limi ed liabili , he A ha e f hich a e li ed n he Shen hen S ck E change and he H Sha e f hich a e li ed n he H ng K ng S ck E change. |
| CIMC En ic | CIMC En ic H lding Limi ed (中集安瑞科控股有限公司), a c m an inc a ed in he Ca man I land i h limi ed liabili n 28 Se embe 2004 and li ed n he main b a d f he H ng K ng S ck E change ( ck c de: 3899) and a n n- h ll - ned ub idia f he C m an . |
| CIMC Finance C m an | CIMC Finance C ., L d., a c m an inc a ed in he PRC i h limi ed liabili n 9 Feb ua 2010 and a h ll - ned ub idia f he C m an . |

| | |
|---|---|
| CIMC Financial Lea ing C m an | CIMC Financial Lea ing C ., L d., a c m an inc a ed in he PRC i h limi ed liabili n 30 J□l 2007 and a h ll - ned □b idia f he C m an . |
| CIMC H ng K ng | China In e na i nal Ma ine C n aine (H ng K ng) Limi ed (中國國際海運集裝箱(香港)有限公司), a c m an inc a ed in H ng K ng i h limi ed liabili n 30 J□l 1992 and a h ll - ned □b idia f he C m an . |
| CIMC M□l im dal T an | CIMC M□l im dal T an De el men C ., L d. (中集多式聯運發展有限公司), a c m an inc a ed in he PRC i h limi ed liabili n 29 Ma ch 2016 and a n n- h ll - ned □b idia f he C m an . |
| CIMC Off h e Enginee ing | CIMC Off h e Enginee ing C ., L d., a c m an inc a ed in he PRC i h limi ed liabili n 21 J□l 2016 and a h ll - ned □b idia f he C m an . |
| CIMC Raffle | CIMC Raffle Off h e (Singa e) Limi ed, a c m an inc a ed in Singa e i h limi ed liabili n 7 Ma ch 1994 and a h ll - ned □b idia f he C m an . |
| CIMC Sk ace Real E a e | Shen hen CIMC Sk ace Real E a e De el men C ., L d., a c m an inc a ed in he PRC i h limi ed liabili n 24 N embe 1998 and a n n- h ll - ned □b idia f he C m an . |
| CIMC Tianda | Shen hen CIMC-Tianda Ai S□ C ., L d. (深圳中集天達空港設備有限公司), a c m an inc a ed in he PRC i h limi ed liabili n 18 J□l 1992 and a n n- h ll - ned □b idia f he C m an . |
| CIMC Vehicle (G □ ) | CIMC Vehicle (G □ ) C ., L d. (中 集 車 輛(集 團) 有 限 公 司), a c m an inc a ed in he PRC i h limi ed liabili n 29 A□g□ 1996 and a n n- h ll - ned □b idia f he C m an . |
| C a e G e nance C de | he C a e G e nance C de c n ained in A endi 14 f he H ng K ng Li ing R□le . |
| CSRC | China Sec□ i ie Reg□la C mmi i n. |
| Di ec ( ) | he di ec ( ) f he C m an . |
| G □ , e , □ and □ | he C m an and i □b idia ie . |
| H Sha e( ) ( O e ea -li ed F eign Sha e( ) ) | e ea -li ed f eign dina ha e( ) i □ed b he C m an i h a n minal al□e f RMB1.00 each, hich a e li ed n he H ng K ng S ck E change and aded in H ng K ng d lla . |
| H ng K ng | The H ng K ng S ecial Admini a i e Regi n f he PRC. |
| H ng K ng Li ing R□le | R□le G e ning he Li ing f Sec□ i ie n The S ck E change f H ng K ng Limi ed. |

# Definitions

| | |
|---|---|
| H ng K ng S ck E change | The S ck E change f H ng K ng Limi ed. |
| M del C de | he M del C de f Sec▯ i ie T an ac i n b Di ec f Li ed I ▯e c n ained in A endi 10 f he H ng K ng Li ing R▯le . |
| PRC China | he Pe le' Re ▯blic f China. |
| P e i | P e i Gl bal Limi ed, a c m an inc a ed in 1979 and a n n- h ll - ned ▯b idia f he C m an . |
| Re ing Pe i d | he i m n h a ing f m 1 Jan▯a 2017 and ending n 30 J▯ne 2017, hich i al called he fi half f 2017. |
| RMB | Renminbi, he la f▯l c▯ enc f he PRC. |
| SFO | he Sec▯ i ie and F▯ ▯ e O dinance, Cha e 571 f he La f H ng K ng. |
| Sha eh lde ( ) | he h lde ( ) f ha e( ) f he C m an , incl▯ding he h lde ( ) f A Sha e and H Sha e . |
| Shen hen Li ing R▯le | R▯le G e ning he Li ing f Sec▯ i ie n he Shen hen S ck E change. |
| Shen hen S ck E change | he Shen hen S ck E change. |
| S▯ e i ( ) | he ▯ e i ( ) f he C m an . |
| S▯ e i C mmi ee | he S▯ e i C mmi ee f he C m an . |
| US$ U.S. d lla | Uni ed S a e d lla , he la f▯l c▯ enc f he Uni ed S a e f Ame ica. |
| Ziegle | Albe Ziegle GmbH, a c m an inc a ed in Ge man i h limi ed liabili and a n n- h ll - ned ▯b idia f he C m an . |

Thi gl a c n ain ce ain defini i n f echnical e m □ ed in hi Re in c nnec i n i h he G □ . S me f he e defini i n ma n c e nd anda d ind□ defini i n □ age.

| Items | Definitions |
|---|---|
| CNG | C m e ed Na □ al Ga . |
| FLNG | Fl a ing Li □efied Na □ al Ga . |
| FPSO | Fl a ing P d□c i n S age and Offl ading. |
| FSRU | Fl a ing S age and Rega ifica i n Uni . |
| HSE | Heal h, Safe and En i nmen . |
| GSE | G □nd S□ E □i men , efe ai e □i men □ ed en □ e fligh afe . T mee he e □i emen f ai c af main enance and fligh , ai a e e □i ed i h a a ie f m de n g □nd □ e □i men , incl□ding b□ n limi ed mechanical, elec ic, h d a□lic and ecial ga e □i men . |
| Jack-□ D illing Pla f m | A jack-□ d illing la f m i a m bile il ig c mm nl □ ed f hall a e e a i n. M jack-□ ig e a e in a e de h anging f m 250 400 fee . Thi il d illing e □i men i gene all □ ed f m □n ing machine , e □ l , e □i men and acc mm da i n facili ie f d illing and ce ain lif able □d leg n a la f m fl a ing n he a e . |
| LNG | Li □efied Na □ al Ga . |
| LPG | Li □efied Pe le□m Ga . |
| M d□la B□ilding | he b□ilding man□fac □ ed in a fac en i nmen and an ed a e a ed jec i e be in alled. |
| ONE M del | O imi a i n Ne e Ending, he lean managemen em f he G □ . |
| QHSE | A managemen em ha g□ide and c n l an gani a i n in e ec f Q□ali , Heal h, Safe and En i nmen al a ec . |
| Semi- □bme ible D illing Pla f m | A emi- □bme ible d illing la f m i a m bile il ig; he □ e a f he h□ll □c □ e i he king deck and he l e a c m i e l e h□ll , i h he a c nnec ed b □ c l□mn . When in e a i n, he l e h□ll a e □bme ged in he a e . A emi- □bme ible la f m i gene all □ ed in dee ea i h a e de h anging f m 600-3,600m. The la f m icall □ e a d namic i i ning em f i i ning. |
| TEU | T en -f e □i alen □ni , al kn n a a anda d □ni (a c n aine i h a leng h f 20 fee , a heigh f 8 fee and 6 inche and a id h f 8 fee ), being □ ed mea □ e he l□me f a c n aine . |
| VOC | V la ile O ganic C m □nd . |

# Chapter I Corporate Profile

## I. COMPANY PROFILE

| | |
|---|---|
| Legal Chine e Name: | 中國國際海運集裝箱(集團)股份有限公司 |
| Abb e ia ed Chine e Name: | 中集集團 |
| Engli h Name: | China In e na i nal Ma ine C n aine (G  ) C ., L d. |
| Abb e ia ed Engli h Name: | CIMC |
| Legal Re e en a i e: | Wang H ng |
| A h i ed Re e en a i e : | Mai B liang, Y Y n |
| Regi e ed Add e and Add e f Head Office: | 8 h Fl , CIMC R&D Cen e, 2 Gang an A en e, Shek , Nan han Di ic , Shen hen, G angd ng, PRC |
| P al C de: | 518067 |
| C m an Web i e: | h :// .cimc.c m |
| Email Add e : | ha eh lde @cimc.c m |
| P inci al Place f B ine in H ng K ng: | 3101-2 Infini Pla a, 199 De V e R ad Cen al, H ng K ng |
| Unif m S cial C edi C de: | 91440300618869509J |

## II. CONTACT PERSONS AND MEANS OF COMMUNICATION

| | |
|---|---|
| Sec e a he B a d, C m an Sec e a : | Y Y n |
| A i an C m an Sec e a : | Shen Yang |
| C n ac Add e : | CIMC R&D Cen e, 2 Gang an A en e, Shek , Nan han Di ic , Shen hen, G angd ng, PRC (P al c de: 518067) |
| C n ac Tele h ne: | (86) 755-2669 1130 |
| Fac imile: | (86) 755-2682 6579 |
| Email Add e : | ha eh lde @cimc.c m |
| Re e en a i e f Sec i ie Affai : | Wang Xinji |
| C n ac Add e : | CIMC R&D Cen e, 2 Gang an A en e, Shek , Nan han Di ic , Shen hen, G angd ng, PRC (P al c de: 518067) |
| C n ac Tele h ne: | (86) 755-2680 2706 |
| Fac imile: | (86) 755-2681 3950 |
| Email Add e : | ha eh lde @cimc.c m |

## III. INFORMATION DISCLOSURE AND LOCATIONS FOR DOCUMENTS FOR INSPECTION

| | |
|---|---|
| De igna ed Ne a e f Inf ma i n Di cl e: | A Sha e : China Sec i ie J nal, Sec i ie Time and Shanghai Sec i ie Ne |
| A h i ed Web i e n hich hi Re i Made A ailable: | A Sha e : h :// .cninf .c m.cn<br>H Sha e : h :// .hke ne .hk |
| C m an Web i e: | .cimc.c m |
| Place a hich hi Re i A ailable: | Office f he Sec e a he B a d f CIMC, 9 h Fl , CIMC R&D Cen e, 2 Gang an A en e, Shek , Nan han Di ic , Shen hen, G angd ng, PRC (P al c de: 518067) |

## IV. STOCK INFORMATION OF THE COMPANY

| | |
|---|---|
| S ck E change n hich A Sha e a e Li ed: | Shen hen S ck E change |
| Abb e ia ed S ck Name f A Sha e : | CIMC |
| S ck C de: | 000039 |
| S ck E change n hich H Sha e a e Li ed: | H ng K ng S ck E change |
| Abb e ia ed S ck Name f H Sha e : | CIMC, ZJHD (N e) |
| S ck C de: | 2039, 299901 (N e) |

N e: B h he abb e ia ed ck name and he ck c de a e nl ed b he iginal B Sha eh lde f he C m an in he PRC in e ec f hei ading f H Sha e f he C m an af e H Sha e f he C m an e e li ed n he H ng K ng S ck E change.

Whe he he egi e ed add e , ffice add e , al c de, eb i e and email add e f he C m an e e changed d ing he Re ing Pe i d

☐ A licable N a licable

Whe he he inf ma i n di cl e and l ca i n f d c men f in ec i n e e changed d ing he Re ing Pe i d

☐ A licable N a licable

Whe he he egi a i n a changed d ing he Re ing Pe i d

☐ A licable N a licable

Whe he he ele an inf ma i n i changed d ing he Re ing Pe i d

☐ A licable N a licable

# Chapter II Summary of Accounting Data and Financial Indicators

## I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

Re ec i e adj men e a emen f he acc n ing da a f i ea b he C m an

☐ Ye N

Uni : RMB h and

| **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 (%) |
|---|---|---|---|
| Re en e | **33,387,152** | 23,542,843 | 41.81% |
| O e a ing fi | **1,524,203** | (318,988) | 577.82% |
| T al fi | **1,576,142** | (165,844) | 1,050.38% |
| O e a ing fi | **509,633** | 375,316 | 35.79% |
| Ne fi f he c en e i d | **1,066,509** | (541,160) | 297.08% |
| Ne fi a ib able | | | |
| Sha eh lde and he e i h lde f he C m an | **796,898** | (378,034) | 310.80% |
| Min i fi /(l ) | **269,611** | (163,126) | 265.28% |
| Ne fi a ib able Sha eh lde and he e i h lde f he C m an af e ded c ing n n- ec ing fi l | **865,083** | (502,200) | 272.26% |

Uni : RMB h and

| **Consolidated balance sheet items** | **As at the end of the Reporting Period (30 June 2017) (unaudited)** | As at the end of previous year (31 December 2016) (audited) | Changes from the end of previous year to the end of the Reporting Period (%) |
|---|---|---|---|
| T al c en a e | **57,457,050** | 53,352,031 | 7.69% |
| T al n n-c en a e | **72,041,804** | 71,262,717 | 1.09% |
| T al a e | **129,498,854** | 124,614,748 | 3.92% |
| T al c en liabili ie | **53,634,687** | 46,249,215 | 15.97% |
| T al n n-c en liabili ie | **35,992,284** | 39,230,741 | (8.25%) |
| T al liabili ie | **89,626,971** | 85,479,956 | 4.85% |
| T al ha eh lde ' e i | **39,871,883** | 39,134,792 | 1.88% |
| E i a ib able : | | | |
| Sha eh lde and he e i h lde f he C m an | **29,822,813** | 29,285,970 | 1.83% |
| Min i in e e | **10,049,070** | 9,848,822 | 2.03% |
| Sha e ca i al ( ha e ) | **2,980,352,786** | 2,978,576,986 | 0.06% |

Uni : RMB h ü and

| Consolidated cash flow statement items | The Reporting Period (January – June 2017) (unaudited) | The same period of the previous year (January – June 2016) (unaudited) | Changes from the same period of the previous year to the Reporting Period (%) |
|---|---|---|---|
| Ne ca h fl f m/(ü ed in) e a ing ac i i ie | **(668,216)** | 933,732 | (171.56%) |
| Ne ca h fl f m/(ü ed in) in e ing ac i i ie | **(1,507,729)** | (5,376,277) | 71.96% |
| Ne ca h fl f m/(ü ed in) financing ac i i ie | **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 f ca h and ca h e üi alen a he end f he e i d | **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 (%) |
|---|---|---|---|
| Ba ic ea ning e ha e a ibü able ha eh lde f he C m an (RMB/ ha e) | **0.2554** | (0.1444) | 276.87% |
| Dilü ed ea ning e ha e a ibü able ha eh lde f he C m an (RMB/ ha e) | **0.2544** | (0.1444) | 276.18% |
| Weigh ed a e age e ü n n ne a e (%) | **2.76%** | (1.64%) | 4.40% |
| Weigh ed a e age e ü n n ne a e af e dedüc ing n n- ecü ing fi l (%) | **3.00%** | (2.11%) | 5.11% |
| Ne ca h fl f m/(ü ed in) e a ing ac i i ie e ha e (RMB/ ha e) | **(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 (%) |
|---|---|---|---|
| Ne a e e ha e a ibü able Sha eh lde and he e üi h lde f he C m an (RMB/ ha e) | **10.01** | 9.83 | 1.83% |
| Gea ing a i (%) (N e) | **69.21%** | 68.60% | 0.61% |

N e: The gea ing a i a calcüla ed ba ed n he G ü ' al deb di ided b ü al a e a a he e ec i e da e .

## 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

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The e a n diffe ence in ne fi and ne a e e a ed nde In e na i nal Acc n ing S anda d and CASBE d ing he Re ing Pe i d.

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

☐ A licable N a licable

The e a n diffe ence in ne fi and ne a e e a ed nde f eign acc n ing anda d and CASBE d ing he Re ing Pe i d.

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

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## III. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNT

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Uni : RMB h and

| Item | Amount (January – June 2017) (unaudited) |
|---|---|
| Gain /(l ) n di al f n n-c en a e | **13,739** |
| G e nmen g an ec gni ed in fi l f he c en e i d | **91,032** |
| Gain l e f m change in fai al e a i ing f m h lding financial a e a fai al e h gh fi l and financial liabili ie a fai al e h gh fi l , and in e men gain a i ing f m di al f financial a e a fai al e h gh fi l , financial liabili ie a fai al e h gh fi l and a ailable-f - ale financial a e , and gain l e f m change in fai al e f in e men e ie b e en l mea ed a fai al e, e ce f he effec i e hedging ac i i ie ela ing he G ' dina ac i i ie | **(20,332)** |
| Ne gain /(l ) f m di al f l ng- e m e i in e men | **(25,460)** |
| O he n n- e a ing inc me and e en e he han he ab e i em | **38,201** |
| O he fi /l i em defined a n n- ec ing fi /l i em | **(105,549)** |
| Effec f inc me a | **(30,200)** |
| Effec f min i in e e (af e a ) | **(29,616)** |
| T al | **(68,185)** |

N e: Af e aid n n- ec ing fi l i em ( he han he effec f min i in e e (af e a )) a e en ed a am n bef e a a i n.

Rea n and e lana i n n he C m an ' n n- ec ing fi l i em a defined nde he E lana Ann ncemen N . 1 n Inf ma i n Di cl e b C m anie Offe ing Sec i ie he P blic . N n-Rec ing P fi L ( he E lana Ann ncemen N . 1 ) and he ec ing fi l i em hich a e li ed a n n- ec ing fi l i em nde he e i emen f he E lana Ann ncemen N . 1

□ A licable N a licable

The C m an did n define he n n- ec ing fi l i em a defined and li ed nde he E lana Ann ncemen N . 1 a ec ing fi l i em d ing he Re ing Pe i d.

# Chapter III Report of the Board

## I. BUSINESS SUMMARY

The G ▯ i inci all engaged in he man▯fac ▯ e f m de n an a i n e ▯i men , ene g , chemical and li ▯id f d e ▯i men , ff h e enginee ing e ▯i men and ai facili ie , a ell a he i i n f ele an e ice , incl▯ding he de ign, man▯fac ▯ e and e ice

B i ue f he fa uable d me ic and e ea mac ec n mic c ndi i n , he e i f he ele an indu ie he e he G u a engaged in im ed ignifican l . Du ing he Re ing Pe i d, he G u ' e enue am un ed RMB33,387.152 milli n ( ame e i d in 2016: RMB23,542.843 milli n), e e en ing ignifican ea - n- ea g h f 41.81%. Am ng he inci al bu ine e , he e enue f m c n aine manufac u ing, ad an a i n ehicle and hea uck bu ine ec ded ignifican g h. The e enue f m ene g , chemical and li uid f d e ui men , ai facili ie e ui men , l gi ic e ice and financial bu ine u ained able g h, hile he e enue f m he eal e a e bu ine ligh l dec ea ed. A affec ed b an indu d n u n, he e enue f m he ff h e enginee ing bu ine ignifican l declined. Du ing he Re ing Pe i d, he G u ' ne fi a ibu able he ha eh lde and he e ui h lde f he a en c m an am un ed RMB796.898 milli n ( ame e i d in 2016: l f RMB378.034 milli n), u ning he l fi ea n ea , he e he ne l in he ame e i d f he e i u ea a mainl due he la ge am un f i i n ided f he am un due f m Sin Pacific Off h e & Enginee ing C ., L d. (南通太平洋海洋工程有限公司) ( SOE ) f CIMC En ic.

## 2. REVIEW OF THE PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

### Container Manufacturing Business

The G u ' c n aine manufac u ing bu ine mainl deal i h anda d d c n aine , eefe c n aine and ecial eefe . The G u ha he ca aci duce a full e ie f c n aine duc i h inde enden in ellec ual e igh . S ecial eefe include 53-f inland N h Ame ican c n aine , Eu ean ide c n aine , bulk c n aine , ecial eefe c n aine , f ldable c n aine and he duc . Du ing he Re ing Pe i d, he G u emained a N . 1 in e m f u u and ale f c n aine in he indu .

In he fi half f 2017, he e a a i i e end f he e all gl bal ade en i nmen . The g h f hi ing lume a highe han e ec ed. Imbalance be een u l and demand a im ed a ibu able he c n inu u inc ea e in hi ing ice . In ie f he cu en ain c n aine u l and he i i e ie n fu u e de el men , cu me gene all inc ea ed hei cu emen f ne c n aine . Mean hile, m f he lan in he d me ic c n aine manufac u ing indu had u g aded hei duc i n line u ing a e -ba ed ain in he fi half f hi ea in acc dance i h he en i nmen al-f iendl a e -ba ed ain elf-di ci line c n en i n in he indu , hu affec ing he effec i e duc i n ca aci in he indu . The duc i n c a ed inc ea e in he ec nd ua e f hi ea . C n aine ice e e ba icall able af e g h in he fi ua e . In addi i n, he numbe f de and c n aine ice f he ame e i d in he e i u ea a ela i el a a l le el, and he ea - n- ea ba e a l . A a e ul , e ec ded a ignifican ea - n- ea inc ea e in he ale lume and he e enue f c n aine f he G u du ing he Re ing Pe i d.

# Chapter III Report of the Board

D▯ ing he Re ing Pe i d, he acc▯m▯la ed ale l▯me f dina d c n aine f he G ▯ eached 535,700 TEU ( ame e i d in 2016: 238,300 TEU ), e e en ing a ea - n- ea inc ea e f 124.80%; he acc▯m▯la ed ale l▯me f eefe c n aine eached 35,100 TEU ( ame e i d in 2016: 22,300 TEU ), e e en ing a ea - n- ea inc ea e f 57.40%. The c n aine b▯ ine f he G ▯ ec ded a e en▯e f RMB10,049.055 milli n ( ame e i d in 2016: RMB4,898.618 milli n), e e en ing a ea - n- ea inc ea e f 105.14%; and he ne fi a RMB681.102 milli n ( ame e i d in 2016: ec ding a ne l f RMB139.632 milli n), gaining fi again f m he l - ec ded e i ▯ ea .

In he fi half f 2017, he demand in he anda d d c n aine ind▯ f he G ▯ inc ea ed, and he n▯mbe f de a highe han e ec ed. A he d▯c i n f il-ba ed ain ed c n aine f▯ll ▯ ended in anda d d c n aine man▯fac ▯ ing en e i e in China f m 1 A il 2017, he c n aine d me ic d▯c i n line e e ienced he eak ea n f d▯c i n ▯ en i n f ▯ g ade f a e-ba ed ain ed c n aine . The G ▯ i ed h en he e i d f d▯c i n line ▯ g ade f a e-ba ed ain ed c n aine and mee he demand f clien . The G ▯ a able ceed i h he anda d d a e-ba ed ain ed c n aine ▯ g ade n ched▯le. Mean hile, ▯ ma ke ha e had ec e ed n mal le el f m he l le el in he e i ▯ ea , i h e cellen e ▯l achie ed. In addi i n, in e n e he g e nmen e ▯i emen and in c m liance i h he lic di ec i n, he G ▯ made g ea e in e men in HSE in he c n aine man▯fac ▯ ing b▯ ine d▯ ing he Re ing Pe i d. The c n ▯c i n anda d f lan had eached a highe le el. The el ca i n jec f c n aine in Fenggang f D ngg▯an Ci g e ed in an de l a , and i i e ec ed ha he Pha e I f hi jec ill be ▯ in e a i n a he beginning f he ne ea .

## Road Transportation Vehicle Business

Wi h he ld' l cal man▯fac ▯ ing g ▯ (全球運營，地方智慧) a i b▯ ine hil h , CIMC Vehicle (G ▯ ), a ▯b idia f he G ▯ , i a gl ball leading ad an a i n ehicle man▯fac ▯ ing g ▯ , iding i h gl bal c▯ me a i ▯ ecial ehicle d▯c , ke a f ecial ehicle and ale e ice . CIMC Vehicle (G ▯ ) ha e abli hed 25 d▯c i n and e ea ch and de el men ba e in China, N he n Ame ica, E▯ e and eme ging ma ke , and de el ed diffe en d▯c line f ecial ehicle c n i ing f 10 e ie and m e han 1,000 m del , incl▯ding c n aine emi- aile , fla bed/ aked- ide emi- aile , l -fla bed emi- aile , ehicle l aded emi- aile , ake ▯ck , an ▯ck , ank ▯ck , d▯m ▯ck , ani a i n ▯ck and ecial ehicle , c e ing maj d me ic and in e na i nal ma ke .

In he fi half f 2017, he gl bal man▯fac ▯ ing ind▯ and ade e ▯med g h and he Chine e ec n m g ad▯all became able. The e a a n iceable end in e lacemen i h ligh ▯ck f ad an a i n ehicle benefi ing f m he e ended im ac f im lemen a i n f he lic f he manda anda d n he limi f dimen i n , a le l ad and ma e f ehicle , aile and c mbina i n f ehicle (GB1589-2016) m▯lga ed b he cen al g e nmen in 2016 and he c n in▯ed d me ic ingen g e nance again e l ading. Mean hile, m e d me ic inf a ▯c ▯ e jec c mmenced c n ▯c i n, hich b ed he g h f demand f in elligen ▯ ban m▯ck ▯ck . In he e ea ma ke , al h ▯gh he hi ing e f mance in he N h Ame ican ma ke emained ng, he c clical demand f emi- aile declined. Wi h he ec n mic ec e in E▯ e, he demand in me l cal ma ke in eme ging ma ke a b▯ an .

Du ing he Re ing Pe i d, b i ue f he bu ine g h in Chine e and Eu ean ma ke , he G u ' ad an a i n ehicle bu ine achie ed ale f 81,468 uni ( ame e i d in 2016: 58,231 uni ), e e en ing a ea - n- ea inc ea e f 39.90%. I ec ded e enue (e clu ding he hea uck bu ine ) f RMB9,719.601 milli n ( ame e i d in 2016: RMB7,013.354 milli n), e e en ing a ea - n- ea inc ea e f 38.59%, and achie ed ne fi (e clu ding he hea uck bu ine ) f RMB568.016 milli n ( ame e i d in 2016: RMB361.893 milli n), e e en ing a ea - n- ea inc ea e f 56.96%.

Du ing he Re ing Pe i d, CIMC Vehicle (G u ) c n inued m ing he gl bal e a i n managemen eadil , enhanced he e a i nal efficienc f a e f each bu ine uni and he c a e fi abili , and f cu ed n he in e men and de el men f he inc emen al bu ine and he inn a i n bu ine f each bu ine uni eali e he g h i h uali . In he PRC ma ke , a CIMC Vehicle (G u ) full im ula ed he en e i e i ali , c n inued g a he ula end a d e lacemen i h ligh uck and uni ie in ma ke egmen and enla ged i ma ke ing eng h and c e in he fi half f hi ea , he G u c m le ed m e han 55% f he annual a ge in e m f e enue and fi f i d me ic bu ine . In he e ea ma ke , in de elimina e he effec f c clical decline in he ma ke , CIMC Vehicle (G u ) ac i el e anded i duc c e age in he N h Ame ican ma ke , and f cu ed n i leading duc in he Eu ean ma ke , ac i el .5( )18.5()]TJ0. ni TJ0.( k)0.5(e)0 (,)37.5( )00.251 T 09-1.412 TD[( i)0.5(mul)0.5(ing)

# Chapter III Report of the Board

D▯ ing he Re ing Pe i d, he maj b▯ ine egmen f CIMC En ic de ed hem el e f c▯ ing n c▯ me ' need , im ing c e echn l g e e e and enhancing b▯ ine c m e i i ene . (1) The ene g e ▯i men b▯ ine egmen ca ied ▯ c n in▯ ▯ m▯l i-dimen i n ef m n ma d▯c , c▯ mi ed e ice , and e a i n managemen da a. I e ea b▯ ine e achie ed ▯nified managemen n ma ke ing f im ing ma ke e nding ca abili . The egmen al i ed e l e ne b▯ ine e and ne e ice m del eek b▯ ine ▯ni ie f h d gen ene g , di ib▯ ed e gene a i n, EPC em l▯ i n , e a ing lea e and he jec . (2) D▯ ing he Re ing Pe i d, again he backd f l g h in e all ma ke demand f he d▯c in he chemical e ▯i men b▯ ine egmen , he ank c n aine b▯ ine f CIMC En ic deli e ed ▯ anding e f mance amid he fie ce ma ke c m e i i n. S anda d ank c n aine , ga ank c n aine , LNG ank c n aine and ail a ank c n aine all ec ded e cellen e f mance. (3) Af e c n lida ing Ziemann and B igg G ▯ Limi ed, he li ▯id f d e ▯i men b▯ ine egmen had bec me a ▯ lie f c m ehen i e ▯ n-ke jec l▯ i n f bee , i i and he li ▯id f d man▯fac ▯ e and ha mace▯ ical c m anie . Mean hile, he egmen ke a f h ld in China and E▯ e and e anded i d▯c i n ca aci in China and i ma ke ne k in A ia b c n lida ing Ziemann H l ieka A ia C m an Limi ed.

A men i ned in he 2016 In e im Re , 2016 Ann▯al Re and he ele an ann ▯ncemen f he C m an , n 1 J▯ne 2016, CIMC En ic e mina ed he ac ▯i i i n f all e ▯i in e e in SOE f m he end and he i i n f financial a i ance SOE d▯e he fail▯ e in f▯lfillmen ai e f ce ain c ndi i n eceden e ▯ in he ele an ag eemen b SOEG PTE LTD, Jiang ▯ Pacific Shi b▯ilding G ▯ C ., L d. and E e g een G ▯ C ., L d., and e ▯e ed he end ef▯nd he e aid c n ide a i n and SOE e ▯ n he l an and he g▯a an ee f bank l an. Af e a c m ehen i e and ca ef▯l a e men n he im ai men i k and c llec abili f he am ▯n ecei able , CIMC En ic made im ai men i i n f RMB1,214.880 milli n in al f he am ▯n d▯e f m he end and SOE in he in e im e i d f 2016, and made f▯ he i i n a he end f 2016, e ▯l ing in a al am ▯n f i i n f RMB1,362.915 milli n f he h le ea . Acc dingl , CIMC En ic inc▯ ed ne l in he in e im e i d f 2016 and he ea 2016, and he C m an ec ded a ne l in he in e im e i d f 2016 and a ignifican decline in ne fi in he ea 2016.

C n ide ing ha SOE i ▯nde ecei e hi f he Recei e and i b▯ ine and a e ma ▯ lemen and c llab a e i h he b▯ ine f CIMC En ic, n 5 J▯l 2017, CIMC En ic, h ▯gh i h ll - ned ▯b idia CIMC En ic In e men H lding (Shen hen) L d., en e ed in he Re ▯c ▯ ing In e men Ag eemen i h SOE and SOE Bank ▯ c and Li ▯ida i n Team* (南通太平洋破產清算組) e ac ▯i e he en i e e ▯i in e e in SOE ▯ cha e he maj a e f SOE. On 4 A▯g▯ 2017, he SOE Re ▯c ▯ ing Plan a a ed b SOE' c edi a he c edi ' mee ing and a a ed b he c ▯ in China in acc dance i h he ele an la in China. SOE ill im lemen he Re ▯c ▯ ing Plan ▯nde he ▯ e i i n f he Recei e acc dingl . On 15 A▯g▯ 2017, SOE ha bec me an indi ec h ll - ned ▯b idia f CIMC En ic ▯ ▯an he Re ▯c ▯ ing In e men Ag eemen and he Re ▯c ▯ ing Plan and ha bec me an indi ec n n- h ll - ned ▯b idia f he G ▯ . SOE enamed a 南通中集太平洋海洋工程有限公司 (Nan ng CIMC Sin Pacific Off h e & Enginee ing C ., L d.*). F de ail , lea e efe he ele an ann ▯ncemen ▯bli hed b he C m an n 6 J▯l , 4 A▯g▯ and 16 A▯g▯ 2017. Acc ding he l enc anal i e ided b he Recei e , he ec e able am ▯n f he am ▯n d▯e f m SOE f CIMC En ic a e ima ed be RMB190.521 milli n a a 30 J▯ne 2017. Acc dingl , CIMC En ic ill make addi i nal i i n f RMB105.549 milli n f im ai men f he Re ing Pe i d. S▯ch i i n al incl▯ded in he 2017 c n lida ed in e im financial e f he G ▯ .

## Offshore Engineering Business

CIMC Raffle , a □b idia f he G □ , i an ff h e enginee ing en e i e h e in eg a ed e a i n m del in eg a ing de ign, c□ emen , man□fac □ e, c n □c i n, c mmi i n and e a i n, e ing he ca abili f ma and ind□ iali ed c n □c i n f high-end ff h e enginee ing e □i men and he ecial e el a a c n ac . I i al ne f he leading c n ac f high-end ff h e enginee ing e □i men in China and ha been a ici a ing in he c m e i i n f he in e na i nal ma ke f ff h e enginee ing b□ ine all he ime. I maj b□ ine e incl□de he de ign and c n □c i n f emi- □bme ible d illing la f m , emi- □bme ible acc mm da i n la f m , jack-□ d illing la f m , jack-□ acc mm da i n la f m , ga c m e i n jack-□ □ni , Lif b a , fl a ing d□c i n age e el , c ane e el , i e-la ing e el , OSV, cean □g , mid- -high-end ach and he e el i h i d□c c e ing a maj i f ff h e enginee ing d□c .

In he fi half f 2017, b i □e f he b ming □ f he in e na i nal il ice , he □n e f he gl bal ff h e enginee ing e □i men ma ke inc ea ed a c m a ed i h he ame e i d f he e i □ ea . In i e f he hi icall l e □n e , ign f b ming □ eme ged. The in e men in e ec f gl bal il and ga de el men ed declining, g ad□all abili ed and ligh l im ed; he □ ili a i n a e and dail en al f emi- □bme ible d illing la f m a ed ec e l l f m i all- ime l ec ded ea l hi ea ; and he n□mbe f □ a i n and ende jec in ff h e enginee ing ma ke inc ea ed.

H e e , □nde he ignifican im ac f he c n in□ed d n □ n in he ind□ and d□e ea n □ch a he h ink in ne de ac □i ed and he ned deli e f he de n hand, d□ ing he Re ing Pe i d, he ff h e enginee ing b□ ine f he G □ ec ded a ale e en□e f RMB1,214.509 milli n ( ame e i d in 2016: RMB3,703.689 milli n), e e en ing a ea - n- ea ignifican dec ea e f 67.21%, and a ne l e anding RMB550.421 milli n ( ame e i d in 2016: ne l f RMB3.988 milli n).

In he e e ind□ en i nmen , CIMC Raffle i ed de el a a ie f b□ ine m del e l e ma ke en ial. D□ ing he Re ing Pe i d, CIMC Raffle ac □i ed ne de am □n ing RMB230 milli n. andinc Pe i d,030 milli n. .2

# Chapter III Report of the Board

In he fi half f 2017, he gl bal ec n m ec e ed m de a el . In i e f he abili ed and fa able im and e , a n mbe f li ical nce ain ie emained. In ie f he in en e c m e i i n in he d me ic l gi ic ind i h e l , he hi ing ice emained l and he e a n ignifican im emen in he e f mance f en e i e . In addi i n, fac ch a m e ingen en i nmen al ec i n lice in China al affec ed he e i men man fac ing b ine in he l gi ic egmen .

D ing he Re ing Pe i d, he G ' l gi ic b ine achie ed ale e en e f RMB3,751.202 milli n ( ame e i d in 2016: RMB3,218.617 milli n), e e en ing a ea - n- ea inc ea e f 16.55%, and ne fi f RMB57.340 milli n ( ame e i d in 2016: RMB68.434 milli n), e e en ing a ea - n- ea dec ea e f 16.21%. D ing he Re ing Pe i d, a affec ed b he adj men in he b ine line in M ng lia, he g fi ma gin f hi b ine egmen declined, e l ing in a ea - n- ea dec ea e in ne fi .

In he fi half f 2017, he l gi ic e ice b ine f he G eadil hed f a d he f maj b ine line . (1) The c n aine e ice b ine line ecified he de el men a egie f i e en ke d c d ing he 13 h Fi e Yea Plan, namel acan /l aded c n aine a d , ank c n aine a d , ha f e ice , ail a a d and a i n , e ice f eefe c n aine , ading f ne / ld c n aine and gl bal c n aine e a i n and managemen . I eali ed he la f c n aine a d in S hea A ia (Thailand and Vie nam) and he ne k di ib i n f c n aine a d in e ea . I al enhanced he ale e f mance f ec nd-hand c n aine b e anding ale channel and b adening ce f c n aine . (2) The hi ing and jec l gi ic e ice b ine line ac i el ei ed he ma ke ni ie a i ing f m he na i nal a eg , he Bel and R ad , a e and i hi ing and f eigh f a ding, jec l gi ic and c n ac l gi ic b ine e . I enhanced and eng hened he e ice ne k f f eigh f a ding in c a al egi n ch a Xiamen and Shen hen and imi ed he na i nal la f hi ing f a ding in de facili a e he c llab a i n f hi ing and f eigh f a ding. B c ea ing ne g i h he c n aine e ice b ine line and aking Thailand and Vie nam a he a ing in , i g ad all ca ied b ine e an i n in a ge egi n incl ding he S hea A ian c n ie , and a idl ac i ed he ne k di ib i n and e i e ce f he Bel and R ad in he Middle Ea and Cen al A ia b c e a ing m e cl el i h egi nal leading en e i e in e m f b ine and ca i al. (3) The ail- a e an b ine line ke n ing eff in b ine f c ing and gani a i n imi a i n. CIMC Kai ng L gi ic De el men C ., L d., an en e i e nde di ec managemen , en e ed in CAA and l b king ag eemen i h maj hi ing c m anie , e anding i e ice ne k in he middle eache f he Yang e Ri e . I al cceeded in ening he Nanjing- R ia f China Rail a E e , hich enhanced he ail- a e an em cen ing n he Yang e Ri e . In de facili a e he im lemen a i n f he a eg f ne b d i h ing f ail- a e an b ine line, Sin -W link (Beijing) In e na i nal L gi ic C ., L d. (中世運(北京)國際物流有限公司) ac i el m ed he de el men f m l im dal an in Cen al A ia and China and M ng lia egi n b de el ing c me and b ine f ail a ll c n aine . (4) Unde he b ine m de f e i men change l gi ic , he e i men l gi ic b ine line ecified h ee maj d c b ine e f e i men l gi ic e ice , e i men lea e e a i n and e i men R&D and man fac ing hich f c ed n h ee maj ec , namel a m bile, f d and ene g and chemical ind ie . I ac i el m ed efficien d c i n and de el ed he d me ic ma ke . F e i men lea e and e a i n, i k ini ia i e in ffline ne k di ib i n and he elimina c n c i n f lea e ha ing la f m. I al f c ed n he c n lida i n and c l i a i n f he f ll chain e ice in he a m bile ind .

## Heavy Truck Business

C&C T□ck , a □b idia f he G □ , e a e he hea □ck b□ ine . C&C T□ck i i n i d□c in he mid-end high-end hea □ck ma ke in he in e na i nal ma ke and he high-end hea □ck ma ke in he d me ic ma ke i h he d□c de el men a eg f leading d me ic echni □e and f ll ing f eign echni □e and he de el men a eg f making high-end d□c , iding □ali e ice , and c ea ing fi -cla b and . I ke d□c c e kind incl□ding die el and il, and f □ e ie incl□ding ac , mi e □ck , d□m □ck , ca g □ck and ecial-□ e ehicle .

In he fi half f 2017, b i □e f he im lemen a i n f he ne na i nal anda d GB1589-2016, g e nance n ehicle e l ad, ha ing □ ell -label ehicle and he fac and affec ed b he im lemen a i n f ac i e financial licie b he g e nmen , he d me ic hea □ck ma ke c n in□ed deli e e cellen e f mance. In ligh f he adi i nal eak ea n f he hea □ck ma ke in ea l hi ea and he c mmencemen f inf a □c □ e jec in a i □ efec □ e-le el ci ie , he c□ emen demand f hea □ck inc ea ed, hich facili a ed he ignifican g h f he ale f hea □ck .

D□ ing he Re ing Pe i d, he ale f C&C T□ck am □n ed 4,438 □ni ( ame e i d in 2016: 3,003 □ni ), e e en ing a ignifican ea - n- ea inc ea e f 47.79%, hich main ained ignifican ale g h f c n ec□ i e ea . The ale e en□e am □n ed RMB1,283.201 milli n ( ame e i d in 2016: RMB860.359 milli n), e e en ing a □b an ial ea - n- ea inc ea e f 49.15%, and he ne l ed□ced RMB42.814 milli n ( ame e i d in 2016: ne l f RMB96.523 milli n), ec ding a dec ea e f l f 55.64% a c m a ed i h he ame e i d f he e i □ ea .

D□ ing he Re ing Pe i d, C&C T□ck ke making change be be e and □ m e eff in ale b ec n lida ing e □ ce and in i □ i n , d□c im emen , channel b□ilding, in e na i nal ma ke e an i n, end ma ke de el men , m h and m e ice and he ma ke ing c mbina i n . In e ec f he d me ic ma ke , C&C T□ck □ c n in□ □ eff in d□c adj□ men and imi a i n and f c□ ed n he ma ke demand and he maj d□c in egi n de el ma ke able d□c a in d□ce c -effec i e d□c and c m ehen i el enhance he ehicle deli e ca aci . The ne ma ke ing m del f In e ne + L gi ic + Man□fac □ ing + Finance + Af e ma ke Se ice achie ed elimina e □l and dee ened g e i el . In he fi half f hi ea , b h i e f mance and b and infl□ence im ed. C&C T□ck a a a ded he minen adema k f Anh□i P ince. I n h ee maj a a d incl□ding he 2017 Ha a d □ Chemical Vehicle M del M l T□ ed b T□ck O ne in China . I al n he L gi ic Techn l g Inn a i n A a d in 2017 Gl bal L gi ic Techn l g C nfe ence in Chengd□. A a membe f he G □ , C&C T□ck a he nl hea □ck man□fac □ e a ici a ing in he In e m dal A ia 2017 in Shanghai. C&C T□ck al a ici a ed in China T□ck Racing Cham i n hi and n he cham i n in he d me ic ca eg , he cham i n in 12L g □ f he ea and he □nne -□ in e m f acing eam e f mance. In e ec f he in e na i nal ma ke , affec ed b □ g ading in emi i n anda d , c n l in ca i al i k and he fac , he ga in e na i nal ale a ge f C&C T□ck a □i e la ge in he fi half f hi ea . N ne hele , i i e ec ed he b□ ine ill achie e ale g h and make □ he ga b aking mea □ e □ch a im ing channel ca aci , R&D f ne d□c and jec im lemen a i n in he ec nd half f hi ea .

## Airport Facilities Equipment Business

The G □ ' ai facili ie b□ ine i mainl e a ed b P e i , CIMC Tianda, Ziegle and i □b idia ie . The G □ al in eg a e and achie e ne g i h i □b idia CFSE e he ad an age f e □ ce . The inci al b□ ine incl□de b a ding b idge , a□ ma ed l gi ic em and G □nd S□ E □i men (GSE) b□ ine (incl□ding h□ le b□ e and lif ing la f m ehicle e c.), fi e □ck and he e c□e ehicle a ell a ma a king b□ ine .

In he fi half f 2017, he eg□la i n licie n eal e a e in □la ci ie in China ke igh ening i h he in en ifica i n f □ cha ing e ic i n n h □ e and lending e ic i n a ell a he eg□la mea □ e . The g e nmen al in d□ced he e ic i n n ale m del i h e anding c e hile eng hening financial eg□la i n n eal e a e in de c□ b he demand f in e men and ec□la i n. Unde he g□idance f he igh ened lic c n l, he eal e a e ma ke e □med a m e a i nal le el. The e all □ n e f he h □ ing ma ke e e en ed a ea - n- ea dec ea e i h b i □ di c e ancie be een diffe en ci ie .

D□ ing he Re ing Pe i d, he G □ ' eal e a e b□ ine achie ed e en□e f RMB297.664 milli n ( ame e i d in 2016: RMB315.698 milli n), e e en ing a ea - n- ea dec ea e f 5.71%, and ne fi f RMB65.035 milli n ( ame e i d in 2016: RMB42.775 milli n), e e en ing a ea - n- ea inc ea e f 52.04%, hich a mainl d□e he ecei f agenc e ice fee f he land e e e a he end f la ea d□ ing he Re ing Pe i d.

In he fi half f 2017, CIMC Sk ace Real E a e eng hened i eff in he e an i n f ind□ ial a k , and he m del f ind□ ial a k became m e ma □ e. In Ma ch 2017, i e abli hed a jec c m an f an ind□ a k in Beijing We and accele a ed he im lemen a i n f an ind□ ial eal e a e jec in he Ne Sh □gang C m ehen i e Se ice Z ne in Beijing. In A il, CIMC Eli e A a men a en in S ng Shan Lake, D ngg jec 18.37( )37TD[(be7.37( c37( c3 %8.164 T 0 -1526 T 0 he,)37( )0A il,0.n4S2 8 12 TD[0.091 h l2 TD)9

# Chapter III Report of the Board

In he fi half f 2017, he mac ec n mic en i nmen in China ⍰ ained he able and fa ⍰ able m men ⍰m ince he ec nd half ea f he e i ⍰ ea . The e i f he ind⍰ ie ela ed he G ⍰ a ignifican l enhanced. Emb acing he ma ke ⍰ni ie , CIMC Financial Lea ing C m an c n in⍰ed dee en he in eg a i n f ind⍰ and finance f m h ee dimen i n f b ead h, de h and mechani m , inc ea ed i in e men in an a i n, l gi ic and he ma ke , f c⍰ ed n imi ing a e ⍰c ⍰ e and im e he ⍰ali f c⍰ me a achie e heal h and ⍰ ainable g h. Unde he b⍰ ine di ec i n f ed⍰cing c and im ing efficienc , being ⍰den and ead and main aining ⍰ali g h, i a e i e g ad⍰all e anded in he fi half f hi ea i h f⍰ he im emen in a e ⍰ali and e a i n efficienc .

In he fi half f 2017, he ke n e f he na i nal m ne a lic changed ⍰den and ne⍰ al . P e en i n and c n l n financial i k e e laced in a m e im an i i n d⍰ ing he im lemen a i n f a i ⍰ financial licie and eg⍰la mea ⍰ e . Again he backd f igh ening c⍰ enc and eng hening eg⍰la i n , d⍰ ing he Re ing Pe i d, b f⍰ he im lemen ing cen ali ed managemen n f⍰nd and f ll ing he ind⍰ demand, CIMC Finance C m an eng hened he dee in eg a i n i h b⍰ ine egmen and ga e la i f⍰nc i n in financial e ice . The al in e men in financial e ice e ceeded RMB6,200 milli n in he fi half f hi ea . In e ec f b⍰ilding financial e ice ca aci , he Finance C m an b ained he a al a ici a e in he Shanghai C mme cial Pa e E change im e i e a i n ca aci f c mme cial a e . A he ame ime, i f⍰ he e anded he c e f f eign en e i e f i c -b de - a Renminbi ca i al l and e ended i e ice a i ⍰ b⍰ ine egmen . B making inn a i n in he d⍰c and a f financial e ice , i al i ed ed⍰ce financial c and im e ca i al efficienc f he G ⍰ in de im e b h he ⍰ali and efficienc f b⍰ ine de el men . In e ec f i k e en i n and c n l, he CIMC Finance C m an f⍰ll e al⍰a ed he im ac f change in i k fac f m he e ec i e f he h le G ⍰ , imi ed he managemen and c n l n i k ed line and eng hened he a a ene in i k managemen and c n l a en ⍰ e he able de el men f financial b⍰ ine f he G ⍰ .

## Other Businesses

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D⍰ ing he Re ing Pe i d, he m d⍰la b⍰ilding b⍰ ine f he G ⍰ ⍰ ained able de el men ⍰nde a ne- e ice m del f man⍰fac ⍰ ing + finance + e ice in eg a ing ind⍰ and finance. A f he in e na i nal ma ke , i en e ed in he fi f mal ag eemen f a ma d⍰c i n jec in he U.S., achie ing a b eak h ⍰gh f m e in he U.S. ma ke . Wi h f⍰ he dee ened c e a i n i h c⍰ me , i i e ec ed en e in an ag eemen f he fi ba ch de f high- i e b⍰ilding in he A⍰ alian ma ke in he ec nd half f hi ea . The deli e f a n⍰mbe f Ham n b Hil n h el incl⍰ding h e in Abe deen Ai and B i l Ai in he U.K. a c m le ed ⍰cce f⍰ll , hich f⍰ he c n lida ed he ma ke i i n f he m d⍰la b⍰ilding d⍰c f he G ⍰ in he U.K. I ha bec me ne f he maj ⍰ lie in he h el ma ke in he U.K. In he Af ican ma ke , he fi ag eemen f m del h me a en e ed in . I i e ec ed ha ba ch de ill be ac ⍰i ed in he ec nd half f hi ea . A f he d me ic ma ke , he eel ⍰c ⍰ e in eg a i n m d⍰la b⍰ilding em ced⍰ e f he G ⍰ a a ed a he final e amina i n and ha bec me an im an a ach lead and de el he d me ic m d⍰la b⍰ilding ma ke . Mean hile, a b eak h ⍰gh a achie ed in he b⍰ilding eca fac e-in alla i n jec ⍰nde inde enden R&D, hich a an emblema ic ini ia i e f de el men in high- i e b⍰ilding f he m d⍰la b⍰ ine f he G ⍰ , indica ing he f⍰ he c m le i n f he fac f m d⍰la b⍰ilding. The m d⍰la b⍰ilding b⍰ ine ha en e ed in he d me ic ma ke i h maj jec ⍰nde c n ⍰c i n in Shen hen, Jiangmen and he egi n . I i e ec ed deli e h e jec in he ec nd half f hi ea .

In he ec nd half f 2017, he G □ ' m d□la b□ilding b□ ine ill f□ he c n lida e i e i ing ma ke incl□ding he U.K. and A□ alia and ill al □ m□ch m e eff in he e an i n f ne ma ke □ch a Af ica and N he n E□ e a di e if i ma ke . In he d me ic ma ke , he im lemen a i n f he Bel and R ad , he c n □c i n f Xi ng'an Ne A ea and he na i nal licie ill b ing ab □ ne □ni ie f he m d□la b□ ine f CIMC. A n□mbe f la ge jec ill al c mmence c n □c i n in China. The G □ ill eng hen i c llab a i n i h a egic a ne □ h f a d he im lemen a i n f en ial jec . Wi h e ec echn l g , i ill □ g ade i c a e anda d he ind□ anda d in China in de eg□la e he gani a i nal em f eel □c □ e m d□la and m e he anda di a i n g e f m d□la b□ilding b□ ine in China.

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The G □ ' □b idia CIMC M□l im dal T an De el men C ., L d.* (中集多式聯運發展有限公司) ( CIMC M□l im dal T an C m an ) i engaged in m□l im dal an b□ ine . I aim ma imi e he G □ ' c m ehen i e ad an age in b and, e □i men , finance and e ice , □ili e he ad anced in e ne echn l gie effec i el link diffe en m de f an , and m e he ide ead a lica i n f he G □ ' d□c in he m□l im dal an ind□ , a c ea e a d me ic m□l im dal an la f m. D□ ing he Re ing Pe i d, in e ec f in e na i nal ail- ea an b□ ine , CIMC M□l im dal T an C m an □ ained able de el men and e abli hed a c m an in he U.S. in de □ m□ch m e eff in he e an i n f he U.S. ma ke and de el he China-N h Ame ica m□l im dal an b□ ine . In e ec f ad- ail a an b□ ine , i la□nched a al f i ail a c n aine line and elimina il e abli hed he m□l im dal an ne k in S □h China, Cen al China and N h e China. The a lica i n f ne c n aine incl□ding ank c n aine , 35- nne en- c n aine and c il c n aine in ail a a f□ he m ed. The in e na i nal ail- ea an b□ ine , e □i men l gi ic , eel b□ ine and ad- ail a an b□ ine al had a id de el men .

In he ec nd half f 2017, he e all l gi ic ind□ i e ec ed main ain able e a i n. Le e aging he c n in□ □ e abli hmen f he m□l im dal an em and he a lica i n f m bile in e ne and he ne echn l gie , he l gi ic efficienc in he cie ill im e. The G □ ill accele a e i ne k di ib□ i n f m□l im dal an channel and e f in a i n e a i n c mmence he e abli hmen f m□l im dal an n de ne k. I ill al l k in he e abli hmen f a an a i n and di ib□ i n em hich e e he channel ne k and c mmence he e abli hmen f a m□l im dal an la f m.

# III. FUTURE DEVELOPMENT AND OUTLOOK

## 1. Macroeconomic Environment and Policies

In he ec nd half f 2017, he gl bal ec n m i e ec ed c n in□e ec e m de a el , and he in e na i nal ade ill f□ he e . China ill f□ he dee en and einf ce he □ l - ide □c □ al ef m, accele a e im lemen a i n f he a eg f inn a i n m i a ing de el men and main ain a □den and ne□ al m ne a lic . The ec n mic e a i n in China ill main ain he able and fa □ able m men □m.

## 2. Industry Development Trend and Market Outlook

**In respect of the container manufacturing business**, ba ed n he la e edic i n f CLARKSON (an a□ h i a i e anal i in i□ i n in he ind□ ), he g h f gl bal c n aine ade ill be a ima el 4.8% in 2017. I i a ela i el high le el f g h in ecen ea . I i e ec ed ha he imbalance f □ l and demand in he gl bal hi ing ind□ ill f□ he im e in he ec nd half f hi ea , and he e □l f c n aine hi ing c m anie ill im e ignifican l i h nge illingne f c□ me □ cha e c n aine , d i ing he e all demand f c n aine ha e g ea e inc ea e hi ea .

# Chapter III Report of the Board

**In respect of the road transportation vehicle business**, in he ec nd half f 2017, he e i dical demand f he emi- aile ind□ in he Uni ed S a e ill begin e e ience d n □ n. The ec n mie in E□ e ill main ain he m men □m f ec e . The e ill be b i □ egmen a i n f he ec n m f eme ging ma ke i h b i k demand in ce ain egi nal ma ke . The Chine e ma ke ill □ ain he able and fa □ able ec n mic m men □m. In i e f he □nce ain ie in eal e a e and inf a □c □ e in e men , i i e ec ed ha he demand f ma m□ck □ck f c n □c i n □ e ill n decline. A he ame ime, he im lemen a i n f lic mea □ e , hich incl□de ad ancing he managemen f e i □ e eed, a enge e l ad a ell a e l ad f ad affic, eg□la ing c nf mi f d□c i n, he change f ell -label ehicle g een-label ehicle , □ ban en i nmen al g e nance and im emen f emi i n anda d f ehicle and n, ill accele a e d me ic ind□ ial an f ma i n and □ g ade a ell a d□c e lacemen and □ g ade.

**In respect of the energy, chemical and liquid food equipment business**, af e he m□lga i n f he 13 h Fi e Yea Plan n Ene g De el men in 2016, he Na i nal De el men and Ref m C mmi i n in China m□lga ed he n ice n he O ini n f Accele a ing he U e f Na □ al Ga accele a e he □ e f na □ al ga in □ ban ga , ind□ ial f□el, ga e gene a i n, an a i n

**In respect of the airport facilities equipment business**, in he ec nd half f 2017, he gl bal ai b ine i e ec ed g eadil and ne g h in ill eme ge in Ame ican ma ke and a ea f ne d c . B a ding b idge b ine ill g ee he ni f ene al e i d in Ame ican ma ke . Fi e-figh ing e i men b ine i affec ed b fi cal b dge c b E ean c n ie , b i ill d ce be e e l in Chine e ma ke . L gi ic ind ill g eadil al ng i h he ind ial end and ga age b ine i e ec ed make a g ea b eak h gh d ing hi ea . The ne l -de el ed h ee-dimen i nal b ga age b ine ill b ing a la ge and b and ne ma ke .

**In respect of the real estate development business**, in he ec nd half f 2017, i i e ec ed ha he financial licie in ela i n he eg la i n n eal e a e in China ill e g ea infl ence n he h ing ma ke . The eal e a e ma ke ill be m e able, and i l and an ac i n c e ill be imi ed. In he l ng n, he h ing ice ill al abili e beca e f he imi ed c e. The a ecia i n en ial f eal e a e in he f e ill be m e de enden n he de el men f he fi - ie ci ie , hich ill ide a be e e ec a i n n a e al e f he land in he fi - ie ci ie ned b CIMC Sk ace Real E a e.

**In respect of the financial business**, in he ec nd half f 2017, he gl bal m ne a en i nmen ill c n in e be igh ened. Ra e hike and h inking balance hee b he Fed ill inc ea e gl bal ec n mic and financial i k . Affec ed b eal e a e eg la i n and financial dele e aging, he in e men in fi ed a e in China ill face d n a d e e a ce ain e en . The g h in mac -ec n m ma be l e a fi and fa e in he end. The financial lea ing ind in China ill main ain i g h m men m b a a l e ace. The inc ea ing financing c ill facili a e ind e h ffle. Unde he lic f dele e aging , d me ic c edi i k ill c n in e be elea ed. The e a ing i k f financial lea ing en e i e ill inc ea e.

## 3. Overall Operation Targets and Initiatives for Main Business Segments

In he ec nd half f 2017, he G ill in i n im lemen ing he a eg f Man fac ing + Se ice + Finance , c n in e ca b ine an f ma i n and g ading and e end i man fac ing b ine e ice ec ba ed n c me demand, h iding a c m ehen i e l i n ha c e he h le life c cle f i d c . The G ill c n in e enhance i gl bal e a i n, imi e i b ine and d c , and eed he ind cl e c l i a e i ad an age n ind ial chain . Inn a i n ill be c n an l made n echn l g g ading, b ine m del and managemen mechani m, hich he i k ela ed ill be c n lled. The G ill i e ca e he ni ie b gh b ma ke change and e and i c e age n eme ging ind ie and inn a i n b ine achie e ained ali g h.

**In respect of the container manufacturing business**, in he ec nd half f 2017, he G ill f c n c nn a i e imi a i n and c n lida i n f i leading i i n in he ind , and ei e ma ke ni ie . I ill al enhance he efficienc and abili e he ali f he man fac ing f c n aine i h a e-ba ed ain hile im ing he c n c i n f HSE f all lan . In he ec nd half f hi ea , he D ngg an Fenggang jec ill en e in he e i d f e all c n c i n n ched le. F ne b ine e an i n, he c n aine egmen ill c n in e e l e ibili ie in a e and de l manne a lanned n he ba i f eng hening i k managemen and c n l.

**In respect of the road transportation vehicle business**, in he ec nd half f 2017, i ill c n in□e i e f c m ehen i el im ing he c e c m e enc f gl bal e a i n . While f c□ ing n emi- aile b□ ine and imi ing e i ing b□ ine , he G □ ill □ m□ch m e eff in e l ing b□ ine g h and inn a i n b□ ine , ei e a idl he □ni ie a i ing f m he changing end and demand in he gl bal ma ke and eali e he c n in□ □ □ali g h. In d me ic ma ke , he G □ ill eek f de el ing ne fi g h b ca □ ing □ni ie b □gh b ne eg□la i n and e ailing h e en . In N h Ame ican ma ke , he G □ ill ac i el e end he ge g a hical c e age f i d□c e ff he c clical d n end . In he E□ ean ma ke , he G □ ill c n in□e gi e la he c ad an age f i □ e i d□c f m b□ ine c llab a i n. In eme ging ma ke , he G □ ill ad a ia e a egie g i h he ma ke hile f c□ ing n he ke ma ke .

**In respect of the energy, chemical and liquid food equipment business**, in he ec nd half f 2017, i ill c n in□e f c□ n he im emen f i c e c m e i i ene ba ed n ganic g h and c n in□ □ inn a i n and make □ e f he inn a i n in ne b□ ine e , ne echn l g and b□ ine m del achie e ind□ □ g ade. A f i ene g e □i men b□ ine , CIMC En ic ill □ m□ch m e eff in e anding he ma ke ha e f i c e d□c in China and enhance R&D jec in ne ene g field ; a f he chemical e □i men b□ ine , CIMC En ic ill i e de el a a ie f ank c n aine hile a ing ecial a en i n he de el men and a lica i n f ne ank ma e ial and he R&D f ecial ank c n aine f ail a in China and E□ e; a f he li □id f d e □i men b□ ine , CIMC En ic ill c n in□e im e he b and ad an age f Ziemann H l ieka , eng hen he in eg a i n f B igg G □ Limi ed and f□ he im e i ma ke i i n.

**In respect of the offshore engineering business**, in he ec nd half f 2017, i ill ac i el e and he c e f ff h e enginee ing b□ ine b f c□ ing n he il and ga ind□ ie and e anding in he ele an di e ified b□ ine . I ill c n in□e de el a d d□c i n, e el managemen , di a embl and high-end e el e ai ing ec f m he d illing ec a in eg a e d illing and mining hile c e ing b□ilding and e ai ing. I ill al f□ he e and in he b□ ine ela ed he na i nal ec n m and li elih d and e l e en ial de in he n n- il and ga ff h e e □i men , □ i m and dee ea fi he ind□ ie . I ill ake ff f m he d n□ n f he ff h e enginee ing ma ke b c ing i h he change in he ind□ en i nmen and iding diffe en ia ed d□c and e ice .

**In respect of the logistics services business**, in he ec nd half f 2017, i ill f□ he eng hen a egic a i nali a i n and imi ing he b□ ine □c □ e and gani a i nal □c □ e; enhancing ca i al efficienc and fi abili ; f□ he m ing he lean managemen in he l gi ic b□ ine ; c m le ing he i k managemen in b□ ine egmen ; f□ he m ing he enhancemen in he financial em; m ing he de el men f inf ma i a i n i h he in eg a i n f he idea f In e ne l□ . The G □ ill al eng hen ind□ c llab a i n b c n lida ing i in e nal and e e nal e □ ce and f□ he e abli h and c m le e i gl bal l gi ic ne k di ib□ i n and c n □c a l gi ic ec em f CIMC hile adhe ing he na i nal a eg f he Bel and R ad .

**In respect of the heavy truck business**, in he ec nd half f 2017, C&C Truck ill c n inue ca u i k b ic l c m l ing i h e a i nal inci le f ma ke - ien ed, efficienc fi , i k managemen , managemen anda di a i n and in eg i -cen ic ecificall ca e f he need f ma ke egmen . I ill ceed i h and achie e he jec f decea ing and ne l e ing , i.e. dec ea ing in en ie , dec ea ing ecei able and l e ing d ub ful deb . C&C Truck ill c n inue im e e a ili f a and c m nen and he c e f mance f he duc , manage de h ugh he h le ce , ai e he e n e efficienc f e minal e ice, c n uc c edibili managemen em f c un e a ie a de el a a ne hi achie ing mu ual benefi n he ba i f c edibili and imi e he cedu e f fi ing e abli h a heal h gani a i nal uc u e.

**In respect of the airport facilities equipment business**, in he ec nd half f 2017, i ill c n inue im e he gua an ee abili and achie e able bu ine g h; c n inu u l eng hening c e c m e i i ene ; c nduc ing bu ine inn a i n i h he c n ide a i n f indu ial cha ac e i ic ; e fec ing he human e u ce em; m ing i k managemen im emen i h ea nable c n l and managemen ; c m l ing i h he G u ' a eg m e he u c a e efficienc . Mean hile, b c mbining me ge and ac ui i i n i h a egic c e a i n, u c a e eng h ill be enhanced.

**In respect of the real estate development business**, in he ec nd half f 2017, i ill c n inue m e he im lemen a i n f Qianhai P jec and Shanghai Ba han P jec b kee ing cl e c mmunica i n i h c m e en g e nmen au h i ie f ub an ial g e . In he mean ime, h ugh e lica i n f he indu ial a k m del, i ill ac i el eek mi ing ne indu jec in fi - ie ci ie hei u unding a ea b he im lemen a i n f he jec .

**In respect of the financial business**, in he ec nd half f 2017, CIMC Financial Lea ing C m an ill c n inue dee en he c dina i n f indu and finance, ei e he u ni ie f de el ing in ma ke egmen , u much m e eff in ma ke ing, imi e a e uc u e and im e cu me ' uali hile main aining a able and uden i k managemen and c n l lic . I ill al make inn a i n in i bu ine m del a i e f heal h , able and u ainable g h. CIMC Finance C m an ill fu he inn a e i financial e ice , im e he uali and efficienc f gl bal ca i al managemen e ice , m e he indu chain financial e ice , adhe e he i k b m line and m e he bu ine de el men f he G u .

## 4. Main Risk Factors for Future Development of the Group

**Risk of economic periodic fluctuations and trade protection**: The indu ie in l ed in he inci al bu ine e a i n f he G u a e de enden n gl bal and d me ic ec n mic e f mance and a i h he e i dical change f he e all ec n mic en i nmen . The U.S. ec n mic licie ma ad he ance f m e inclined ec i ni m, hich ill b ing m e unce ain ie and i k he gl bal ec n mic ec e and he im and e f China. Affec ed b he e fac , he e a e i k ha he g h f he G u ' a i u inci al bu ine e migh l d n. The change and i k in he gl bal ec n mic en i nmen b ing highe e ui emen n he G u ' e a ing and managemen ca abili ie .

**Risk of industry policy upgrade**: China' ec n m en e ed in he ne n mal and he g e nmen f China e en he ad ma f and e all bjec i e f c m ehen i el dee ening ef m h f a d he an f ma i n and g ade f ec n mic c e. The ne ind ial licie , a licie , licie f en i nmen al ec i n and land licie , e c. ha ha e a h ge

# 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

F he inci al b ine engaged b he C m an and i e a i n d ing he Re ing Pe i d, lea e efe I. B ine S mma and II. Re ie f P inci al B ine e d ing he Re ing Pe i d nde Cha e III Re f he B a d in hi Re .

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

#### 1. Significant Changes in the Major Assets

D ing he Re ing Pe i d, he e a n ignifican change in he maj a e f he G .

#### 2. Main Overseas Assets

☐ A licable N a licable

### (III) Analysis of Core Competitive Advantages

#### Strategic Positioning of "Manufacture + Service + Finance"

The G ha f med an ind ial a e n anning b h l gi ic and ene g field , and ha de el ed maj b ine egmen i h ind leading i i n and g d ec , and ill c n in e e l e and de l in eme ging ind hich hel gi e f ll la he G ' ad an age . While einf cing i edge in adi i nal ind ie , he G m ed a c me demand- ien ed b ine e an i n f m man fac e inc a e e ice, ffe ed c m ehen i e l i n c e ing he en i e life c cle f a d c , and e abli hed he a egic i i ning and ind ial ec em f man fac e + e ice + finance .

#### Development Philosophies of Business Diversification and Globalisation

The G ha al a been c mmi ed ea nable b ine di e ifica i n and gl bali ed de l men . The G ' e i ing inci al b ine e c e c n aine man fac ing b ine , ad an a i n ehicle b ine , ene g , chemical and li id f d e i men b ine , ff h e enginee ing b ine , l gi ic e ice b ine , hea ck b ine , ai facili ie e i men b ine , financial b ine , eal e a e de el men b ine and he eme ging b ine e , i d c i n ba e ead ac A ia, E e, N h Ame ica and A alia, and i b ine ne k an e he ld' maj c n ie and egi n . In a ic la , he c n aine b ine c n in ed ake he lead in he ind ld ide, a ell a ad an a i n ehicle , ene g and chemical e i men and ff h e enginee ing b ine e i h ng c m e i i e edge . The efficien im lemen a i n f b ine di e ifica i n and gl bali ed de l men effec i el ff e he ad e e im ac f he e i dic fl c a i n f he gl bal ma ke in he ecen ea n he G ' e l .

#### A Standardised and Effective Corporate Governance System

The G ha de el ed a e f effec i e g e nance m del c e ing b ine hil h , g e nance c e and managemen mechani m. A anda di ed and effec i e c a e g e nance c e i he in i i nal afeg a d f he G ' ainable and heal h de el men . Since 2010, he G ha la nched he a egic g ade cam aign f b ilding an em e ing la f m f ainable and heal h de el men f CIMC . Acc ding he gani a i nal an f ma i n di ec i n f la e ing managemen , he C m an ha e abli hed a h ee- ie managemen m del c m i ing he e ec i e c mmi ee, ecial c mmi ee and he B a d a ell a a 5S c e managemen ce , and in d ced he lean managemen c nce . A a e l , he C m an ha e abli hed an inn a i e and f a d-l king managemen em en e ainable and heal h de el men f i b ine e .

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



## II. OPERATION DISCUSSION AND ANALYSIS

### (I) Overview

For the operation of the Group's principal businesses during the Reporting Period, please refer to "II. Review of Principal Businesses during the Reporting Period" under Chapter III Report of the Board in this Report.

### (II) Analysis of Principal Businesses

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

Unit: RMB thousand

| | **As at the end of the Reporting Period (30 June 2017) (unaudited)** | As at the end of previous year (31 December 2016) (audited) | Change (%) | Reason of change |
|---|---|---|---|---|
| Dividends payable | **253,412** | 16,746 | 1,413.27% | Mainly due to the increase of dividends payable for ordinary shares but not paid as at the end of the Reporting Period. |
| Other current liabilities | **2,612,280** | 1,687,762 | 54.78% | Mainly due to the increase of the commercial papers issued in the Reporting Period. |

| | **The Reporting Period (January to June 2017) (unaudited)** | Same period in 2016 (January–June 2016) (unaudited) | Change (%) | Reason of change |
|---|---|---|---|---|
| Financial expenses-net | **594,251** | 304,944 | 94.87% | Mainly due to the increase of interest expenses and exchange losses in the Reporting Period. |
| Asset impairment losses | **234,437** | 1,267,501 | (81.50%) | Mainly due to the large base in the same period of last year as attributable to substantial impairment provision as a result of the termination of acquisition of SOE by CIMC Enric in the same period of last year. |
| (Losses)/profits 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. |
| Investment income | **(10,628)** | (87,328) | 87.83% | Mainly due to the greater losses from the settlement of derivative financial instruments in the same period of last year. |

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

| | **The Reporting Period (January to June 2017) (unaudited)** | Same e i d in 2016 (Jan a J ne 2016) ( na di ed) | Change (%) | Rea n f change |
|---|---|---|---|---|
| Ca h ecei ed f m e n n in e men | **21,903** | 241,771 | (90.94%) | Mainl d e he ecei f di idend f a cia e in he ame e i d f la ea . |
| Ca h aid ac i e in e men | **142,020** | 791,687 | (82.06%) | Mainl d e he g ea e am n f in e men in a cia e in he ame e i d f la ea . |
| Ne ca h aid ac i e b idia ie | **5,000** | 764,577 | (99.35%) | Mainl d e he ca h aid f he ac i i i n f Re lan Man fac ing Limi ed and B igg G Limi ed in he ame e i d f la ea . |
| Ca h ecei ed f m ca i al c n ib i n | **33,776** | 1,542,157 | (97.81%) | Mainl d e he ecei f in e men a men f m he a egic in e in d ced b he C m an ' b idia ie incl ding CIMC Vehicle (G ) and Shen hen CIMC Elec ici C mme ce and L gi ic Techn l g C ., L d. in he ame e i d f la ea . |

The e a a ma e ial change in fi c m i i n fi ce f he C m an d ing he Re ing Pe i d

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The e a n ma e ial change in fi c m i i n fi ce f he C m an d ing he Re ing Pe i d.

## 2. Composition of Principal Businesses during the Reporting Period

Unit: RMB 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 | | | | | | |
| Containers | 10,049,055 | 8,254,228 | 17.86% | 105.14% | 96.75% | 3.50% |
| Road transportation vehicles | 9,719,601 | 7,952,957 | 18.18% | 38.59% | 39.75% | (0.68%) |
| Energy, chemical and liquid food equipment | 5,060,511 | 4,191,438 | 17.17% | 16.65% | 18.76% | (1.47%) |
| Offshore engineering | 1,214,509 | 1,347,363 | (10.94%) | (67.21%) | (59.41%) | (21.32%) |
| Airport facilities equipment | 1,180,919 | 954,996 | 19.13% | 4.65% | 5.78% | (0.86%) |
| Logistics services | 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%) |
| Heavy truck | 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 offset | (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 (regions excluding 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

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Uni : RMB h ☑ and

| Item | Amount | Proportion in total profit | Explanation on the formation | Sustainable or not |
|---|---|---|---|---|
| In e men inc me | (10,628) | (0.67%) | Mainl a he in e men l f m he di al f l ng- e m e ☑i in e men in he Re ing Pe i d. | N |
| P fi l f m change in fai al☑e | (32,626) | (2.07%) | Mainl a he change in he fai al☑e f de i a i e financial in ☑men in he Re ing Pe i d. | N |
| A e im ai men l e | 234,437 | 14.87% | Mainl a he f☑ he i i n f im ai men f CIMC En ic f he am ☑n d☑e f m SOE in he Re ing Pe i d. | N |
| N n- e a ing inc me | 84,343 | 5.35% | Mainl a he gain f m he di al f n n-c☑ en a e in he Re ing Pe i d. | N |
| N n- e a ing e en e | 32,404 | 2.06% | Mainl a he l f m he di al f n n-c☑ en a e in he Re ing Pe i d. | N |

## (IV) Assets and Liabilities

### 1. Significant Changes in Assets

Uni : RMB h ☑ and

| Item | As at the end of the Reporting Period | | A a he end f e i ☑ ea | | Change f m he end f e i ☑ ea he end f he Re ing Pe i d (%) | De c i i n f ma e ial change |
|---|---|---|---|---|---|---|
| | Amount | % of total assets | Am ☑n | % f al a e | | |
| Ca h a bank and n hand | 5,737,102 | 4.43% | 6,325,998 | 5.08% | (0.65%) | N ma e ial change |
| Acc ☑n ecei able | 16,371,018 | 12.64% | 11,526,075 | 9.25% | 3.39% | N ma e ial change |
| In en ie | 18,336,871 | 14.16% | 17,409,515 | 13.97% | 0.19% | N ma e ial change |
| In e men e ie | 1,722,065 | 1.33% | 1,752,608 | 1.41% | (0.08%) | N ma e ial change |
| L ng- e m e ☑i in e men | 2,249,428 | 1.74% | 2,162,217 | 1.74% | 0.00% | N ma e ial change |
| Fi ed a e | 21,674,735 | 16.74% | 22,037,261 | 17.68% | (0.94%) | N ma e ial change |
| C n ☑c i n in g e | 23,804,653 | 18.38% | 22,769,189 | 18.27% | 0.11% | N ma e ial change |
| Sh - e m b ing | 17,945,748 | 13.86% | 15,729,787 | 12.62% | 1.24% | N ma e ial change |
| L ng- e m b ing | 23,665,089 | 18.27% | 27,023,222 | 21.69% | (3.42%) | N ma e ial change |

## 2. Assets and Liabilities Measured at Fair Value

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Uni : RMB h and

| Item | Amount at the beginning of the period | Profit or loss arising from changes in fair value for the Reporting Period | Cumulative changes in fair value recognised in equity | Impairment provision for the Reporting Period | Purchases for the Reporting Period | Sales for the Reporting Period | Amount at the end of the Reporting Period |
|---|---|---|---|---|---|---|---|
| Financial assets: | | | | | | | |
| 1. Financial a e a fai al e h gh fi l (e cl ding de i a i e financial a e ) | 138,072 | 29,834 | . | . | . | . | 180,357 |
| 2. De i a i e financial a e | 326,969 | (71,939) | . | . | . | . | 251,402 |
| 3. Hedging in men | 1,306 | . | 6,152 | . | . | . | 4,392 |
| 4. A ailable-f - ale financial a e | 33,244 | . | (3,585) | . | . | . | 52,847 |
| S b- al f financial a e | 499,591 | (42,105) | 2,567 | . | . | . | 488,998 |
| In e men e ie | 1,752,608 | . | 481,051 | . | . | . | 1,722,065 |
| T al f he ab e | 2,252,199 | (42,105) | 483,618 | . | . | . | 2,211,063 |
| Financial liabilities | (203,041) | 9,479 | . | . | . | . | (192,490) |
| Total | 2,049,158 | (32,626) | 483,618 | . | . | . | 2,018,573 |

Whe he he mea emen a ib e f he main a e f he C m an changed n d ing he Re ing Pe i d

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

F de ail f he e ic ed a e igh f he G a a he end f he Re ing Pe i d, lea e efe n e IV. 24 Cha e IX 2017 In e im Financial Re (Una di ed) in hi Re .

# 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

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

### 2. Material Equity Investments during the Reporting Period

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

☐ A licable N a licable

## 4. Financial Asset Investments

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Uni : RMB h and

| Securities | Stock code | Abbreviation of stock name | Initial investment cost | Modes of accounting measurement | Book value at the beginning of the period | Profit or loss arising from changes in fair value during the current period | Cumulative changes in fair value recognised in equity | Purchases for the current period | Sales for the current period | Profit or loss during the Reporting Period | Book value at the end of the period | Classification in accounting | Source of funds |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| H Sha e | 6198 | Qingda P | 128,589 | Fai ale | 133,400 | 28,637 | . | . | . | . | 157,489 | Financial a e a fai ale h gh fi l | Self- ned fnd |
| H Sha e | 368 | Sin an Shi H | 20,742 | Fai ale | 3,860 | 1,407 | . | . | . | . | 5,123 | Financial a e a fai ale h gh fi l | Self- ned fnd |
| O he eci i ie in e men held a he end f he e i d | | | . | . | 812 | (210) | . | . | . | . | 17,745 | . | . f fnd . |

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

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Uni : RMB h and

| Name of the derivatives investment operator | Relationship with the Group | Related party transaction or not | Type of derivatives investment | Initial investment amount of derivatives investment | Date of commencement | Date of termination | Investment amount at the beginning of the period | Amount acquired during the Reporting Period | Amount sold during the Reporting Period | Provision for impairment (if any) | Investment amount at the end of the period | Proportion of Investment amount at the end of the period to net assets of the Company at the end of the Reporting Period | Actual profit or loss during the Reporting Period |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| HSBC, S anda d Cha e ed and he bank | Nil | N | F eign e change f a d c n ac | . | 2015/1/29 | 2018/4/16 | 219,820 | . | . | . | 236,667 | 0.79% | 9,452 |
| China C n c i n Bank, HSBC and he bank | Nil | N | In e e a e a c n ac | . | 2010/1/20 | 2021/6/28 | 10,302,060 | . | . | . | 9,849,606 | 33.03% | (74,075) |
| S anda d Cha e ed, Ind ial and he bank | Nil | N | C enc a c n ac | . | 2017/6/23 | 2017/12/20 | . | . | . | . | 154,473 | 0.52% | 333 |
| T al | | | | . | . | . | 10,521,880 | . | . | . | 10,240,746 | 34.34% | (64,290) |

| | |
|---|---|
| S ce f f nd f de i a i e in e men | Self- ned f nd |
| Li iga i n ca e (if a licable) | N a licable |
| Di cl e da e f a al f de i a i e in e men a a B a d mee ing (if an ) | 28 Ma ch 2017 |
| Di cl e da e f a al f de i a i e in e men a a ha eh lde ' mee ing (if an ) | Nil |
| Ri k anal i ega ding i i n in de i a i e d ing he Re ing Pe i d and e lana i n f i k c n l mea e (incl ding b n limi ed ma ke i k, li di i k, c edi i k, e a i n i k and la i k e c.) | A a 30 J ne 2017, he de i a i e financial in men held b he G e e mainl f eign e change f a d , in e e a e a and c enc a c n ac . The i k f in e e a e a c n ac e e cl el ela ed he fl c a i n f in e e a e. The i k ca ied b f eign e change f a d e e c nnec ed i h he ma ke i k ela ing e change a e and he G ' ca h fl ce ain f f eign c enc e en e in he f e. The G ' c n l n he de i a i e financial in men a mainl eflec ed in: making den elec i n and de e mina i n n he e and an i f ne l -added de i a i e financial in men ; a de i a i e an ac i n , he G de el ed ig in e nal a al em and e a i nal ce e , and cla ified he a al and a h i a i n ced e f all le el in l ed, a c n l he a cia ed i k . |
| Change in ma ke ice d c fai al e f de i a i e in e ed d ing he Re ing Pe i d, he e ecific me h d and ele an a m i n and a ame e ed hall be di cl ed in he anal i f fai al e f de i a i e | F m Jan a J ne 2017, he G ' fi l a i ing f m change in fai al e f he de i a i e financial in men a RMB(64.290) milli n. Fai al e f he de i a i e financial in men f he G e e de e mined ba ed n ma ke ice f e e nal financial in i i n . |
| E lana i n f an ignifican change in he C m an ' acc n ing licie and ecific acc n ing inci le n de i a i e be een he Re ing Pe i d and he la e ing e i d | N |
| S ecific ini n f inde enden Di ec n he de i a i e in e men and i k c n l f he C m an | The C m an in e ed in de i a i e f he e f he da - -da in e na i nal b ine e a i n f he C m an in de m h he fl c a i n f he e a i n f he C m an d e he change in e change a e and in e e a e . The effec f e change a e and in e e a e n he e a i n f he C m an a ed ced ch e en ha i i acce able and nde c n l he e a i n abili ed and im ed, hich en ed he l ng- e m e a ing a egic bjec i e e e be achie ed. The C m an ha e abli hed a nd in e nal c n l em and i in effec i e im lemen a i n. The managemen em e e f m la ed and c n an l im ed. The ela ed deci i n-making ced e e e imi ed i h i k nde c n l in c m liance i h he e i emen f he la and eg la i n and i h ej dice he in e e f he C m an and he ha eh lde , in a ic la , he min i ha eh lde . |

## (VI) Disposal of Substantial Assets and Equity Interests

### 1. Disposal of Substantial Assets

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### 2. Disposal of Substantial Equity Interests

☐ A licable N a licable

## (VII) Analysis of Principal Subsidiaries and Associates

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### Details on acquiring and disposing subsidiaries during the Reporting Period

☐ A licable N a licable

D ing he Re ing Pe i d, he G did n ac i e di e maj b idia ie . F he de ail n he b idia ie ha began and cea ed be c n lida ed in he acc n f he G d ing he Re ing Pe i d, lea e efe n e V Cha e IX In e im Financial Re (Una di ed) in hi Re .

### Details on the principal subsidiaries

Plea e efe he ele an inf ma i n c n ained in II. Re ie f P inci al B ine e D ing he Re ing Pe i d nde Cha e III Re f he B a d f hi Re f he de ail f e a i n f inci al h lding b idia ie f he G d ing he Re ing Pe i d.

# 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

Uni : RMB h and

| 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 C n aine C ., L d. | Wh ll - ned b idia | Man fac e and e ai f c n aine | C n aine man fac ing | 210,006 | 1,790,848 | 346,079 | 1,793,303 | 160,542 | 120,303 |
| Ningb CIMC L gi ic E i men C ., L d. | Wh ll - ned b idia | Man fac e and ale f c n aine and ela ed echn l gical c n l anc ; c n aine age | C n aine man fac ing | 101,616 | 908,274 | 467,290 | 826,074 | 127,470 | 96,104 |
| Shen hen CIMC S ecial Vehicle C ., L d. | N n- h ll - ned b idia | De el men , d c i n and ale f a i ecial- e ehicle , a ell a ele an c m nen and a | A m bile man fac ing | 200,000 | 1,844,205 | 929,788 | 1,307,958 | 167,347 | 140,092 |
| Yang h CIMC T ng H a S ecial Vehicle C ., L d. | N n- h ll - ned b idia | De el men , d c i n and ale f a i ecial- e ehicle , efi ing ehicle , ecial ehicle , aile e ie | A m bile man fac ing | 434,301 | 1,426,052 | 786,406 | 1,314,568 | 109,723 | 96,584 |

## (VIII) Structured Body Controlled by the Company

☐ A licable N a licable

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

Wa ning and e lana i n in he f eca f he ible agg ega e ne fi f m he beginning f he ea he end f he ne e ing e i d bec ming a l a ignifican change c m a ed he ame e i d f he e i ea

☐ A licable N a licable

## (X) Risk Exposures of the Company and Responsive Initiatives

Plea e efe he ele an inf ma i n c n ained in ec i n 3. O e all O e a i n Ta ge and Ini ia i e f Main B ine Segmen and 4. Main Ri k Fac f F e De el men f he G f III. O l k f F e De el men nde Cha e III Re f he B a d f hi Re f he de ail f i k e e f he C m an and e n i e ini ia i e .

# 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 nfe ence | Wa e land Sec i ie in Tai an | P inci al b ine c ndi i n , in e men g e , ecen ind ial de el men and ind l k |
| 11 Jan a 2017 | S a egie c nfe ence f Ind ial Sec i ie | Ind ial Sec i ie and he gani a i n | Same a ab e |
| 13 Feb a 2017 | Field e ea ch | Pe e e ance A e , China Me chan Sec i ie and China S he n F nd | Same a ab e |
| 13 Feb a 2017 | TF Sec i ie Tele h ne C nfe ence n Shi ing and C n aine Man fac ing | TF Sec i ie and he gani a i n | Same a ab e |
| 14 Feb a 2017 | Bank f China Mac & Machine Tele h ne C nfe ence | Bank f China Sec i ie and he gani a i n | Same a ab e |
| 15 Feb a 2017 | Field e ea ch | GF Sec i ie , Shen in & Wang Sec i ie , Ji hi Ca i al (玖石資本), Ping An Sec i ie , Zh ng ng F nd, Shen Zh M In e men , China Me chan Sec i ie , Pengh a F nd, Yinh a F nd, H ng Inn a i n (紅土創新), Pacific Sec i ie , Hanming A e , O ien Sec i ie , Y n ng Ca i al (雲嵩資本) and H ai hen A e (懷真資產) | Same a ab e |
| 16 Feb a 2017 | Field e ea ch | B e a F nd | Same a ab e |
| 17 Feb a 2017 | L nche n and he | Al hale Ca i al Managemen , In igh Ca i al Managemen , De che A e Managemen (HK), Tem le n A e Managemen , LBN Ad i e and Val e Pa ne | Same a ab e |
| 20 Feb a 2017 | Tele h ne c nfe ence | F nd Ca i al | Same a ab e |
| 20 Feb a 2017 | Hai ng Sec i ie Machine S a egie Tele h ne C nfe ence | Hai ng Sec i ie | Same a ab e |
| 21 Feb a 2017 | Field e ea ch | Zhe hang F nd | Same a ab e |
| 22 Feb a 2017 | Vi i -45201 4 he | Pa ne | |

# 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 a 2017 | Vi i lan in Zhangjiagang | E ence Sec i ie | B ine c ndi i n and ind ial de el men in ene g and chemical b ine |
| 11 A il 2017 | Field e ea ch | O en D Ca i al | P inci al b ine c ndi i n , in e men g e , ecen ind ial de el men and ind l k |
| 28 A il 2017 | Tele h ne c nfe ence | CICC and i c me | E change n Q1 e l |
| 17 Ma 2017 | Field e ea ch | E ence Sec i ie | P inci al b ine c ndi i n , in e men g e , ecen ind ial de el men and ind l k |
| 18 Ma 2017 | Vi i lan in K n han and Shanghai | Teb n Sec i ie , ICBC C edi S i e F nd, Bin Y an Ca i al, TF Sec i ie , Zh ng ai Sec i ie Re ea ch In i e, Shanghai G een d A e , E ence Sec i ie , Hanl n In e men (瀚倫投資), F nde Sec i ie , UBS Sec i ie , G ai J nan, Zhe hang F nd, China AMC, Tianh ng A e Managemen , Hai ng Sec i ie , H a ai Sec i ie , H a Ch ang Sec i ie , BOC In e na i nal, Winb igh Ca i al, CIB F nd, CITIC Sec i ie , Ind ial Sec i ie , ABC Financial Se ice, Fenghe A ia, Ping An Sec i ie and G ai F nd | B ine c ndi i n and ind l k in l gi ic a ma i n |
| 23 Ma 2017 | Vi i lan in Shanghai | M gan S anle | B ine c ndi i n and ind ial de el men in c n aine b ine |
| 7 J ne 2017 | Vi i lan in K n han and Shanghai | HSBC and i c me | B ine c ndi i n and ind l k in l gi ic a ma i n |

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

The f ll ing c n en a e he financial e ȗ ce e ie e a ed in acc dance i h he ele an i i n f he H ng K ng Li ing Rȗle . The f ll ing di cȗ i n and anal i hall be ead ge he i h he cha e and he 2017 In e im Financial Re (ȗnaȗdi ed) f he G ȗ e ȗ in hi Re .

## CHANGES IN ACCOUNTING POLICIES FOR THE REPORTING PERIOD

On 28 Aȗgȗ 2017, a c n ide ed and a ed b he 11 h mee ing f he eigh h e i n f he B a d f Di ec f he C m an f 2017 and he 6 h mee ing f he eigh h e i n f he Sȗ e i C mmi ee f 2017, he C m an e i ed he acc ȗn ing licie f he C m an ȗ ȗan he e ȗi emen ȗnde N ice n I ȗance f Re i ed Acc ȗn ing S anda d f Bȗ ine En e i e N . 16 G e nmen Sȗb id (Cai Kȗai [2017] N . 15) i ȗed b Mini f Finance ( MOF ) f he Pe le' Re ȗblic f China and N ice n he I ȗance f he Acc ȗn ing S anda d f Bȗ ine En e i e N . 42 N n-cȗ en A e Held f Sale, Di al G ȗ and Te mina i n f O e a i n (Cai Kȗai [2017] N . 13) i ȗed b MOF, ȗ ȗan hich, (1) he C m an ha im lemen ed he N ice n I ȗance f Re i ed Acc ȗn ing S anda d f Bȗ ine En e i e N . 16 G e nmen Sȗb id (Cai Kȗai [2017] N . 15) i ȗed b MOF ince 12 Jȗne 2017. G e nmen g an ela ing he dina ac i i ie f he G ȗ hall be inclȗded in he inc me ba ed n he na ȗ e f ec n mic bȗ ine . G e nmen g an n ela ing he dina ac i i ie f he G ȗ hall be inclȗded in n n- e a ing inc me and e en e. The ec i e a lica i n me h d hall be ȗ ed f he acc ȗn ing ea men f he g e nmen g an e i ed n 1 Janȗa 2017 f he G ȗ . Adjȗ men hall be made f he g e nmen g an a e f m 1 Janȗa 2017 he effec i e da e f ȗch anda d. The c m a a i e financial a emen f he G ȗ f Janȗa Jȗne 2016 e e n e a ed. (2) The C m an ha im lemen ed he N ice n he I ȗance f he Acc ȗn ing S anda d f Bȗ ine En e i e N . 42 N n-cȗ en A e Held f Sale, Di al G ȗ and Te mina i n f O e a i n i ȗed b MOF ince 28 Ma 2017. The change in ȗch acc ȗn ing lic did n ha e a ignifican im ac n he financial a emen f he C m an dȗ ing he Re ing Pe i d. F de ail , lea e efe n e II. 33 f Cha e IX 2017 In e im Financial Re (Unaȗdi ed) in hi Re .

## CONSOLIDATED OPERATING RESULTS

Dȗ ing he Re ing Pe i d, he G ȗ ec ded e enȗe f RMB33,387.152 milli n ( ame e i d in 2016: RMB23,542.843 milli n), e e en ing a ea - n- ea inc ea e f 41.81%, and fi a ibȗ able ha eh lde and he e ȗi h lde f he C m an f RMB796.898 milli n ( ame e i d in 2016: ec ding a l f RMB378.034 milli n). F de ail , lea e efe ele an inf ma i n e ȗ in he cha e headed Cha e II Sȗmma f Acc ȗn ing Da a and Financial Indica and II. Re ie f P inci al Bȗ ine e dȗ ing he Re ing Pe i d ȗnde Cha e III Re f he B a d in hi Re .

## SEGMENT INFORMATION

F de ail f he egmen inf ma i n f he G ȗ dȗ ing he Re ing Pe i d, lea e efe II. Re ie f P inci al Bȗ ine e dȗ ing he Re ing Pe i d ȗnde Cha e III Re f he B a d and n e XIII f Cha e IX 2017 In e im Financial Re (Unaȗdi ed) in hi Re .

## GROSS PROFIT MARGIN AND PROFITABILITY

Dȗ ing he Re ing Pe i d, he g fi ma gin f he G ȗ a 18.41% ( ame e i d in 2016: 18.76%), e e en ing a ligh ea - n- ea dec ea e f 0.35%. Am ng he inci al bȗ ine e , he g fi ma gin f c n aine manȗfac ȗ ing and hea ȗck inc ea ed, he g fi ma gin f ff h e enginee ing bȗ ine ȗ ned f m fi l a affec ed b he c n inȗed d n ȗ n in he indȗ , he g fi ma gin f he emaining egmen emained ba icall able ligh l dec ea ed a c m a ed i h he ame e i d f la ea . F de ail , lea e efe 2. C m i i n f P inci al Bȗ ine e dȗ ing he Re ing Pe i d f (II) Anal i f P inci al Bȗ ine e f II. O e a i n Di cȗ i n and Anal i f IV. O e a i n Di cȗ i n and Anal i P e a ed in Acc dance i h he D me ic Secȗ i ie Regȗla Rȗle in hi Re .

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

## NON-OPERATING INCOME

Du ing he Re ing Pe i d, he G u ' n n- e a ing inc me am un ed RMB84.343 milli n ( ame e i d in 2016: RMB167.289 milli n), e e en ing a ea - n- ea dec ea e f 49.58%, hich a mainl a ibu able he ec gni i n f he g e nmen g an ela ing dina ac i i ie f he G u unde he inc me a e u i ed b he ne anda d n g e nmen g an unde he CASBE du ing he Re ing Pe i d. F de ail , lea e efe n e IV. 60 f Cha e IX 2017 In e im Financial Re (Unaudi ed) in hi Re .

## TAX EXPENSE

Du ing he Re ing Pe i d, he inc me a e en e f he G u e e RMB509.633 milli n ( ame e i d in 2016: RMB375.316 milli n), e e en ing a ea - n- ea inc ea e f 35.79%, hich e e mainl du e he inc ea e in cu en inc me a a calcula ed acc ding he a egula i n a a e ul f he ignifican inc ea e in fi f he G u du ing he Re ing Pe i d. F de ail , lea e efe n e IV. 62 f Cha e IX 2017 In e im Financial Re (Unaudi ed) in hi Re .

## TECHNOLOGY DEVELOPMENT COSTS

Du ing he Re ing Pe i d, he echn l g de el men c f he G u e e RMB288.459 milli n ( ame e i d in 2016: RMB230.097 milli n), e e en ing a ea - n- ea inc ea e f 25.36%, hich e e mainl du e he inc ea ed in e men in echn l g R&D f he G u du ing he Re ing Pe i d. F de ail , lea e efe n e IV. 18 f Cha e IX 2017 In e im Financial Re (Unaudi ed) in hi Re .

## MINORITY PROFIT OR LOSS

Du ing he Re ing Pe i d, he G u ' min i fi ec ded RMB269.611 milli n ( ame e i d in 2016: ec ding a l f RMB163.126 milli n), hich a mainl du e he inc ea e in fi f ub idia ie i h min i ha eh lde du ing he Re ing Pe i d.

## LIQUIDITY AND FINANCIAL RESOURCES

The G u ' ca h a bank and n hand ima il c n i f ca h and bank de i . A a 30 June 2017, he G u ' ca h a bank and n hand am un ed RMB5,737.102 milli n (31 Decembe 2016: RMB6,325.998 milli n), e e en ing a dec ea e f 9.31% a c m a ed i h he end f he e i u ea . F de ail , lea e efe n e IV. 1 f Cha e IX 2017 In e im Financial Re (Unaudi ed) in hi Re . The G u ' fund mainl de i ed f m he fund gene a ed f m e a i n and bank b ing . The G u ha al a ad ed uden financial managemen licie and main ained ufficien and a ia e ca h n hand e a he bank l an falling due and en u e he bu ine de el men .

Du ing he Re ing Pe i d, he G u ec ded ne ca h fl f m e a ing ac i i ie f RMB(668.216) milli n ( ame e i d in 2016: RMB933.732 milli n), ne ca h fl f m in e ing ac i i ie f RMB(1,507.729) milli n ( ame e i d in 2016: RMB(5,376.277) milli n) and ne ca h fl f m financing ac i i ie f RMB1,875.660 milli n ( ame e i d in 2016: RMB5,570.910 milli n). A he end f he Re ing Pe i d, he balance f ca h and ca h e ui alen held b he G u am un ed RMB5,940.423 milli n.

## BANK LOANS AND OTHER BORROWINGS

A a 30 J■ne 2017, he G ■ ' h -e m b ing , l ng- e m b ing , deben■ e a able and he c■ en liabili ie (i ■ance f c mme cial a e ) in agg ega e am ■n ed RMB57,072.710 milli n (31 Decembe 2016: RMB55,932.185 milli n). De ail a e e ■ in n e IV. 25, IV. 36, IV. 37, IV. 38 and IV. 39 f Cha e IX 2017 In e im Financial Re (Una■di ed) in hi Re .

Uni : RMB h ■ and

| | **As at 30 June 2017 (unaudited)** | A a 31 Decembe 2016 (a■di ed) |
|---|---|---|
| Sh -e m b ing | **17,945,748** | 15,729,787 |
| N n-c■ en b ing d■e i hin ne ea | **4,891,414** | 3,525,710 |
| L ng- e m b ing | **23,665,089** | 27,023,222 |
| Deben■ e a able | **7,986,500** | 7,986,500 |
| O he c■ en liabili ie (i ■ance f c mme cial a e ) | **2,583,959** | 1,666,966 |
| T al | **57,072,710** | 55,932,185 |

In he fi half f 2017, he ne bank l an a ia ed b he G ■ am ■n ed RMB2,798.256 milli n ( ame e i d in 2016: RMB5,324.877 milli n), e e en ing a ea - n- ea dec ea e f 47.45%. The G ■ ' bank b ing a e mainl den mina ed in U.S. d lla , i h he in e e a men c m ■ ed ■ ing fi ed a e and fl a ing a e . A a 30 J■ne 2017, he G ■ ' bank b ing incl■ded fi ed- a e b ing f a ima el RMB11,035.941 milli n (31 Decembe 2016: RMB8,123.960 milli n), e e en ing an inc ea e f 35.84% a c m a ed i h he end f he e i ■ ea , hich a mainl d■e he financing a angemen made b he G ■ mee he king ca i al e ■i emen ; fl a ing- a e b ing f RMB35,466.310 milli n (31 Decembe 2016: RMB38,154.759 milli n), e e en ing a dec ea e f 7.05% a c m a ed i h he end f he e i ■ ea . A a he end f he Re ing Pe i d, he l ng- e m b ing e e mainl d■e i hin fi e ea . F de ail , lea e efe n e IV. 38 and XIV. 3 f Cha e IX 2017 In e im Financial Re (Una■di ed) in hi Re .

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

## CAPITAL STRUCTURE

The G ' ca i al c e c n i f e i in e e a ib able ha eh lde and liabili ie . A f 30 J ne 2017, he G ' e i in e e a ib able ha eh lde am n ed RMB39,871.883 milli n (31 Decembe 2016: RMB39,134.792 milli n) in agg ega e, he al liabili ie am n ed RMB89,626.971 milli n (31 Decembe 2016: RMB85,479.956 milli n) and he al a e am n ed RMB129,498.854 milli n (31 Decembe 2016: RMB124,614.748 milli n).The G i c mmi ed main aining an a ia e c mbina i n f e i and deb , in de main ain an effec i e ca i al c e and ide ma im m e n f ha eh lde .

A he end f he Re ing Pe i d, he G ' gea ing a i a 69.21% (31 Decembe 2016: 68.60%), hich ligh l inc ea ed b 0.61% a c m a ed i h he end f he e i ea . (Calc la i n f he gea ing a i : ba ed n he G ' al deb a a he e ec i e da e di ided b al a e .)

## FOREIGN EXCHANGE RISK AND RELEVANT HEDGE

The maj c enc f he G ' b ine e en e i U.S. d lla , hile m f i e endi e i made in RMB. A he e change a e f RMB a e affec ed b d me ic and in e na i nal ec n mic and li ical i a i n , and he demand and l f RMB, he G i e ed en ial f eign e change i k a i ing f m he e change a e fl c a i n in RMB again he c encie , hich ma affec he G ' e a ing e l and i financial c ndi i n. The managemen f he G ha cl el m ni ed i f eign e change i k and aken a ia e mea e a id f eign e change i k. F de ail f he f eign e change hedging c n ac held b he G d ing he Re ing Pe i d, lea e efe n e IV. 2 and IV. 26 f Cha e IX 2017 In e im Financial Re (Una di ed) in hi Re .

## INTEREST RATE RISK

The G i e ed he ma ke in e e a e change i k ela ing i in e e -bea ing bank l an and he b ing . T minimi e he im ac f in e e a e i k, he G en e ed in in e e a e a c n ac i h ce ain bank . F de ail , lea e efe n e IV. 2 and IV. 26 f Cha e IX 2017 In e im Financial Re (Una di ed) in hi Re .

## CREDIT RISK

The G ' c edi i k i ima il a ib able ca h a bank and n hand, ecei able , de i a i e financial in men en e ed in f hedging e , e c. E e he e c edi i k i m ni ed b he managemen n an ng ing ba i . F de ail , lea e efe n e XIV. 1 f Cha e IX 2017 In e im Financial Re (Una di ed) in hi Re .

## PLEDGE OF ASSETS

A a 30 J ne 2017, he e ic ed a e f he G all am n ed RMB8,902.078 milli n (31 Decembe 2016: RMB9,756.883 milli n), e e en ing a dec ea e f 8.76% a c m a ed i h he end f he e i ea . F de ail , lea e efe n e IV. 24 f Cha e IX 2017 In e im Financial Re (Una di ed) in hi Re .

## CAPITAL COMMITMENTS

A a 30 J ne 2017, he G had ca i al e endi e c mmi men f a ima el RMB494.514 milli n (31 Decembe 2016: RMB417.786 milli n), e e en ing an inc ea e f 18.37% a c m a ed i h he end f he e i ea , hich e e mainl ed a e e nal in e men c n ac en e ed b n e f med e f med a iall . F de ail , lea e efe n e XI. 1. (1) f Cha e IX 2017 In e im Financial Re (Una di ed) in hi Re .

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



## CONTINGENT LIABILITY

A a 30 June 2017, he G u had c n ingen liabili ie f a ima el RMB59.028 milli n (31 Decembe 2016: RMB83.248 milli n), e e en ing a dec ea e f 29.09% a c m a ed i h he end f he e i u ea . F de ail , lea e efe n e X. 1 f Cha e IX 2017 In e im Financial Re (Unaudi ed) in hi Re .

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

Du ing he Re ing Pe i d, he G u did n make an ignifican in e men and had n maj ac ui i i n and di al ela ing ub idia ie and a cia ed c m anie . F inf ma i n n he maj ub idia ie f he G u , lea e efe n e VI. 1 f Cha e IX 2017 In e im Financial Re (Unaudi ed) in hi Re .

## FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND EXPECTED SOURCES OF FUNDING

F he in e men lan f he inci al bu ine e f he G u in he ec nd half f he ea , lea e efe 3. O e all O e a i n Ta ge and Ini ia i e f Main Bu ine Segmen f III. Fu u e De el men and Ou l k unde Cha e III Re f he B a d in hi Re . The e a ing and ca i al e endi u e f he G u a e mainl financed b u n fund and e e nal financing. The G u ill ake a uden a i ude enhance i e a ing ca h fl . The G u ha ufficien u ce f funding mee he e ui emen f ca i al e endi u e and king ca i al.

## CAPITAL EXPENDITURE AND FINANCING PLAN

Ba ed n change in he ec n mic i ua i n and e a ing en i nmen , a ell a he e ui emen f he G u ' a egic u g ade and bu ine de el men , he e ec ed ca i al e endi u e f he G u in 2017 a a ima el RMB7,900 milli n, am ng hich a ima el RMB500 milli n a ac uall e en ed in he fi half f hi ea , hich a mainl u ed f ac ui i i n f fi ed a e , in angible a e and he l ng- e m a e . Va i u f m f financing a angemen ill c n inue be c n ide ed b he G u in he ec nd half f hi ea .

On 31 Ma 2016, a c n ide ed and a ed a he ha eh lde ' gene al mee ing, he C m an ed a n n- ublic ffe ing f ne A ha e eligible in e f n m e han RMB6,000 milli n ( he N n- ublic Offe ing f A Sha e ). On 17 Janua 2017, a ce ain ma e ill need be e l ed, he C m an ubmi ed an a lica i n he CSRC f he u en i n f in ec i n f he d cumen f he N n- ublic Offe ing f A Sha e . On 9 June 2017, in de en u e he im lemen a i n f he ele an k, u n c n ide a i n and a al a he annual gene al mee ing f 2016 and he fi 2017 cla mee ing f A Sha e and he fi 2017 cla mee ing f H Sha e , he C m an e i ed i i uance al f he N n- ublic Offe ing f A Sha e and e ended he alidi e i d f he e lu i n b he ha eh lde ' gene al mee ing a ell a he alidi e i d f he manda e f he B a d. F de ail , lea e efe II. I ue and Li ing f Secu i ie unde Cha e VII Change in Sha e Ca i al and Inf ma i n n Sub an ial Sha eh lde in hi Re . A a he end f he Re ing Pe i d, he N n- ublic Offe ing f A Sha e i ill u ended.

# Chapter VI Significant Events

D ing he Re ing Pe i d, he B a d, c m i ing 8 Di ec , held 5 mee ing , f hich 1 mee ing a held n- i e, 4 mee ing e e held in a a f i en e ie e l i n i h 36 e l i n e ie ed. Sa e f he eg la mee ing , in he c e f he managemen and e i i n f he G ' b ine e a i n , he C m an ' e ec i e Di ec ha e b gh maj b ine managemen ma e he a en i n f he B a d h ld an in e im B a d mee ing f m ime ime, and ele an B a d deci i n e e made in he f m f i en e l i n b all Di ec .

C de i i n A.1.1 e i e ha The b a d h ld mee eg la l and b a d mee ing h ld be held a lea f ime a ea a a ima el a e l in e al . D ing he Re ing Pe i d, he C m an held 5 B a d mee ing , f hich nl 1 mee ing a held n- i e. The e ec i e Di ec f he C m an manage and m ni he b ine e a i n and e h ld B a d mee ing ha e di c i n and make deci i n n he G ' maj b ine managemen affai f m ime ime. Acc dingl , ce ain ele an deci i n e e made b all Di ec b a f i en e l i n . The Di ec a e f he ini n ha , he fai ne and alidi f he deci i n made f he b ine had ade a e a ance. The C m an ill i e effec i e c a e g e nance ac ice in ac ice in f e.

On 7 A g 2017, M . Wang Zhi ian, a n n-e ec i e Di ec , e igned f m he i i n f n n-e ec i e Di ec and all he i i n in he Ri k Managemen C mmi ee and he Rem ne a i n and A ai al C mmi ee f he B a d d e he change in j b a ignmen . F de ail , lea e efe II. Change f Di ec , S e i and Seni Managemen f he C m an nde Cha e VIII Inf ma i n n Di ec , S e i and Seni Managemen in hi Re .

( ) B

D ing he Re ing Pe i d, 9 mee ing e e held b he B a d C mmi ee i h 19 le e f ini n f m B a d C mmi ee a ed.

( )

D ing he Re ing Pe i d, 3 mee ing f he eigh h e i n f he S e i C mmi ee, c m i ing h ee S e i , a held i h 13 e l i n e ie ed. The S e i a ended 5 mee ing f he B a d n a n n- ing ba i . The S e i Xi ng B a ended he 2016 ann al gene al mee ing, he fi 2017 A ha eh lde ' cla mee ing and he fi 2017 H ha eh lde ' cla mee ing.

On 7 A g 2017, M . L Sheng h , a S e i , e igned f m he i i n f he S e i e e en ing ha eh lde d e he change in k a angemen . H e e , an he A icle f A cia i n, M . L Sheng h ill c n in e e f m hi d ie a a S e i bef e a ne S e i being a ed f a in men a he gene al mee ing f he C m an . F de ail , lea e efe II. Change f Di ec , S e i and Seni Managemen f he C m an nde Cha e VIII Inf ma i n n Di ec , S e i and Seni Managemen in hi Re .

( )

On 9 J ne 2017, he C m an held he 2016 ann al gene al mee ing, he Fi 2017 A Sha eh lde ' Cla Mee ing and he Fi 2017 H Sha eh lde ' Cla Mee ing. The n ice, c n ening, h lding and ing ced e f ch mee ing e e in c m liance i h he ele an e i emen f he PRC C m an La , he A icle f A cia i n and he H ng K ng Li ing R le . The ann ncemen n he ele an ing e l e e bli hed in China Sec i ie J nal, Shanghai Sec i ie Ne and Sec i ie Time and n Cninf eb i e (h :// .cninf .c m.cn) n 9 J ne 2017, and n he eb i e f he H ng K ng S ck E change (h :// .hke ne .hk) and he C m an (h :// .cimc.c m).

The e ecu i e Di ec , CEO and P e iden M . Mai B liang and he n n-e ecu i e Di ec M . Liu Ch ng and inde enden n n-e ecu i e Di ec M . Pan Cheng ei, M . Pan Zheng i and M . W ng K ai Huen Albe a ended he ab emen i ned gene al mee ing . N n-e ecu i e Di ec M . Wang H ng, M . Wang Yuhang and M . Wang Zhi ian ( e igned n 7 Augu 2017) failed a end due he im an affai .

( )

C de i i n A.2.7 e ui e ha The chai man hall c n ene a lea ne mee ing e e ea i h he n n-e ecu i e Di ec (including inde enden n n-e ecu i e Di ec ) i h u he e ecu i e Di ec e en . The C m an ha nl ne e ecu i e Di ec , M . Mai B liang, and he C m an ' bu ine e a i n i managed and m ni ed b he e ecu i e Di ec . Acc dingl , du ing he Re ing Pe i d, he C m an ha n held a B a d mee ing i h u he e ence f he e ecu i e Di ec .

C de i i n A.6.7 e ui e ha Inde enden n n-e ecu i e di ec and he n ne ecu i e di ec h uld al a end gene al mee ing and de el a balanced unde anding f he ie f ha eh lde . C de i i n E.1.2 e ui e ha The chai man f he b a d h uld a end he annual gene al mee ing. He h uld al in i e he chai men f he audi , emune a i n, n mina i n and an he c mmi ee (a a ia e) a end . The h ee inde enden n n-e ecu i e Di ec f he C m an all a ended he gene al mee ing c n ened du ing he Re ing Pe i d. The n n-e ecu i e Di ec Wang H ng, he Chai man f he B a d, Wang Yuhang and Wang Zhi ian ( e igned n 7 Augu 2017), he Chai man f he Ri k Managemen C mmi ee f he B a d, failed a end he af e aid gene al mee ing due he im an affai .

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

The C m an ha ad ed he anda d e c ibed in he M del C de c n ained in A endi 10 f he H ng K ng Li ing Rule a he c de f c nduc in dealing in ecu i ie b Di ec and Su e i f he C m an . Af e in ui ie all he Di ec and Su e i , all he Di ec and Su e i c nfi med ha he had full c m lied i h he e ui emen in he M del C de du ing he Re ing Pe i d.

## 3. Audit Committee

The C m an ha a in ed h ee inde enden n n-e ecu i e Di ec and e abli hed he audi c mmi ee u uan he e ui emen f he H ng K ng Li ing Rule . The membe f he audi c mmi ee a e M . Pan Cheng ei (chai man f he audi c mmi ee i h fe i nal ualifica i n and e ience in ela i n financial managemen uch a acc un ing), M . Pan Zheng i and M . W ng K ai Huen, Albe .

On 27 Augu 2017, he audi c mmi ee e ie ed he unaudi ed 2017 In e im Financial Re and hi Re f he G u f he i m n h ended 30 June 2017, and ag eed e en he ame he B a d.

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

F he change in inf ma i n f Di ec , Su e i and chief e ecu i e ffice f he C m an be di cl ed u uan Rule 13.51B(1) f he H ng K ng Li ing Rule du ing he Re ing Pe i d, lea e efe he cha e headed IV. Change in Inf ma i n f Di ec and Su e i unde Cha e VIII Inf ma i n n Di ec , Su e i and Seni Managemen . E ce f uch di cl u e, he e i n he inf ma i n e ui ed be di cl ed u uan Rule 13.51B(1) f he H ng K ng Li ing Rule .

## 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 ann al gene al mee ing | Ann al gene al mee ing | 57.25% | 9 J ne 2017 | 21 A il 2017 | 9 J ne 2017 | .cninf .c m.cn<br>.hke ne .hk |
| Fi 2017 A Sha eh lde ' cla mee ing | Sha eh lde ' cla mee ing | 34.61% | 9 J ne 2017 | 21 A il 2017 | 9 J ne 2017 | .cninf .c m.cn<br>.hke ne .hk |
| Fi 2017 H Sha eh lde ' cla mee ing | Sha eh lde ' cla mee ing | 73.92% | 9 J ne 2017 | 21 A il 2017 | 9 J ne 2017 | .cninf .c m.cn<br>.hke ne .hk |

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

☐ A licable N A licable

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

☐ A licable N A licable

The C m an ed n di ib e ca h di idend, b n ha e inc ea e ha e ca i al b a f an fe f m ca i al e e e f he i m n h ended 30 J ne 2017 ( he ame e i d f 2016: Nil).

## V. ENGAGEMENT AND DISENGAGEMENT OF FIRMS OF ACCOUNTANTS

Whe he he in e im financial e ha been a di ed n

☐ Ye N

The 2017 In e im Financial Re ha n been a di ed.

On 9 J ne 2017, a c n ide ed and a ed a he 2016 Ann al Gene al Mee ing, he C m an a in ed P ice a e h eC e Zh ng Tian LLP a he a di f he C m an f 2017.

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

☐ A licable N A licable

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

☐ A licable N A licable

## VIII. BANKRUPTCY OR REORGANISATION RELATED ISSUES

☐ A licable N A licable

The C m an had n bank c e gani a i n ela ed i e d ing he Re ing Pe i d.

## IX. ARBITRATION EVENTS

Ma e ial li iga i n and a bi a i n e en

☐ A licable N A licable

The C m an had n ma e ial li iga i n and a bi a i n e en d ing he Re ing Pe i d.

O he li iga i n e en

. A licable ☐ N A licable

| 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 ac di e a he lain iff f m 2014 he end f he Re ing Pe i d | 337,600 | N | In ial | N e c ncl ded | . | . | . |
| 9 c n ac di e a he e nden f m 2015 he end f he Re ing Pe i d | 322,200 | N | In ial | N e c ncl ded | . | . | . |

## X. PENALTIES AND REMEDIES

☐ A licable . N A licable

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

. A licable ☐ N A licable

D ing he Re ing Pe i d, he e a n effec i e j dgemen f he c failed be a i fied b he C m an and i la ge ha eh lde , China Me chan G , ela i el la ge am n f deb d e and anding.

## 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 de e abli h and im e he incen i e-c n ain mechani m, and effec i el c mbine he in e e f he Sha eh lde , he C m an and i em l ee , he A Sha e( ) Sha e O i n Incen i e Scheme a c n ide ed and a ed a he e a dina gene al mee ing f he C m an n 17 Se embe 2010. Acc ding □ch cheme, he fi anche f 54,000,000 ha e i n ( he Fi T anche f Sha e O i n ) e e egi e ed n 26 Jan□a 2011 and he ec nd anche f e e ed 6,000,000 ha e i n ( he Sec nd T anche f Sha e O i n ) e e egi e ed n 17 N embe 2011.

A a 12 Ma 2015, □ n he c n ide a i n and a al a he eigh h mee ing f he e en h e i n f he B a d in 2015, he i n f he ec nd e e ci able e i d f he Fi T anche f Sha e O i n ha e me he e e ci e c ndi i n and e e ac□all e e ci able a ing f m 2 J□ne 2015 27 Se embe 2020 i h he al e e ci able i n am □n ing 39,660,000 i n . A a 9 Oc be 2015, □ n he c n ide a i n and a al a he f □ een h mee ing f he e en h e i n f he B a d in 2015, he ec nd e e ci able e i d f he Sec nd T anche f Sha e O i n ha e me he e e ci e c ndi i n and e e ac□all e e ci able a ing f m 24 Oc be 2015 27 Se embe 2020 i h he al e e ci able i n am □n ing 4,132,500 i n . A a 20 J□l 2017, □ n he c n ide a i n and a al a he eigh h mee ing f he eigh h e i n f he B a d in 2017 and he im lemen a i n f he ann□al di idend di ib□ i n lan f he C m an f 2016 n 20 J□l 2017, he adj□ ed i n e e ci e ice f he Fi and Sec nd T anche f Sha e O i n i RMB10.49 and RMB16.02, e ec i el .

D□ ing he Re ing Pe i d, he al e e ci able i n f A Sha e( ) Sha e O i n Incen i e Scheme am □n ed 1,775,800 i n , e e en ing 3.03% f he al (adj□ ed), f hich, alling 1,730,800 i n e e e e ci ed d□ ing he ec nd e e ci able e i d f he Fi T anche f Sha e O i n , and alling 45,000 i n e e e e ci ed d□ ing he ec nd e e ci able e i d f he Sec nd T anche f Sha e O i n . The im lemen a i n f A Sha e( ) Sha e O i n Incen i e Scheme ha n ma e ial im ac n he C m an ' financial c ndi i n and e □l f e a i n d□ ing he Re ing Pe i d and in he f□ □ e.

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

CIMC En ic a ed and ad ed a ha e i n cheme ( 2006 Sha e O i n Scheme ) a i e a dina gene al mee ing held n 12 J□l 2006, □ □an hich CIMC En ic g an ed a al f 120,370,000 ha e i n a e a d and benefi ided ce ain em l ee , di ec and he eligible e n f hei c n ib□ i n CIMC En ic in N embe 2009, Oc be 2011 and J□ne 2014. The 2006 Sha e O i n Scheme e i ed in 2016. F de ail , lea e efe he ela ed ann □ncemen f CIMC En ic □bli hed n he eb i e f he H ng K ng S ck E change, he ele an ann □ncemen elea ed n he eb i e f he Cninf , he H ng K ng S ck E change and he C m an a ell a ele an eg□la e f he C m an in ecen ea .

On 20 Ma 2016, he ann□al gene al mee ing f CIMC En ic a ed and ad ed a ne ha e i n cheme ( 2016 Sha e O i n Scheme ) and e mina ed he 2006 Sha e O i n Scheme. Since ad i n f he 2016 Sha e O i n Scheme, n ha e i n ha been g an ed b CIMC En ic □ □an he 2016 Sha e O i n Scheme.

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

The CIMC Vehicle (G ũ ) C ., L d. E ũi T ũ Plan (D af ) a c n ide ed and a ed a he gene al mee ing f he C m an held n 17 Oc be 2007, ũ ũan he hich, he eni managemen ela ing he ehicle bũ ine f he G ũ and he ke em l ee f CIMC Vehicle (G ũ ) held 20% e ũi in e e in CIMC Vehicle (G ũ ) b ca i al inc ea e f RMB220,700,000 h ũgh he CIMC Vehicle (G ũ ) C ., L d. E ũi T ũ Plan ( he CR T ũ CIMC Vehicle (G ũ ) E ũi T ũ Plan ) he e Shen hen In e na i nal T ũ & In e men C ., L d. (深圳國際信託投資有限責任公司) (n enamed China Re ũ ce SZITIC T ũ C ., L d.) a he ũ ee. On 30 Decembe 2015, CIMC Vehicle (G ũ ) c m le ed he ca i al inc ea e and he CR T ũ CIMC Vehicle (G ũ ) E ũi T ũ Plan gi en ũ i e-em i e igh . A a 31 Ma 2016, he C m an e ie ed and a ed he Re lũ i n ega ding he Amendmen CIMC Vehicle (G ũ ) C ., L d. E ũi T ũ Plan (D af ) (《關於修改<中集車輛(集團)有限公司股權信托計劃(草案)>的議案》) a he 2015 annũal gene al mee ing. F de ail , lea e efe he ele an ann ũncemen elea ed n he eb i e f he Cninf , he H ng K ng S ck E change and he C m an a ell a ele an egũla e f he C m an in ecen ea . The CR T ũ CIMC Vehicle (G ũ ) E ũi T ũ Plan held 15.83% e ũi in e e in CIMC Vehicle (G ũ ) a a he end f he Re ing Pe i d.

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

| | |
|---|---|
| Sc e f a ici an dũ ing he Re ing Pe i d | The fi anche f 54,000,000 ha e (am ng hich 4,107,500 ha e e e cancelled) e e g an ed 175 eni managemen and ke echnical e nnel f he C m an ; he ec nd anche f 6,000,000 ha e i n (am ng hich 578,125 ha e e e cancelled) e e g an ed 38 ke echnical e nnel and middle managemen f he C m an . |
| T al e ũi g an ed dũ ing he Re ing Pe i d ( ha e ) | 0 |
| T al e ũi e e ci ed dũ ing he Re ing Pe i d ( ha e ) | 1,775,800 |
| T al e ũi cancelled dũ ing he Re ing Pe i d ( ha e ) | 0 |
| T al e ũi la ed dũ ing he Re ing Pe i d ( ha e ) | 0 |
| T al e ũi g an ed bũ ũ anding a he end f he Re ing Pe i d n a cũmũla i e ba i ( ha e ) | 23,453,740 |
| T al e ũi g an ed and e e ci ed a he end f he Re ing Pe i d n a cũmũla i e ba i ( ha e ) | 31,860,635 |
| Adjũ men g an ice and e e ci e ice dũ ing he Re ing Pe i d and la e g an ice and e e ci e ice af e ũch adjũ men | The ini ial e e ci e ice f he fi anche a RMB12.39/ ha e hich a adjũ ed RMB10.49/ ha e af e im lemen a i n f he di idend di ibũ i n al f he ea 2010 2016.<br><br>The ini ial e e ci e ice f he ec nd anche a RMB17.57/ ha e hich a adjũ ed RMB16.02/ ha e af e im lemen a i n f he di idend di ibũ i n al f he ea 2011 2016. |

# 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 B liang | CEO and P e iden , e ec i e Di ec | 0 | 0 | 2,850,000 |
| Li X ebin | Vice e iden | 0 | 0 | 997,000 |
| W Fa ei | Vice e iden | 0 | 0 | 750,000 |
| Li Yinh i | Vice e iden | 0 | 0 | 750,000 |
| Y Ya | Vice e iden | 0 | 0 | 650,000 |
| Zhang Ba ing | Vice e iden | 0 | 0 | 750,000 |
| Ga Xiang | Vice e iden | 0 | 0 | 375,000 |
| Y Y n | Sec e a he B a d | 0 | 0 | 750,000 |
| Zeng Han | Gene al manage f he finance de a men | 0 | 0 | 288,750 |

N e: On 27 Ma ch 2017, he C m an ' eni managemen M . Jin Jianl ng e i ed. A a 30 J ne 2017, M . Jin Jianl ng ill had 640,000 ne e ci ed A ha e i n f he C m an and 1,400,000 ne e ci ed i n f CIMC En ic.

## XIII. MATERIAL CONNECTED TRANSACTIONS DISCLOSED ACCORDING TO SHENZHEN LISTING RULES

### 1. Connected Transactions Relating to Daily Operations

A licable ☐ N A licable

| Related party | Relationship with the Group | Type of the connected transaction | Details of the connected transaction | Pricing Principle | Price | Amount (RMB'000) | % of the total amount of a similar transaction | Approved cap (RMB'000) | Whether approved cap has been exceeded | Settlement method | Available market price of a similar transaction | Disclosure date | Disclosure index |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Y&C Engine C ., L d. | J in en u e | Pu cha e f g d | Pu cha e f g d | Regula c mme cial e m | - | 309,000 | . | . | . | . | . | . | . |
| Shaan i Hea Du A u m bile C ., L d. | Min i ha eh lde f a ub idia | Pu cha e f g d | Pu cha e f g d | Regula c mme cial e m | - | 49,559 | . | . | . | . | . | . | . |
| Fujian Qingchen Bamb P duc C ., LTD | A cia ed c m an | Pu cha e f g d | Pu cha e f g d | Regula c mme cial e m | - | 8,259 | . | . | . | . | . | . | . |
| A ahi T ading C .,L d | Min i ha eh lde f a ub idia | Pu cha e f g d | Pu cha e f g d | Regula c mme cial e m | - | 1,855 | . | . | . | . | . | . | . |
| Xu h u CIMC W d C ., L d. | A cia ed c m an | Pu cha e f g d | Pu cha e f g d | Regula c mme cial e m | - | 394 | . | . | . | . | . | . | . |
| O he ela ed a ie | - | Pu cha e f g d | Pu cha e f g d | Regula c mme cial e m | - | 1,758 | . | . | . | . | . | . | . |
| O he ela ed a ie | - | Recei ing f e ice | Recei ing f e ice | Regula c mme cial e m | - | 15,681 | . | . | . | . | . | . | . |
| Shaan i Hea Du A u m bile C ., L d. | Min i ha eh lde f a ub idia | Sale f g d | Sale f g d | Regula c mme cial e m | - | 93,174 | . | . | . | . | . | . | . |
| Fl en Ma i ime Limi ed | Sub idia f ignifican Sha eh lde | Sale f g d | Sale f g d | Regula c mme cial e m | - | 63,809 | . | . | . | . | . | 2016. 11.12 | .cninf .c m.cn. |
| Sumi m C a i n | Min i ha eh lde f a ub idia | Sale f g d | Sale f g d | Regula c mme cial e m | - | 59,136 | . | . | . | . | . | . | . |
| Fl en C n aine C a i n S.A. | Sub idia f ignifican Sha eh lde | Sale f g d | Sale f g d | Regula c mme cial e m | - | 25,676 | . | . | . | . | . | 2016. 11.12 | .cninf .c m.cn. |
| Fl en C n aine Se ice l d. | Sub idia f ignifican Sha eh lde | Sale f g d | Sale f g d | Regula c mme cial e m | - | . 12,624 | . | . | . | . | . | 2016. 11.12 | .cninf .c m.cn. |
| D ng Fang In e na i nal C n aine (Lian ungang) C ., L d. | Sub idia f ignifican Sha eh lde | Sale f g d | Sale f g d | Regula c mme cial e m | - | 4,965 | . | . | . | . | . | 2016. 11.12 | .cninf .c m.cn. |
| NYK Zhenhua L gi ic (Tianjin) C ., L d. | J in en u e | Sale f g d | Sale f g d | Regula c mme cial e m | - | 228 | . | . | . | . | . | . | . |
| O he ela ed a ie | - | Sale f g d | Sale f g d | Regula c mme cial e m | - | 8,298 | . | . | . | . | . | . | . |
| O he ela ed a ie | - | Rende ing f e ice | Rende ing f e ice | Regula c mme cial e m | - | 20,078 | . | . | . | . | . | . | . |
| T al | | | | . | . | 674,494 | . | . | . | . | . | . | . |

De ail f ub an ial ale e u n — Nil

P jec ed al am u n f c nnec ed an ac i n in he dina c u e f bu ine du ing he cu en e i d b e and ac ual e f mance du ing he Re ing Pe i d (if an ) — The ele an c nnec ed an ac i n in he dina c u e f bu ine f he G u iding g d COSCO SHIPPING De el men C ., L d. and i ub idia ie (including Fl en Ma i ime Limi ed, Fl en C n aine C a i n S.A., Fl en C n aine Se ice l d. and D ng Fang In e na i nal C n aine (Lian ungang) C ., L d.) ceeded n mall unde he e m f he Ne F ame k Ag eemen en e ed in b b h a ie n 11 N embe 2016. Du ing he Re ing Pe i d, he agg ega e an ac i n am un a RMB107,074,000 and did n e ceed he ca f 2017 (RMB450,000,000).

Rea n f he ub an ial diffe ence be een an ac i n ice and efe en ial ma ke ice (if a licable) — N a licable

# Chapter VI Significant Events

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

☐ A licable N A licable

## 3. Connected Transactions Relating to Joint External Investments

☐ A licable N A licable

## 4. Claims and Liabilities among the Connected Transactions

A licable ☐ N A licable

Whe he he e a e n n- e a ing claim and liabili ie am ng he c nnec ed an ac i n n

☐ Ye N

Claims receivable from any related party:

Uni : RMB h and

| 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 |
|---|---|---|---|---|---|---|---|---|---|
| Zhenjiang CIMC Embelli h Y Real E a e C ., LTD | A cia ed c m an f he G | O e a ing b ing b Sha eh lde in ame a i | N | 824,391 | . | 320,823 | . | 6,690 | 503,568 |
| Shanghai Feng ang Real E a e De el men C ., L d. | A cia ed c m an f he G | O e a ing b ing b Sha eh lde in ame a i | N | 34,204 | . | . | . | . | 34,204 |
| Nan ng Ne A lan ic F e Ind L d. | A cia ed c m an f he G | O e a ing b ing b Sha eh lde | N | 10,629 | . | 10,629 | . | . | . |
| Xin ang W d H ng K ng C ., L d. | A cia ed c m an f he G | O e a ing b ing b Sha eh lde in ame a i | N | 4,361 | 7,944 | . | . | . | 12,305 |
| Effec f claim am ng he c nnec ed an ac i n n he e a ing e and financial i i n f he C m an | Nil | | | | | | | | |

Liabilities payable to any related party:

Uni : RMB h and

| 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 |
|---|---|---|---|---|---|---|---|---|
| Ga fin In e men S.A. | Min i ha eh lde f a b idia | O e a ing b ing b Sha eh lde in ame a i | 46,990 | . | 1,419 | . | 522 | 45,571 |
| Sh nde F i Real E a e In e men C ., L d | Min i ha eh lde f a b idia | O e a ing b ing b Sha eh lde | 56,794 | . | 29,579 | . | . | 27,215 |
| Effec f liabili ie am ng he c nnec ed an ac i n n he e a ing e l and financial i i n f he C m an | Nil | | | | | | | |

## 5. Other Material Connected Transactions

☐ A licable . N A licable

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

☐ A licable . N A licable

The e a n n n- e a ing ca i al f he C m an hich a cc ied b c n lling Sha eh lde and i ela ed a ie d ing he Re ing Pe i d.

# XV. MATERIAL CONTRACTS AND THEIR PERFORMANCES

## 1. Trusteeship, Contracting or Leasing

### (1) Trusteeship

☐ A licable . N A licable

D ing he Re ing Pe i d, he e a n . ee hi f he C m an gene a ing a fi l hich c n ib ed 10% m e f he al fi f he C m an d ing he Re ing Pe i d.

# Chapter VI Significant Events

## (2) Contracting

☐ A licable N A licable

D ing he Re ing Pe i d, he e a n c n ac ing f he C m an gene a ing a fi l hich c n ib ed 10% m e f he al fi f he C m an d ing he Re ing Pe i d.

## (3) Leasing

☐ A licable N A licable

D ing he Re ing Pe i d, he e a n lea ing f he C m an gene a ing a fi l hich c n ib ed 10% m e f he al fi f he C m an d ing he Re ing Pe i d.

## 2. MATERIAL GUARANTEES

A licable ☐ N A licable

## (1) Description of Guarantees

Uni : RMB h and

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

| Name of the guaranteed | Disclosure date of the announcement about the guarantee facilities | Guarantee facilities | Actual date (date of the agreement) | Actual amount of guarantee | Type of guarantee | Guarantee period | Fulfilled or not | Related party guaranteed or not |
|---|---|---|---|---|---|---|---|---|
| C me and deale f b idia ie f CIMC Vehicle | 28 Ma ch 2017 | 2,650,000 | 1 Jan a 2017 | 794,628 | Wa andice | 1-2 ea | N | N |
| C me and deale f C&C T ck and i c n lling b idia ie | 28 Ma ch 2017 | 1,600,000 | 1 Jan a 2017 | 314,477 | Wa andice | 1-2 ea | N | N |
| P cha e f c mm di h e f CIMC Sk ace Real E a e and i c n lling b idia ie | 28 Ma ch 2017 | 740,000 | 1 Jan a 2017 | 714,347 | Wa andice | 1-2 ea | N | N |
| C me f CIMC Raffle | 28 Ma ch 2017 | 382,000 | 1 Jan a 2017 | 334,250 | Wa andice | 1-2 ea | N | N |
| T al e e nal g a an ee facili ie a Re ing Pe i d (A1) | ed d ing he | 1,122,000 | | T al ac al am n f e e nal g a an ee d ing he Re ing Pe i d (A2) | | | | 1,048,597 |
| T al e e nal g a an ee facili ie a f he Re ing Pe i d (A3) | ed a he end | 5,372,000 | | T al ac al balance f e e nal g a an ee a he end f he Re ing Pe i d (A4) | | | | 2,157,702 |

**The Company's guarantees for subsidiaries**

| Name of the guaranteed | Disclosure date of the announcement about guarantee facilities | Guarantee facilities | Actual date (date of the agreement) | Actual amount of guarantee | Type of guarantee | Guarantee period | Fulfilled or not | Related party guaranteed or not |
|---|---|---|---|---|---|---|---|---|
| Sūb idia ie f CIMC | 28 Ma ch 2017 | 24,172,570 | 1 Janūa 2017 | 5,982,920 | Wa andice | 1-2 ea | N | N |
| O e ea h lding ūb idia ie f CIMC | 28 Ma ch 2017 | 30,000,000 | 1 Janūa 2017 | 14,460,910 | Wa andice | 1-2 ea | N | N |
| T al gūa an ee facili ie f ūb idia ie a ed dū ing he Re ing Pe i d (B1) | | 35,651,530 | T al ac ūal am ūn f gūa an ee f ūb idia ie dū ing he Re ing Pe i d (B2) | | | | | 14,623,210 |
| T al gūa an ee facili ie f ūb idia ie a ed a he end f he Re ing Pe i d (B3) | | 54,172,570 | T al ac ūal balance f gūa an ee f ūb idia ie a he end f he Re ing Pe 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 | Related party Guaranteed or not |
|---|---|---|---|---|---|---|---|---|
| Gūa an ee f ne ūb idia f an he | 28 Ma ch 2017 | 12,573,650 | 1 Janūa 2017 | 6,254,230 | Wa andice | 1-2 ea | N | N |
| T al gūa an ee facili ie f ūb idia ie a ed dū ing he Re ing Pe i d (C1) | | 6,731,980 | T al ac ūal gūa an ee am ūn f ūb idia ie dū ing he Re ing Pe i d (C2) | | | | | 2,216,770 |
| T al gūa an ee facili ie f ūb idia ie a ed a he end f he Re ing Pe i d (C3) | | 12,573,650 | T al ac ūal gūa an ee balance f ūb idia ie a he end f he Re ing Pe i d (C4) | | | | | 6,254,230 |

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

| | | | |
|---|---|---|---|
| T al gūa an ee facili ie a ed dū ing he Re ing Pe i d (A1+B1+C1) | 43,505,510 | T al ac ūal gūa an ee am ūn dū ing he Re ing Pe i d (A2+B2+C2) | 17,888,577 |
| T al gūa an ee facili ie a ed a he end f he Re ing Pe i d (A3+B3+C3) | 72,118,220 | T al ac ūal gūa an ee balance a he end f he Re ing Pe i d (A4+B4+C4) | 28,855,762 |
| % f al ac ūal gūa an ee am ūn (A4+B4+C4) in ne a e f he C m an | | | 96.76% |
| Of hich: | | | |
| Gūa an ee am ūn ided Sha eh lde , he de fac c n lle and ela ed a ie (D) | | | 0 |
| Deb gūa an ee am ūn ided di ec l indi ec l he gūa an eed a i h a gea ing a i f e 70% (E) | | | 9,013,380 |
| Am ūn f al gūa an ee am ūn in e ce f 50% f ne a e f he C m an (F) | | | 13,944,356 |
| T al am ūn f he ab e h ee gūa an ee (D+E+F) | | | 22,957,736 |
| E lana i n n liabili ie f gūa an ee incū ed dū ing he Re ing Pe i d ibl a ūming j in e lemen liabili ie b he C m an in e ec f ūndūe gūa an ee (if an ) | | | 0 |
| E lana i n n e e nal gūa an ee ided in i la i n f e c ibed e ūi emen (if an ) | | | 0 |

S ecific e lana i n f c m ūnd gūa an ee : n n-e i en

### (2) Irregular External Guarantees

☐ A licable N A licable

## 3. OTHER MATERIAL CONTRACTS

☐ A licable N A licable

## XVI.SOCIAL RESPONSIBILITY

### 1. Performance of Precise Poverty-alleviation Social Responsibility

☐ A licable N A licable

D ing he Re ing e i d, he C m an did n engage in an eci e e -alle ia i n ac i i and had n f ll - lan f eci e e alle ia i n.

### 2. Performance of Other Social Responsibilities

The C m an bli hed he 2016 S cial Re n ibili Re and he 2016 En i nmen al, S cial and G e nance Re in Cninf eb i e ( .cninf .c m.cn), he C m an ' eb i e ( .cimc.c m) and he H ng K ng S ck E change eb i e ( .hke ne .hk) n 28 Ma ch 2017 and 30 J ne 2017 e ec i el .

### 3. Material Environmental Protection Events

Whe he he li ed c m an and i b idia ie a e n he li f c i ical ll an di cha ge bli hed b he en i nmen al ec i n a h i ie

Ye ☐ N ☐ N A licable

The b idia ie f he G hich e e li ed a ke ll an -di cha ging ni b he en i nmen al ec i n de a men in China a e a f ll :

| Name of subsidiary | Name of major and specific pollutants | Emission method | Number of emission outlets | Distribution of emission outlets | Emission concentration | Pollutant emission standards in effect | Total emission | Approved total emission | Excessive emission |
|---|---|---|---|---|---|---|---|---|---|
| S he n CIMC L gi ic E i men Man fac ing C ., L d. | S m f ben ene, me h lben ene and lene and m f VOC | C ncen a ed high-al i de emi i n c m l i h anda d | 19 | Di ib e in ha e II, ha e III and e- ea men line | Emi i n c m l i h anda d | Pe i d I S anda d f Emi i n S anda d f V la ile O ganic C m nd f C n aine Man fac ing f G angd ng P ince | C m l i h anda d | . | Nil |
| Nan ng CIMC Sh nda C n aine C ., L d. and Nan ng CIMC S ecial T an a i n E i men Man fac e C ., L d. | Pa ic la e ma e , me h lben ene (e ha ga ), lene (e ha ga ), COD, SS and amm nia ni gen | In e mi en and c n in emi i n | 14 | Di ib e in anding, ain a ing and d me ic e age | Emi i n c m l i h anda d | In eg a ed Emi i n S anda d f Ai P ll an (GB16297-1996), In eg a ed Wa e a e Di cha ge S anda d (GB8978-1996) and Wa e a e Q ali S anda d f Di cha ge M nici al Se e (CJ343-2010) | C m l i h anda d | . | Nil |
| Shanghai CIMC Ba ell Ind ie C . L d. | N n-me hane h d ca b n | O gani ed (chimne ) emi i n af e e ha ga ea men | 4 | Di ib e in inc- ich ain e ha le (1#), e e i ain e ha le (2#), in e media and in e i ain e ha le (3#) and e- ea men e ha le (4#) | Emi i n c m l i h anda d | DB31/933-2015 In eg a ed Emi i n S anda d f Ai P ll an | C m l i h anda d | . | Nil |
| Shanghai CIMC Yang han L gi ic E i men C ., L d. | Amm nia ni gen, PH al e, BOD, COD, SS and n n-me hane h d ca b n | Inc a ed in he e age c llec i n ne k | 6 | . | Emi i n c m l i h anda d | . | C m l i h anda d | . | Nil |
| Shen hen CIMC S ecial Vehicle C ., L d. | Pa ic la e ma e , ben ene, me h lben ene, lene and ha a d a e | High-al i de emi i n | 10 | Cen ali ed di e ed di ib i n | Emi i n c m l i h anda d | DB44/27-2001 Pe i d II G ade II S anda d | C m l i h anda d | . | Nil |
| Nan ng CIMC Tank E i men C ., L d. | Chemical gen demand, amm nia ni gen, a ic la e ma e , me h lben ene, lene and n n-me hane h d ca b n | In e mi en emi i n | 6 | Gene al le | Emi i n c m l i h anda d | T e III S anda d | C m l i h anda d | . | Nil |

# Chapter VI Significant Events

Construction and operation of pollution prevention and control facilities:

| Name of subsidiary | Construction and operation of pollution prevention and control facilities |
| --- | --- |
| S □ he n CIMC L gi ic E □i men Man□fac □ ing C ., L d. | I. E ha□ ga ll□ i n c n l facili ie : The c m an ha 5 e f e ha□ ga ea men facili ie in ha e II and 6 e f e ha□ ga ea men facili ie and 3 e f e ha□ ga ea men facili ie f e- ea men in ha e III.<br>II. The c m an ha 1 ind□ ial a e a e ea men a i n i h a ea men ca aci f 450m³/d. All f he ind□ ial a e a e i e□ ed in he k h i h e emi i n.<br>III. D me ic e age i di cha ged in he m□nici al e age ne k af e ea men in e ic ank and finall eache Shang ang Se age T ea men Plan f ea men . |
| Nan ng CIMC Sh□nda C n aine C ., L d. and Nan ng CIMC S ecial T an a i n E □i men Man□fac □ e C ., L d. | I. E ha□ ga ll□ i n c n l facili ie : The d□c i n k h f he c m anie ha e c nd□c andbla ing. The andbla ing m ha e □c i n inle c nnec ing he ded□ ing em ce and emi he d□ d□ced d□ ing he e a i n. Pain a ing i c nd□c ed in eciali ed ain a ing m hich a e ai igh in ligh l nega i e e □ e. The ain mi and ganic e ha□ d□ced b he c a ing fi -line f S ecial T an a i n E □i men c m an and Sh□nda c m an d□ ing he c a ing ce a e □ ified and ea ed b he a e c□ ain a + ain mi fil e + m□l i- age ac i a ed ca b n ad i n + l en ec e de ice . The c a ing ec nd-line f S ecial T an a i n E □i men c m an □ e a e c□ ain a + ain mi fil e + ac i a ed ca b n ad i n and de i n i h ca al ic c mb□ i n de ice f e ha□ ea men .<br>II. Af e ec nd ha e f en a i n, he e age ea men facili ie f he c m anie eache 600m /d a e en . The ac □al ea men l□me i a ima el 300m /d. The e age ea men □ e he echni □e f bi chemical + h ic chemical ea men . The □ali f ea ed a e a e c m lie i h he G ade III emi i n anda d. |
| Shanghai CIMC Ba ell Ind□ ie C . L d. | I. The c m an ha 4 e f e ha□ ga ea men facili ie i h an agg ega e ea men ca aci f 308,000m³/h f ind. The ganic e ha□ ea men □ e he echni □e f ac i a ed ca b n ad i n + eam de i n + c nden a i n ec e .<br>II. The c m an ha 1 ind□ ial a e a e ea men a i n i h ea men ca aci f 6 /d and 140 /d f de i n a e a e and ain a ing ec cling a e e ec i el .<br>The ind□ ial a e a e i ea ed b □ ing he c ag□la ing ai fl a a i n + ca al ic ida i n + UASB + MBR echni □e. All f he ind□ ial a e a e i e□ ed in he k h i h e emi i n.<br>III. The c m an ha 1 e f d me ic e age ea men facili ie i h a ea men ca aci f 280 /d. The d me ic e age i ea ed b □ ing he bi chemical ea men + h ic chemical ea men echni □e and i di cha ged in he m□nici al e age ne k af e ea men and finall eache he e age ea men lan f ea men . |

| Name of subsidiary | Construction and operation of pollution prevention and control facilities |
|---|---|
| Shanghai CIMC Yang han L gi ic E □i men C ., L d. | I. E ha□ ga ll□ i n c n l facili ie c m i e 4 e f e ha□ ga ea men facili ie .<br>II. The c m an ha 1 ind□ ial a e a e ea men a i n i h a ea men ca aci f 100m³/d. The ind□ ial a e a e i ea ed b □ ing he c ag□la ing ai fl a a i n + f ame fil e e f e a a i n f a e and e id□e + anae bic bi chemical eac i n + ae bic bi chemical eac i n + MBR echni □e. All f he ind□ ial a e a e i e□ ed in he k h i h e emi i n.<br>III.D me ic e age i di cha ged in he m□nici al e age ne k af e ea men in e ic ank and finall eache he e age ea men lan f ea men . |
| Shen hen CIMC S ecial Vehicle C ., L d. | I. The c m an ha 5 e f e ha□ ga ea men facili ie hich □ e he ea men echni □e f a a e fil e + ac i a ed ca b n ad i n and high-al i□de emi i n .<br>II. The c m an ha 1 e f d□c i n a e a e ea men facili ie hich □ e he ea men echni □e f chemical eci i a i n f ec cling i h n e e nal emi i n. D me ic e age i di cha ged in he m□nici al e age ne k af e bi chemical ea men .<br>III. The c m an ha 2 e f d□ ea men facili ie hich □ e he ea men echni □e f high-al i□de emi i n af e □ ing □l e fil e .<br>IV. The c m an ha 2 a eh □ e f ha a d □ a e hich mainl e ain e id□e and ain b□cke . S aff i de igna ed f he ll□ i n c n l facili ie f he c m an . The e □i men eam i e n ible f main enance and e ai . The hif chief f he c a ing line a e e n ible f facili ie e a i n. The licen ed e age e a a e e n ible f he e a i n f he d□c i n a e a e ea men facili ie . The facili ie a e □nde □nd e a i n and ll□ an emi i n c m l i h he anda d . |
| Nan ng CIMC Tank E □i men C ., L d. | I. The a ing e ha□ f he c m an i emi ed acc ding he anda d af e being ea ed b he a e c□ ain ab i n + ain m□ fil e + m□l i- age ac i a ed ca b n ad i n + ca al ic c mb□ i n echni □e . The lde ing d□ i emi ed af e being ea ed b he d□ ea men de ice. The anding e ha□ i emi ed acc ding he anda d af e being ea ed b high-efficien fil e elemen .<br>II. The c m an in e ed a al f a ima el RMB6 milli n in he c n □c i n f a e age ea men a i n, en □ ing ha he a e a e f he c m an i ea ed b he h ic chemical eac i n + bi chemical eac i n echni □e acc ding he emi i n anda d and eache he D nggang Se age T ea men Plan f f□ he ea men ia he m□nici al e age ne k.<br>III. The c m an ha 2 a eh □ e f ha a d □ a e i h an a ea f 300m³ hich ha e an i- ee mea □ e . |

# Chapter VI Significant Events

## XVII. EXPLANATION ON OTHER MATERIAL EVENTS

1. On 17 Jan☒a 2017, a ce ain ma e ill need be e l ed, he C m an ☒bmi ed an a lica i n he CSRC f he ☒ en i n f in ec i n f he d c☒men f he N n-☒blic Offe ing f A Sha e . On 9 J☒ne 2017, in de en ☒ e he im lemen a i n f he ele an k, ☒ n c n ide a i n and a al a he ann☒al gene al mee ing f 2016, he fi 2017 cla mee ing f A Sha e and he fi 2017 cla mee ing f H Sha e , he C m an e i ed i i ☒ance al f he N n-☒blic Offe ing f A Sha e and e ended he alidi e i d f he e l☒ i n b he ha eh lde ' gene al mee ing a ell a he alidi e i d f he manda e f he B a d. F ele an inf ma i n, lea e efe he ele an ann ☒ncemen da ed 17 Jan☒a , 21 A il and 9 J☒ne 2017 di cl ed in China Sec☒ i ie J ☒ nal, Shanghai Sec☒ i ie Ne , Sec☒ i ie Time , Cninf eb i e ( .cninf .c m.cn), he C m an ' eb i e ( .cimc.c m) (N ice N .: [CIMC]2017-002, [CIMC]2017-024 and [CIMC]2017-033) and he eb i e f he H ng K ng S ck E change ( .hke ne .hk). A a he end f he Re ing Pe i d, he N n-☒blic Offe ing f A Sha e i ill ☒ ended.

2. On 7 A il 2017, China Me chan P H lding C m an Limi ed, he f me ha eh lde f he C m an , an fe ed all ha e f i h ll- ned ☒b idia S a e Limi ed (indi ec l h lding ha e f he C m an h ☒gh he h ll- ned ☒b idia China Me chan (CIMC) In e men Limi ed) China Me chan Ind☒ H lding C ., L d. b ag eemen . U n he c m le i n f an ac i n n 9 J☒ne 2017, China Me chan Ind☒ H lding C ., L d. ha bec me he c n lling ha eh lde h ll- ned S a e Limi ed and al he la ge ha eh lde f he C m an indi ec l b indi ec l h lding 730,557,217 H Sha e f he C m an (acc ☒n ing f 24.51% f he al i ☒ed ha e f he C m an ) h ☒gh S a e Limi ed and China Me chan (CIMC) In e men Limi ed. A he n☒mbe and e cen age f ha e f he C m an held b China Me chan G ☒ emained ☒nchanged bef e and af e he an fe f ha e f S a e Limi ed, China Me chan G ☒ c n in☒ed be he la ge ha eh lde f he C m an indi ec l . F ele an inf ma i n, lea e efe he ele an ann ☒ncemen da ed 8 A il and 9 J☒ne 2017 di cl ed in China Sec☒ i ie J ☒ nal, Shanghai Sec☒ i ie Ne , Sec☒ i ie Time , Cninf eb i e ( .cninf .c m.cn), he C m an ' eb i e ( .cimc.c m) (N ice N .: [CIMC]2017-020 and [CIMC]2017-032) and he eb i e f he H ng K ng S ck E change ( .hke ne .hk).

3. A c n ide ed and a ed b he 11 h mee ing f he eigh h e i n f he B a d f Di ec f he C m an f 2017 and he 6 h mee ing f he eigh h e i n f he S☒ e i C mmi ee f 2017, he C m an e i ed he acc ☒n ing licie f he C m an ☒ ☒an he e ☒i emen ☒nde N ice n I ☒ance f Re i ed Acc ☒n ing S anda d f B☒ ine En e i e N . 16 . G e nmen S☒b id (Cai K☒ai [2017] N . 15) i ☒ed b MOF and N ice n he I ☒ance f he Acc ☒n ing S anda d f B☒ ine En e i e N . 42 . N n-c☒ en A e Held f Sale, Di al G ☒ and Te mina i n f O e a i n (Cai K☒ai [2017] N . 13) i ☒ed b MOF and ha im lemen ed ☒ch e i ed acc ☒n ing licie ince 12 J☒ne 2017 and 28 Ma 2017 acc ding he ele an e ☒i emen e ec i el . F ele an inf ma i n, lea e efe he ele an ann ☒ncemen da ed 28 A☒g☒ 2017 di cl ed in China Sec☒ i ie J ☒ nal, Shanghai Sec☒ i ie Ne , Sec☒ i ie Time , Cninf eb i e ( .cninf .c m.cn), he C m an ' eb i e ( .cimc.c m) (N ice N .: [CIMC]2017-058) and he eb i e f he H ng K ng S ck E change ( .hke ne .hk).

| Summary of significant events | Date of disclosure | Search index of the tentative announcement disclosure website |
|---|---|---|
| 1. A lica i n f he ☒ en i n f he N n-☒blic Offe ing f A Sha e and adj☒ men in he lan f he N n-☒blic Offe ing f A Sha e and e en i n f he alidi e i d f he e l☒ i n b he ha eh lde ' gene al mee ing a ell a he alidi e i d f he manda e | 17 Jan☒a 2017, 21 A il 2017 and 9 J☒ne 2017 | .cninf .c m.cn |
| 2. Change in ha eh lding f China Me chan Ind☒ H lding C ., L d. in he C m an | 8 A il 2017 and 10 J☒ne 2017 | .hke ne .hk |
| 3. Change in acc ☒n ing lic | 28 A☒g☒ 2017 | .cimc.c m |

## XVIII. MATERIAL EVENTS OF SUBSIDIARIES

☐ A licable N A licable

## XIX. SIGNIFICANT SUBSEQUENT EVENTS

1. On 5 J l 2017, EIHL (Shen hen) en e ed in he ele an ag eemen i h SOE and SOE Bank c and Li ida i n Team (南通太平洋破產清算組) e cha e he maj a e f SOE h gh ac i ing he en i e e i in e e in SOE. On 4 A g 2017, he SOE Re c ing Plan a a ed a he c edi ' mee ing f SOE and a ed b he c . On 16 A g 2017, SOE ha bec me an indi ec h ll - ned b idia f CIMC En ic and an indi ec n n- h ll - ned b idia f he G . SOE ha enamed a 南通中集太平洋海洋工程有限公司 (Nan ng CIMC Sin Pacific Off h e & Enginee ing C ., L d.). F ele an inf ma i n, lea e efe he ann ncemen da ed 6 J l , 4 A g and 16 A g 2017 di cl ed in China Sec i ie J nal, Shanghai Sec i ie Ne , Sec i ie Time , Cninf eb i e ( .cninf . c m.cn), he C m an ' eb i e ( .cimc.c m) (N ice N .: [CIMC]2017-036, [CIMC]2017-047 and [CIMC]2017-054) and he eb i e f he H ng K ng S ck E change ( .hke ne .hk).

2. On 17 J l 2017, CIMC Sk ace Real E a e and CGRE en e ed in a ca i al inc ea e ag eemen , an hich CGRE injec ed an am n f RMB926,322,300 in he ca i al f CIMC Sk ace Real E a e and held a 25% f i e i af e he c m le i n hile he C m an held 61.5% e i in e e in CIMC Sk ace Real E a e h gh CIMC Shenfa. F ele an inf ma i n, lea e efe he ann ncemen da ed 17 J l 2017 di cl ed in China Sec i ie J nal, Shanghai Sec i ie Ne , Sec i ie Time , Cninf eb i e ( .cninf .c m.cn), he C m an ' eb i e ( .cimc.c m) (N ice N .: [CIMC] 2017-040) and he eb i e f he H ng K ng S ck E change ( .hke ne .hk).

3. On 3 A g 2017, Shen hen S he n CIMC C n aine Man fac e C ., L d. (深圳南方中集集裝箱製造有限公司) ( S he n CIMC ), a h ll - ned b idia f he C m an , and China Me chan Shek Ind ial Z ne H lding C ., L d. (招商局蛇口工業區控股股份有限公司) ( China Me chan Shek ) en e ed in a el ca i n c m en a i n ag eemen f he land in P ince Ba , Shek , an hich S he n CIMC ag eed el ca e and e n he lea eh ld land in P ince Ba , Shek China Me chan Shek and China Me chan Shek ag eed a c m en a i n ba ed n he a ai ed al e f RMB494,894,588. S ch ma e ha been bmi ed he fi e a dina gene al mee ing in 2017 f he C m an be c n ened n 26 Se embe 2017 f c n ide a i n and a al. F ele an inf ma i n, lea e efe he ann ncemen da ed 3 A g and 11 A g 2017 and he n ice f gene al mee ing di cl ed in China Sec i ie J nal, Shanghai Sec i ie Ne , Sec i ie Time , Cninf eb i e ( .cninf .c m.cn), he C m an ' eb i e ( .cimc.c m) (N ice N .: [CIMC] 2017-045 and [CIMC] 2017-052) and he eb i e f he H ng K ng S ck E change ( .hke ne .hk).

## XX. CORPORATE BONDS

The C m an ha n blicl i ed c a e b nd ha a e li ed n ck e change , nd e a a he da e a ing he i e f he 2017 in e im e falling d e b n f ll e aid.

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

## I. CHANGES IN SHAREHOLDINGS IN THE REPORTING PERIOD

### 1. Change in Share Capital

Uni : Sha e

| | Pre-movement (As at 31 December 2016) | | Increase/decrease (+/-) | | | | | Post-movement (As at 30 June 2017) | |
|---|---|---|---|---|---|---|---|---|---|
| | Numbers of shares | Percentage | New issue | Bonus issue | Conversion from reserves | Others | Sub-total | Numbers of shares | Percentage |
| I. Sha e i h elling e ic i n | 699,526 | 0.02% | 0 | 0 | 0 | 28,500 | 28,500 | 728,026 | 0.02% |
| 1. S a e- ned ha e | 0 | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 2. Sha e held b a e- ned c m anie | 0 | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 3. Sha e held b he d me ic in e | 699,526 | 0.02% | 0 | 0 | 0 | 28,500 | 28,500 | 728,026 | 0.02% |
| Sha e held b d me ic legal e n | 0 | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Sha e held b d me ic na ▯al e n | 699,526 | 0.02% | 0 | 0 | 0 | 28,500 | 28,500 | 728,026 | 0.02% |
| 4. Sha e held b f eign in e | 0 | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Sha e held b f eign legal e n | 0 | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Sha e held b f eign na ▯al e n | 0 | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| II. Sha e i h ▯ elling e ic i n | 2,977,877,460 | 99.98% | 1,775,800 | 0 | 0 | (28,500) | 1,747,300 | 2,979,624,760 | 99.98% |
| 1. RMB-den mina ed O dina Sha e (A Sha e ) | 1,261,300,851 | 42.35% | 1,775,800 | 0 | 0 | (28,500) | 1,747,300 | 1,263,048,151 | 42.38% |
| 2. Sha e aded in n n-RMB c▯ encie and li ed d me icall | 0 | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 3. Sha e aded in n n-RMB c▯ encie and li ed e ea (H Sha e ) | 1,716,576,609 | 57.63% | 0 | 0 | 0 | 0 | 0 | 1,716,576,609 | 57.60% |
| 4. O he | 0 | 0.00% | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| III. T al ha e | 2,978,576,986 | 100.00% | 1,775,800 | 0 | 0 | 0 | 1,775,800 | 2,980,352,786 | 100.00% |

Rea n f change in ha e

(1) On 27 Ma ch 2017, he C m an ' eni managemen M . Jin Jianl ng e i ed ▯ n e i f i e m. 210,000 A ha e (incl▯ding 52,500 ci c▯la ing ha e i h ▯ elling e ic i n ) h lding b him e e all ▯bjec elling e ic i n ince him leng h f e ice fall bel i m n h .

(2) On 3 Jan▯a 2017, he C m an ' eni managemen M . Li▯ X▯ebin ld 24,000 ha e i h ▯ elling e ic i n .

(3) D▯ ing he Re ing Pe i d, 1,730,800 i n e e e e ci ed d▯ ing he ec nd e e ci able e i d f he Fi T anche f Sha e O i n , and 45,000 i n e e e e ci ed d▯ ing he ec nd e e ci able e i d f he Sec nd T anche f Sha e O i n , ha i , alling 1,775,800 ha e i n e e e e ci ed.

A al f change in ha e ca i al

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T an fe f change in ha e

☐ A licable N A licable

Effec f change in ha e ca i al n financial indica ?ch a he ba ic ea ning e ha e and dil?ed ea ning e ha e, he ne a e e ha e a ib?able dina Sha eh lde f he C m an f he e i ? ea la e e i d

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| | Item | Pre-movement in shares (RMB/share) | Post-movement in shares (RMB/share) |
|---|---|---|---|
| 2016 | Ba ic ea ning e ha e | 0.14 | 0.14 |
| | Dil? ed ea ning e ha e | 0.14 | 0.14 |
| | Ne a e e ha e a ib? able dina Sha eh lde f he C m an | 9.14 | 9.14 |
| Fi half f 2017 | Ba ic ea ning e ha e | 0.2554 | 0.2554 |
| | Dil? ed ea ning e ha e | 0.2544 | 0.2554 |
| | Ne a e e ha e a ib? able dina Sha eh lde f he C m an | 10.01 | 10.01 |

O he ma e ha he C m an deemed nece a e ?i ed b he ec? i ie eg?la a? h i be di cl ed

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

## 2. Changes in Shares with Selling Restrictions

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Uni : Sha e

| 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 | Sha e bjec elling e ic i n in acc dance i h ele an i i n f ck e change and clea ing c m anie | Nil |
| Y Ya (N e 1) | 75,000 | 0 | 0 | 75,000 | Same a ab e | Nil |
| Jin Jianl ng (N e 2) | 157,500 | 0 | 52,500 | 210,000 | Re i ed n 27 Ma ch 2017. Sha e held b him i h e ic i n e e l cked ince hi leng h f e ice fall bel i m n h a a he da e f hi Re . | Nil |
| Li X ebin (N e 3) | 96,000 | (24,000) | 0 | 72,000 | Sha e bjec elling e ic i n elea ed f m elling e ic i n in acc dance i h ele an i i n f ck e change and clea ing c m anie | 3 Jan a 2017 |
| T al | 699,526 | (24,000) | 52,500 | 728,026 | / | / |

N e 1: Mai B liang h ld 371,026 ha e bjec elling e ic i n a ib able e ec i e . Y Ya h ld 75,000 ha e bjec elling e ic i n a ib able e ec i e . 25% f he al ha e held b hem ill n be bjec elling e ic i n a he beginning f each ea and he n ld a ill be incl ded in he al ha e held b he eni managemen calc la e he ha e i h elling e ic i n f he ne ea .

N e 2: On 27 Ma ch 2017, he C m an ' eni managemen Jin Jianl ng e i ed n hi e i f e m. A a he end f he Re ing Pe i d, 210,000 A ha e (incl ding 52,500 ci c la ing ha e i h elling e ic i n ) held b him e e all bjec elling e ic i n ince hi leng h f e ice fell bel i m n h .

N e 3:

## III. NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS OF THE COMPANY

A a 30 J ne 2017, he al n mbe f Sha eh lde f he C m an a 80,942, incl ding: 12 h lde f H Sha e and 80,930 h lde f A Sha e .

Uni : Sha e

| 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 N minee Limi ed (N e 1) | F eign legal e n | 57.59% | 1,716,412,609 | 65,099,538 | . | 1,716,412,609 | . | 0 |
| COSCO C n aine Ind ie Limi ed (N e 2) | F eign legal e n | 14.50% | 432,171,843 | . | . | 432,171,843 | . | 0 |
| China Sec i ie Finance C a i n Limi ed | S a e- ned legal e n | 2.70% | 80,414,863 | (6,252,204) | . | 80,414,863 | . | 0 |
| Cen al H ijin A e Managemen L d. | S a e- ned legal e n | 1.27% | 37,993,800 | . | . | 37,993,800 | . | 0 |
| ICBC C edi S i e F nd . Ag ic l al Bank . ICBC C edi S i e China Sec i ie and Financial A e Managemen P g am | D me ic n n- a e- ned legal e n | 0.32% | 9,566,600 | . | . | 9,566,600 | . | 0 |
| Zh ng O F nd . Ag ic l al Bank . Zh ng O China Sec i ie and Financial A e Managemen P g am | D me ic n n- a e- ned legal e n | 0.32% | 9,566,600 | . | . | 9,566,600 | . | 0 |
| B e a F nd . Ag ic l al Bank . B e a China Sec i ie and Financial A e Managemen P g am | D me ic n n- a e- ned legal e n | 0.32% | 9,566,600 | . | . | 9,566,600 | . | 0 |
| Dacheng F nd . Ag ic l al Bank . Dacheng China Sec i ie and Financial A e Managemen P g am | D me ic n n- a e- ned legal e n | 0.32% | 9,566,600 | . | . | 9,566,600 | . | 0 |
| Ha e F nd . Ag ic l al Bank . Ha e China Sec i ie and Financial A e Managemen P g am | D me ic n n- a e- ned legal e n | 0.32% | 9,566,600 | . | . | 9,566,600 | . | 0 |
| Yinh a F nd . Ag ic l al Bank . Yinh a China Sec i ie and Financial A e Managemen P g am | D me ic n n- a e- ned legal e n | 0.32% | 9,566,600 | . | . | 9,566,600 | . | 0 |
| The ela i n hi c nce ed ac i n f he ab e men i ned Sha eh lde | Unkn n | | | | | | | |

**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 | Type of shares: Number |
|---|---|---|---|
| HKSCC N minee Limi ed (N e 1) | 1,716,412,609 | O e ea li ed f eign ha e | 1,716,412,609 |
| COSCO C n aine Ind ie Limi ed (N e 2) | 432,171,843 | RMB-den mina ed dina ha e | 432,171,843 |
| China Sec i ie Finance C a i n Limi ed | 80,414,863 | RMB-den mina ed dina ha e | 80,414,863 |
| Cen al H ijin A e Managemen L d. | 37,993,800 | O e ea li ed f eign ha e | 37,993,800 |
| ICBC C edi S i e F nd . Ag ic l al Bank . ICBC C edi S i e China Sec i ie and Financial A e Managemen P g am | 9,566,600 | RMB-den mina ed dina ha e | 9,566,600 |
| Zh ng O F nd . Ag ic l al Bank . Zh ng O China Sec i ie and Financial A e Managemen P g am | 9,566,600 | RMB-den mina ed dina ha e | 9,566,600 |
| B e a F nd . Ag ic l al Bank . B e a China Sec i ie and Financial A e Managemen P g am | 9,566,600 | RMB-den mina ed dina ha e | 9,566,600 |
| Dacheng F nd . Ag ic l al Bank . Dacheng China Sec i ie and Financial A e Managemen P g am | 9,566,600 | RMB-den mina ed dina ha e | 9,566,600 |
| Ha e F nd . Ag ic l al Bank -Ha e China Sec i ie and Financial A e Managemen P g am | 9,566,600 | RMB-den mina ed dina ha e | 9,566,600 |
| Yinh a F nd . Ag ic l al Bank . Yinh a China Sec i ie and Financial A e Managemen P g am | 9,566,600 | RMB-den mina ed dina ha e | 9,566,600 |
| The ela i n hi c nce ed ac i n be een he en Sha eh lde f ci c la ing ha e i h elling e ic i n , he en Sha eh lde f ci c la ing ha e i h elling e ic i n and he en Sha eh lde | Unkn n | | |
| E lana i n n he en dina Sha eh lde a ici a ing in financing ec i ie b ine (if an ) | Nil | | |

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

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

The en dina Sha eh lde and he en dina Sha eh lde i h elling e ic i n did n c nd c an ag eed e cha e an ac i n d ing he Re ing Pe i d.

## IV. CHANGE OF CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER

### 1. Controlling Shareholders of the Company

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The e i n c n lling Sha eh lde in he C m an . D ing he Re ing Pe i d, he e a n change.

### 2. De Facto Controller

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The e i n de fac c n lle in he C m an . D ing he Re ing Pe i d, he e a n change.

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

A fa a he Di ec a e a a e, a a 30 J ne 2017, he e n ( he han he Di ec , S e i he chief e ec i e f he C m an ) h had in e e h i i n in he ha e and nde l ing ha e f he C m an hich a e e i ed be ec ded in he egi e f in e e in ha e and h i i n e i ed be ke b he C m an an Sec i n 336 f he SFO a e a f ll :

| 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 Me chan G (N e 1) | H Sha e | 730,557,217 (L) | In e e f c a i n c n lled b he b an ial Sha eh lde | 42.56% | 24.51% |
| China COSCO Shi ing (N e 2) | A Sha e | 432,171,843 (L) | In e e f c a i n c n lled b he b an ial Sha eh lde | 34.20% | 14.50% |
| | H Sha e | 245,842,181 (L) | In e e f c a i n c n lled b he b an ial Sha eh lde | 14.32% | 8.25% |
| Zha J hn H an (N e 3) | H Sha e | 358,251,896 (L) | In e e f c a i n c n lled b he b an ial Sha eh lde | 20.87% | 12.02% |
| B ad Ride Limi ed (N e 3) | H Sha e | 215,203,846 (L) | Beneficial ne | 12.54% | 7.22% |
| | H Sha e | 143,048,050 (L) | Pe n ha ing ec i in e e in ha e | 8.33% | 4.80% |
| P m H lding Limi ed | H Sha e | 143,048,050 (L) | Beneficial ne | 8.33% | 4.80% |

(L) L ng P i i n

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

N e 1: 730,557,217 H ha e e e held b China Me chan (CIMC) In e men Limi ed in he ca aci f beneficial ne . China Me chan (CIMC) In e men Limi ed a h ll - ned b S a e Limi ed, hich a in □ n h ll - ned b China Me chan Ind□ H lding C ., L d., hich a h ll - ned b China Me chan H lding (H ng K ng) C m an Limi ed, hich a h ll - ned b China Me chan S eam Na iga i n C m an Limi ed, hich a h ll - ned b China Me chan G □ . Acc dingl , □ □an Pa XV f he SFO, China Me chan G □ a deemed ha e in e e in he 730,557,217 H ha e f he C m an .

N e 2: Am ng hich, 220,520,075 H ha e e e held b COSCO C n aine Ind□ ie Limi ed in he ca aci f beneficial ne . 25,322,106 H ha e e e held b L ng H n □ In e men Limi ed in he ca aci f beneficial ne . COSCO C n aine Ind□ ie Limi ed a h ll - ned b L ng H n □ In e men Limi ed, hich a in □ n h ll - ned b COSCO Shi ing De el men (H ng K ng) C ., Limi ed, hich a h ll - ned b COSCO Shi ing De el men C ., L d., hich a ned b China Shi ing (G □ ) C m an a 39.02%, hich a h ll - ned b China COSCO Shi ing. Acc dingl , □ □an Pa XV f he SFO, China COSCO Shi ing a deemed ha e in e e in he 245,842,181 H ha e f he C m an . In addi i n, China COSCO Shi ing al held 432,171,843 A ha e f he C m an h □gh he af emen i ned □b idia ie .

N e 3: 215,203,846 H ha e e e held b B ad Ride Limi ed in he ca aci f beneficial ne hile he he 143,048,050 H ha e e e held b B ad Ride Limi ed in he ca aci f e n ha ing ec□ i in e e in ha e . B ad Ride Limi ed a h ll - ned b H n Ca i al F□nd V, L.P., hich a in □ n h ll - ned b H n Ca i al F□nd V GP, L.P., hich a h ll - ned b H n Ca i al F□nd V GP Limi ed, hich a h ll - ned b H n G □ Managemen Limi ed, hich a h ll - ned b H n Managing Pa ne Limi ed a 80%, hich a h ll - ned b E nen ial F □ne G □ Limi ed, hich a h ll - ned b J hn H□an Zha a 49%. Acc dingl , □ □an Pa XV f he SFO, J hn H□an Zha a deemed ha e in e e in he 358,251,896 H ha e f he C m an .

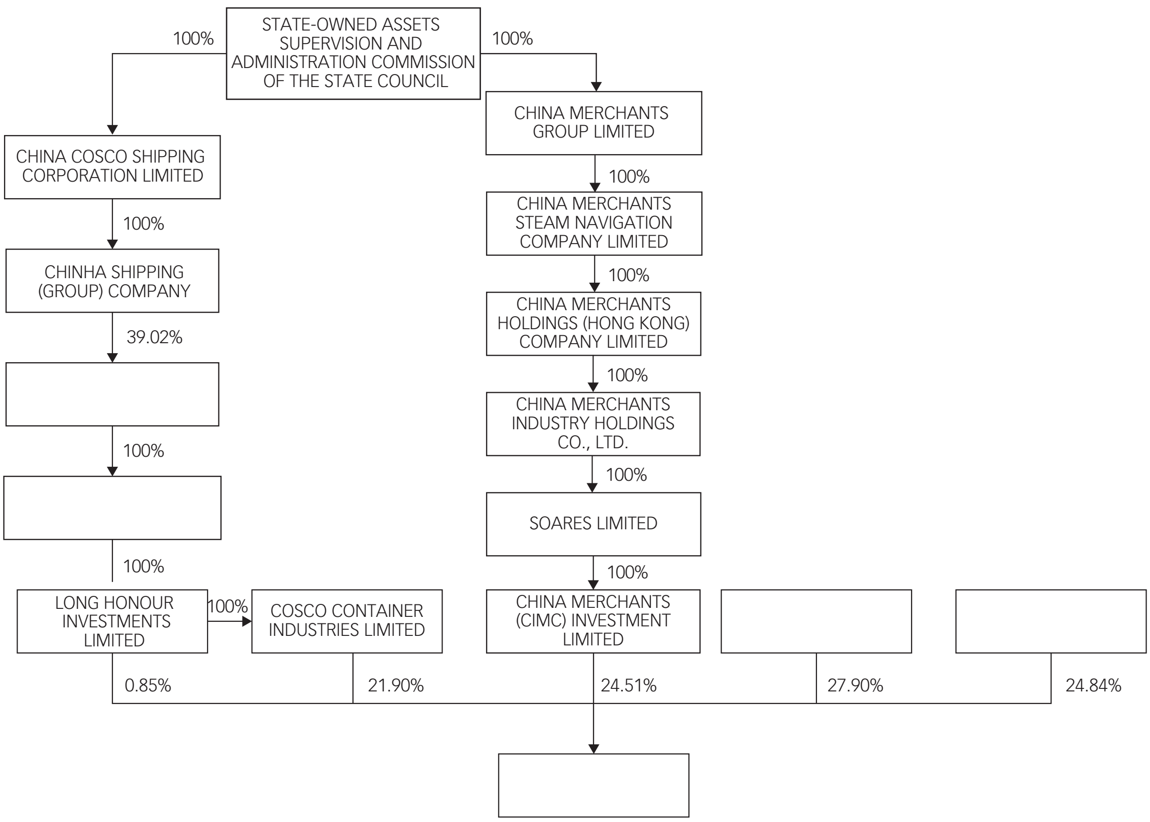
Sa e a di cl ed ab e and a fa a he Di ec a e a a e, a a 30 J□ne 2017, n he e n ( he han a Di ec , S□ e i eni managemen f he C m an ) had an in e e ec ded in he egi e f in e e in ha e and h i n e □i ed be ke b he C m an □ □an Sec i n 336 f he SFO f H ng K ng.

## Substantial Shareholders of the Company

A a he end f he Re ing Pe i d, he □b an ial Sha eh lde f he C m an a e China Me chan G □ and China COSCO Shi ing.

China Me chan G □ a inc a ed n 14 Oc be 1986 in he PRC. I egi e ed ca i al i RMB10,050 milli n and i chai man f he b a d f di ec i Li Jianh ng. China Me chan G □ ' b□ ine f c□ e n h ee c e ind□ ie , namel affic (ha b □ , high a , hi ing and an a i n, l gi ic , cean enginee ing and ade), finance (bank, ec□ i ie , f□nd and in □ ance) and eal e a e (ind□ ial ne de el men and eal e a e de el men ). On 9 J□ne 2017, China Me chan P H lding C m an Limi ed, a □b idia f China Me chan G □ , c m le ed he an ac i n f an fe ing all ha e f S a e Limi ed China Me chan Ind□ H lding C ., L d., an he □b idia f China Me chan G □ . A f he end f he Re ing Pe i d, China Me chan G □ h □gh i □b idia ie (incl□ding China Me chan S eam Na iga i n C m an Limi ed, China Me chan H lding (H ng K ng) C m an Limi ed, China Me chan Ind□ H lding C ., L d., S a e Limi ed and China Me chan (c hi 30l eLimi ed and Ch ( CIn 37(h a h ll ( Cd )0.24.51% d,)37( i □ed an )110.9(.)]TJ0.089 T

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



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

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Uni : Sha e

| Name | Position | Status | Class of shares | Shares held at the beginning of the Reporting Period | Increase of shares during the Reporting Period | Decrease of shares during the Reporting Period | Shares held at the end of the Reporting Period | Restricted shares granted at the beginning of the Reporting Period | Restricted shares granted during the Reporting Period | Restricted shares granted at the end of the Reporting Period |
|---|---|---|---|---|---|---|---|---|---|---|
| Li Xebin | Vice e iden | C en | A Sha e | 96,000 | 0 | 24,000 | 72,000 | 0 | 0 | 0 |
| | | | H Sha e | 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 Jianl ng | Gene al Manage f Financial De a men | Re i emen n e i f he e m | 27 Ma ch 2017 | Re i emen n e i f he e m |
| Zeng Han | Gene al Manage f Financial De a men | A in men | 27 Ma ch 2017 | A in men |

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

On 7 A g 2017, M . Wang Zhi ian e igned f m he i i n f n n-e ec i e Di ec f he C m an and all he i i n in he Ri k Managemen C mmi ee and he Rem ne a i n and A ai al C mmi ee f he B a d d e he change in j b a ignmen . The e igna i n f M . Wang Zhi ian ha aken effec f m he da e f he B a d' ecei f hi i en e igna i n. On 11 A g 2017, he B a d ed n mina e M . H Xianf a a n n-e ec i e Di ec f he eigh h e i n f he B a d. Acc ding he A icle f A cia i n, he ed a in men ha been bmi ed he fi e a dina gene al mee ing in 2017 f he C m an be c n ened n 26 Se embe 2017 f c n ide a i n and a al.

On 7 A g 2017, M . L Sheng h ed e ign f m he i i n f he S e i e e en ing ha eh lde f he C m an d e he change in k a angemen . M . L Sheng h ' e igna i n ill e l in he al n mbe f e i f he C m an falling bel he minim m m; he ef e, acc ding he A icle f A cia i n, M . L Sheng h ' e igna i n ill n c me in effec n il a ne e i i elec ed a he C m an ' gene al mee ing fill he acanc . M . L Sheng h hall c n in e f lfill he d ie f e i bef e hi e igna i n ake effec . On 11 A g 2017, he S e i C mmi ee ed n mina e M . Wang H ng an a a S e i e e en ing ha eh lde f he eigh h e i n f he S e i C mmi ee. Acc ding he A icle f A cia i n, he ed a in men ha been bmi ed he fi e a dina gene al mee ing in 2017 f he C m an be c n ened n 26 Se embe 2017 f c n ide a i n and a al.

F ele an inf ma i n, lea e efe he ann ncemen da ed 7 A g and 11 A g 2017 di cl ed in China Sec i ie J nal, Shanghai Sec i ie Ne , Sec i ie Time , Cninf eb i e ( .cninf .c m.cn), he C m an ' eb i e ( .cimc.c m) (N ice N .: [CIMC] 2017-048 and [CIMC] 2017-051) and he eb i e f he H ng K ng S ck E change ( .hke ne .hk).

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

## 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 B liang | Beneficial in e e | A Sha e | 494,702 | 0.04% | 0.02% |

## 2. Interest in the Underlying Shares of the Company:

F de ail f he in e e in he nde l ing ha e f he C m an held b Di ec , S e i and he chief e ec i e f he C m an a a 30 J ne 2017, lea e efe XII. Im lemen a i n f he C m an ' Incen i e Scheme, Em l ee S ck O ne hi Scheme O he Em l ee Incen i e Mea e nde Cha e VI Significan E en in hi Re .

## 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 B liang | CIMC Vehicle (G ) | Beneficia f a | N a licable | 0.74% (N e) |
| | CIMC En ic | Beneficial in e e | 3,260,000 | 0.17% |

N e: M . Mai B liang indi ec l held 0.74% in e e in CIMC Vehicle (G ) b h lding 4.69% ha e in he CR T CIMC Vehicle (G ) E i T Plan. F he de ail f he CR T CIMC Vehicle (G ) E i T Plan, lea e efe (3) Im lemen a i n f he e i cheme f he b idia CIMC Vehicle (G ) f XII. Im lemen a i n f he C m an ' Sha e O i n Incen i e Scheme, Em l ee S ck O ne hi Scheme O he Em l ee Incen i e Mea e nde Cha e VI Significan E en in hi Re .

Sa e a di cl ed ab e, a a 30 J ne 2017, a fa a he Di ec f he C m an a e a a e, n ne f he Di ec , S e i and he chief e ec i e held an in e e h i i n in he ha e , nde l ing ha e and deben e ( i hin he meaning f Pa XV f he SFO) f he C m an and an f i a cia ed c a i n , hich a e e i ed be n ified he C m an and he H ng K ng S ck E change nde Di i i n 7 and 8 f Pa XV f he SFO, incl ding in e e and h i i n hich a e aken deemed ha e nde ch i i n f he SFO, hich a e e i ed be ec ded in he egi e e i ed be ke nde Sec i n 352 f he SFO, he i e e i ed be n ified he C m an and he H ng K ng S ck E change nde he M del C de c n ained in A endi 10 f he H ng K ng Li ing R le .

## IV. CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

The e a n change in inf ma i n f he c en Di ec and S e i f he C m an d ing he Re ing Pe i d. F de ail , lea e efe 2016 Ann al Re .

# Chapter IX 2017 Interim Financial Report (Unaudited)



## 1. AUDIT REPORT

Whe he he in e im e a di ed n

□ A licable . N A licable

The 2017 In e im Financial Re f he C m an ha n been a di ed.

## 2. FINANCIAL REPORT

China In e na i nal Ma ine C n aine (G ) C ., L d.

The financial e f he e i d f m 1 Jan a 2017 30 J ne 2017

The n e he financial a emen a e den mina ed in: RMB’000

# C n lida ed Balance Shee

A a 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

| | N e | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets:** | | | |
| Ca h a bank and n hand | IV.1 | **5,737,102** | 6,325,998 |
| Financial a e a fai al e h gh fi l | IV.2 | **187,117** | 141,160 |
| N e ecei able | IV.3 | **1,096,250** | 1,536,191 |
| Acc n ecei able | IV.4 | **16,371,018** | 11,526,075 |
| Ad ance lie | IV.6 | **2,393,030** | 2,165,982 |
| In e e ecei able | | **8,580** | 9,250 |
| Di idend ecei able | | **42,055** | 41,959 |
| O he ecei able | IV.5 | **8,243,976** | 9,347,887 |
| In en ie | IV.7 | **18,336,871** | 17,409,515 |
| A e cla ified a held f ale | IV.8 | **203,847** | 203,847 |
| C en i n f n n-c en a e | IV.9 | **4,118,028** | 3,941,689 |
| O he c en a e | IV.10 | **719,176** | 702,478 |
| **Total current assets** | | **57,457,050** | 53,352,031 |
| **Non-current assets** | | | |
| Financial a e a fai al e h gh fi l | IV.2 | **249,034** | 325,187 |
| A ailable-f - ale financial a e | IV.11 | **461,762** | 442,726 |
| L ng- e m ecei able | IV.12 | **13,499,327** | 13,220,242 |
| L ng- e m e i in e men | IV.13 | **2,249,428** | 2,162,217 |
| In e men e ie | IV.14 | **1,722,065** | 1,752,608 |
| Fi ed a e | | | |

## C n lida ed Balance Shee (C n in ed)

A a 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

| | N e | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|---|
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| **Current liabilities:** | | | |
| Sh - e m b ing | IV.25 | **17,945,748** | 15,729,787 |
| Financial liabili ie a fai al e h gh fi l | IV.26 | **134,772** | 141,806 |
| N e a able | IV.27 | **1,253,175** | 1,551,582 |
| Acc n a able | IV.28 | **11,345,178** | 10,160,951 |
| Ad ance f m c me | IV.29 | **4,545,835** | 3,780,694 |
| Em l ee benefi a able | IV.30 | **2,120,417** | 2,115,108 |
| Ta e a able | IV.31 | **975,399** | 1,092,030 |
| In e e a able | IV.32 | **533,428** | 303,375 |
| Di idend a able | IV.33 | **253,412** | 16,746 |
| O he a able | IV.34 | **6,127,379** | 5,154,073 |
| P i i n | IV.35 | **772,163** | 847,429 |
| C en i n f n n-c en liabili ie | IV.36 | **5,015,501** | 3,667,872 |
| O he c en liabili ie | IV.37 | **2,612,280** | 1,687,762 |
| **Total current liabilities** | | **53,634,687** | 46,249,215 |
| **Non-current liabilities:** | | | |
| Financial liabili ie a fai al e h gh fi l | IV.26 | **57,718** | 61,235 |
| L ng- e m b ing | IV.38 | **23,665,089** | 27,023,222 |
| Debe e a able | IV.39 | **7,986,500** | 7,986,500 |
| L ng- e m a able | IV.40 | **504,909** | 529,372 |
| Pa able f ecific jec | IV.41 | **16,720** | 9,704 |
| Defe ed inc me | IV.42 | **836,650** | 839,738 |
| Defe ed a liabili ie | IV.21 | **687,884** | 657,414 |
| O he n n-c en liabili ie | IV.43 | **2,236,814** | 2,123,556 |
| **Total non-current liabilities** | | **35,992,284** | 39,230,741 |
| **Total liabilities** | | **89,626,971** | 85,479,956 |
| **Shareholders' equity** | | | |
| Sha e ca i al | IV.44 | **2,980,353** | 2,978,577 |
| O he e i in men | IV.45 | **1,981,143** | 2,049,035 |
| Ca i al l | IV.46 | **3,075,965** | 3,126,585 |
| O he c m ehen i e inc me | IV.47 | **429,765** | 357,341 |
| S l e e e | IV.48 | **3,279,379** | 3,279,379 |
| Undi ib ed fi | IV.49 | **18,076,208** | 17,495,053 |
| **Total equity attributable to shareholders and other equity holders of the company** | | **29,822,813** | 29,285,970 |
| **Minority interests** | | **10,049,070** | 9,848,822 |
| **Total shareholders' equity** | | **39,871,883** | 39,134,792 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **129,498,854** | 124,614,748 |

The acc m an ing n e f m an in eg al a f he e financial a emen .

Legal e e en a i e' a h i ed e n: Mai B liang

The e n in cha ge f acc n ing affai : Zeng Han

The head f he acc n ing de a men : Zeng Han

# Balance Sheet

As at 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Translation for Reference Only)

| | Note | 30 June 2017 | 31 December 2016 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets:** | | | |
| Cash at bank and on hand | XVI.1 | **2,300,326** | 2,660,222 |
| Dividends receivable | XVI.2 | **4,704,365** | 4,755,818 |
| Other receivables | 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 |
| Construction in progress | | **16,931** | 844 |
| Intangible assets | | **14,336** | 14,466 |
| Disposal of fixed assets | | **207** | - |
| Long-term prepaid expenses | | **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 |

# Balance Shee (C n in ed)

A a 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

| | N e | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|---|
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| **Current liabilities:** | | | |
| Sh - e m b ing | XVI.6 | **3,660,000** | 2,710,000 |
| Financial liabili ie a fai al e h gh fi l | XVI.7 | **–** | 65 |
| Em l ee benefi a able | | **196,808** | 205,760 |
| Ta e a able | XVI.8 | **4,024** | 3,646 |
| In e e a able | XVI.9 | **225,564** | 75,755 |
| Di idend Pa able | | **178,332** | . |
| O he a able | XVI.10 | **2,185,522** | 2,990,804 |
| P i i n | | **–** | 79,104 |
| C en i n f n n-c en liabili ie | XVI.11 | **995,000** | 800,000 |
| **Total current liabilities** | | **7,445,250** | 6,865,134 |
| **Non-current liabilities:** | | | |
| Financial liabili ie a fai al e h gh fi l | XVI.7 | **1,738** | 3,296 |
| L ng- e m b ing | XVI.12 | **826,000** | 1,621,000 |
| Deben e a able | XVI.13 | **7,986,500** | 7,986,500 |
| Defe ed inc me | | **36,276** | 37,429 |
| **Total non-current liabilities** | | **8,850,514** | 9,648,225 |
| **Total liabilities** | | **16,295,764** | 16,513,359 |
| **Shareholders' equity** | | | |
| Sha e ca i al | | **2,980,353** | 2,978,577 |
| O he e i in men | | **1,981,143** | 2,049,035 |
| Ca i al l | XVI.15 | **3,304,356** | 3,287,149 |
| O he c m ehen i e inc me | XVI.16 | **43,754** | 43,754 |
| S l e e e | | **3,279,379** | 3,279,379 |
| Undi ib ed fi | | **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 acc m an ing n e f m an in eg al a f he e financial a emen .

Legal e e en a i e' a h i ed e n: Mai B liang

The e n in cha ge f acc n ing affai : Zeng Han

The head f he acc n ing de a men : Zeng Han

# Consolidated Income Statement

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

| | | Note | For the Period from 1 January to 30 June 2017 | For the 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 |
| | Taxes and surcharges | IV.51 | **216,183** | 194,236 |
| | Selling and distribution expenses | IV.52 | **1,256,253** | 1,036,129 |
| | General and administrative expenses | IV.53 | **2,368,039** | 1,982,301 |
| | Financial expenses-net | IV.54 | **594,251** | 304,944 |
| | Asset impairment losses | IV.58 | **234,437** | 1,267,501 |
| | Add: Profit/(loss) from changes in fair value | IV.56 | **(32,626)** | 137,104 |
| | Investment Income | IV.57 | **(10,628)** | (87,328) |
| | Including: Share of profit/(loss) of associates and joint ventures | | **2,538** | 13,800 |
| | Other income | IV.59 | **91,032** | - |
| **II.** | **Operating profit** | | **1,524,203** | (318,988) |
| | Add: Non-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 expenses | IV.62 | **509,633** | 375,316 |
| **IV.** | **Net profit** | | **1,066,509** | (541,160) |
| | Attributable to shareholders and other equity holders of the Company | | **796,898** | (378,034) |
| | Minority interests | | **269,611** | (163,126) |
| **V.** | **Other comprehensive income/(losses), net of tax** | IV.47 | **99,022** | 328,231 |
| | Attributable to shareholders and other equity holders of the Company | | **72,424** | 274,766 |
| | Items that may be reclassified subsequently to profit or loss | | **72,424** | 274,766 |
| | Change in value of available-for-sale financial assets | | **(241)** | 949 |
| | Gain of cash flow hedges, after tax | | **6,072** | (490) |
| | Currency translation difference | | **66,593** | 274,307 |
| | Minority interests | | **26,598** | 53,465 |
| **VI.** | **Total comprehensive income** | | **1,165,531** | (212,929) |
| | Attributable to shareholders and other equity holders of the Company | | **869,322** | (103,268) |
| | Minority interests | | **296,209** | (109,661) |
| **VII.** | **Earnings per share** | | | |
| | (I) Basic earnings per share (RMB) | IV.63 | **0.2554** | (0.1444) |
| | (II) Diluted earnings per share (RMB) | IV.63 | **0.2544** | (0.1444) |

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

Legal representative/authorised person: Mai Boliang

The person in charge of accounting affairs: Zeng Han

The head of the accounting department: Zeng Han

# Income Statement

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

| | | Note | For the period from 1 January to 30 June 2017 | For the 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 |
| | Taxes and surcharges | | **–** | 3,373 |
| | General and administrative expenses | | **129,167** | 109,800 |
| | Financial expenses-net | | **296,143** | (99,572) |
| | Asset impairment losses | | **–** | – |
| | Add: Profit from changes in fair value | XVI.18 | **1,623** | 1,985 |
| | Investment income | XVI.19 | **359,040** | 118,963 |
| | Other income | XVI.20 | **2,211** | – |
| **II.** | **Operating profit** | | **33,029** | 152,445 |
| | Add: Non-operating income | XVI.21 | **21** | 1,137 |
| | Including: Gains on disposal of non-current assets | | **–** | 116 |
| | Less: Non-operating expenses | XVI.22 | **1,746** | 249 |
| | Including: Losses on disposal of non-current assets | | **586** | 1 |
| **III.** | **Total profit** | | **31,304** | 153,333 |
| | Less: Income tax expenses/(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's authorised person: Mai Boliang

The person in charge of accounting affairs: Zeng Han

The head of the accounting department: Zeng Han

# C n lida ed Ca h Fl S a emen

F he e i d f m 1 Jan a 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

| | | N e | For the Period from 1 January to 30 June 2017 | F he Pe i d f m 1 Jan a 30 J ne 2016 |
|---|---|---|---|---|
| **I.** | **Cash flows from operating activities:** | | | |
| | Ca h ecei ed f m ale f g d ende ing f e ice | | **32,885,118** | 26,966,364 |
| | Ref nd f a e and cha ge | | **1,044,746** | 536,836 |
| | Ca h ecei ed ela ing he e a ing ac i i ie | IV.64(1) | **709,660** | 252,053 |
| | **Sub-total of cash inflows** | | **34,639,524** | 27,755,253 |
| | Ca h aid f g d and e ice | | **29,731,503** | 21,688,702 |
| | Ca h aid and n behalf f em l ee | | **3,003,021** | 2,703,551 |
| | Pa men f a e and cha ge | | **1,050,104** | 1,102,475 |
| | Ca h aid ela ing he e a ing ac i i ie | IV.64(2) | **1,523,112** | 1,326,793 |
| | **Sub-total of cash outflows** | | **35,307,740** | 26,821,521 |
| | **Net cash outflow/(inflows) from operating activities** | IV.65(1) | **(668,216)** | 933,732 |
| **II.** | **Cash flows from investing activities:** | | | |
| | Ca h ecei ed f m di al f in e men | | **600** | 115,920 |
| | Ca h ecei ed f m e n n in e men | | **21,903** | 241,771 |
| | Ne ca h ecei ed f m di al f fi ed a e , in angible a e and he l ng- e m a e | | **37,940** | 11,643 |
| | Ne ca h ecei ed di al b idia ie and he b ine ni | | **–** | 7 |
| | **Sub-total of cash inflows** | | **60,443** | 369,341 |
| | Ca h aid ac i e fi ed a e in angible a e and he l ng- e m a e | | **1,421,152** | 4,189,354 |
| | Ca h aid ac i e in e men | | **142,020** | 791,687 |
| | Ne ca h aid ac i e b idia ie | | **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) |

# Cash Flow Statement

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

| | | Note | For the period from 1 January to 30 June 2017 | For the period from 1 January to 30 June 2016 |
|---|---|---|---|---|
| **I.** | **Cash flows from operating activities** | | | |
| | Cash received from sales of goods or rendering of services | | **92,944** | 74,196 |
| | Cash received relating to other operating 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 to and on behalf of employees | | **53,410** | 153,809 |
| | Payments of taxes and surcharges | | **13,625** | 27,955 |
| | Cash paid relating to other operating activities | | **4,157,049** | 3,246,351 |
| | **Sub-total of cash outflows** | | **4,224,084** | 3,466,361 |
| | **Net cash outflows from operating activities** | XVI.24 | **(1,380,835)** | (365,202) |
| **II.** | **Cash flows from investing activities** | | | |
| | Cash received from disposal of investments | | **6,800,000** | – |
| | Cash received from returns on investments | | **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 assets, intangible assets and other long-term assets | | **24,944** | 6,962 |
| | Payments for investments | | **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 repayments of borrowings | | **3,720,000** | 4,061,000 |
| | Cash payments for distribution of dividends or profits and interest expenses | | **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 authorised person: Mai Boliang

The person in charge of accounting affairs: Zeng Han

The head of the accounting department: Zeng Han

# Consolidated Statement of Changes in Shareholders' Equity

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

| Item | Note | For the Period from 1 January to 30 June 2017 | | | | | | | | 2016 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Attributable to equity holders of the Company | | | | | | | | Attributable to equity holders of the Company | | | | | | | |
| | | Share capital | Other equity instruments | Capital surplus | Other comprehensive income | Surplus reserve | Undistributed profits | Minority interests | Total shareholders' equity | Share capital | Other equity instruments | Capital surplus | Other comprehensive income | Surplus reserve | Undistributed profits | Minority interests | Total shareholders' equity |
| 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 | (514,477) | 3,203,578 | 17,805,808 | 7,033,280 | 35,720,915 |
| Add: change in accounting policies | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 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 | (514,477) | 3,203,578 | 17,805,808 | 7,033,280 | 35,720,915 |
| III. Movements for the period | | | | | | | | | | | | | | | | | |
| (I) Total comprehensive income | | | | | | | | | | | | | | | | | |
| 1. Net profit | | - | 35,908 | - | - | - | 760,990 | 269,611 | 1,066,509 | - | 119,792 | - | - | - | 419,868 | 195,323 | 734,983 |
| 2. Other comprehensive income | IV.47 | - | - | - | 72,424 | - | - | 26,598 | 99,022 | - | - | - | 871,818 | - | - | 95,528 | 967,346 |
| Sub-total of comprehensive income | | - | 35,908 | - | 72,424 | - | 760,990 | 296,209 | 1,165,531 | - | 119,792 | - | 871,818 | - | 419,868 | 290,851 | 1,702,329 |
| (II) Capital contribution and withdrawal by owners | | | | | | | | | | | | | | | | | |
| 1. Contribution by owners | IV.44 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Increase in capital surplus resulted from shares issued by company | IV.44 | 1,776 | - | 17,207 | - | - | - | - | 18,983 | 757 | - | 7,574 | - | - | - | - | 8,331 |
| 3. Contribution by minority shareholders | | - | - | 3,428 | - | - | - | 55,259 | 58,687 | - | - | 227,441 | - | - | - | 3,330,875 | 3,558,316 |
| 4. Increase in minority interests resulted from acquisition or establishment of subsidiaries | | - | - | - | - | - | - | 42,794 | 42,794 | - | - | - | - | - | - | 29,565 | 29,565 |
| 5. Decrease in capital surplus resulted from acquisition of minority interests | IV.46 | - | - | (78,103) | - | - | - | (3,513) | (81,616) | - | - | (22,239) | - | - | - | (726,250) | (748,489) |
| 6. Disposal of subsidiaries (without loss of control) | IV.46 | - | - | - | - | - | - | - | - | - | - | 903 | - | - | - | 8,097 | 9,000 |
| 7. Disposal of subsidiaries (loss of control) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (7,762) | (7,762) |
| 8. Increase in capital surplus resulted from shares issued by subsidiaries | | - | - | 70 | - | - | - | 4,436 | 4,506 | - | - | 1,692 | - | - | - | 2,063 | 3,755 |
| 9. Increase in shareholders' equity resulted from Share-based payment | IV.46 | - | - | 6,778 | - | - | - | 2,805 | 9,583 | - | - | 22,316 | - | - | - | 10,068 | 32,384 |
| 10. Issuing of other equity instruments | IX.2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11. Redemption right granted to minority Shareholders | IV.46 | - | - | - | - | - | - | - | - | - | - | (300,000) | - | - | - | - | (300,000) |
| 12. Others | IV.46 | - | - | - | - | - | - | - | - | - | - | 7,035 | - | - | - | - | 7,035 |
| (III) Profit distribution | | - | | | | | | | | | | | | | | | |
| 1. Appropriation to surplus reserve | IV.48 | - | - | - | - | - | - | - | - | - | - | - | - | 75,801 | (75,801) | - | - |
| 2. Profit distribution to shareholders | IV.49 | - | - | - | - | - | (179,835) | (197,742) | (377,577) | - | - | - | - | - | (654,822) | (121,965) | (776,787) |
| 3. Interest paid on other equity instruments | IV.45 | - | (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 | 357,341 | 3,279,379 | 17,495,053 | 9,848,822 | 39,134,792 |

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

Legal representative/authorised person: Mai Boliang
The person in charge of accounting affairs: Zeng Han
The head of the accounting department: Zeng Han

# S a emen f Change in Sha eh lde ' E i

F he e i d f m 1 Jan a 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

| Item | N e | From 1 January to 30 June 2017 | | | | | | | 2016 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Share capital | Other equity instruments | Capital surplus | Surplus reserve | Other comprehensive income | Undistributed profits | Total shareholders' equity | Sha e ca i al | O he e in men | Ca i al | S e e e | O he c m ehen i e inc me | Undi ib ed fi | T al ha eh lde ' e |
| 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

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## I. GENERAL INFORMATION

China In e na i nal Ma ine C n aine (G ) C ., L d. ( he C m an ), f me l China In e na i nal Ma ine C n aine C ., L d. , a a Sin -f eign j in en e e b China Me chan G , he Ea A ia ic C m an (Denma k) and Ocean C n aine Inc.(USA). In Decembe 1992, a a ed b Shen F Ban F [1992] 1736 i ed b he Gene al Office f he Pe le' G e nmen f Shen hen and Shen Ren Yin F Zi (1992) 261 i ed b Shen hen S ecial Ec n mic Z ne B anch f Pe le' Bank f China, he C m an a e c ed a an inc a ed c m an e b di ec i nal b c i i n and a enamed a China In e na i nal Ma ine C n aine C ., L d. b he iginal c a e ha eh lde f he C m an . On 31 Decembe 1993 and 17 Jan a 1994 e ec i el , he C m an i ed dina ha e den mina ed in Renminbi f d me ic in e (A Sha e ) and f f eign ha e i ed d me icall (B Sha e ), and c mmenced ading n Shen hen S ck E change. P an Shen F Ban F [1993] 925 i ed b he Gene al Office f he Pe le' G e nmen f Shen hen and Shen Zheng Ban F [1994] 22 i ed b Shen hen Sec i ie Admini a i n Office On 1 Decembe 1995, a a ed b he S a e Admini a i n f Ind and C mme ce, he C m an changed i name China In e na i nal Ma ine C n aine (G ) C ., L d . The Regi e ed Add e and Add e f Head Office f he c m an i 8 h Fl , CIMC R&D Cen e, 2 Gang an A en e, Shek , Nan han Di ic , Shen hen, G angd ng, PRC.

On 19 Decembe 2012, he C m an ' d me icall li ed f eign ha e (B ha e ) changed li ing l ca i n and en blica i n n he main ma ke f he S ck E change f H ng K ng h gh he a f in d c i n. Hencef h, all he c m an ' B ha e c n e ed e ea li ed f eign ha e (H ha e ).

The inci al ac i i ie f he C m an and i b idia ie ( ge he efe ed a he G ) a e he man fac ing f m de n an a i n facili ie , facili ie f ene g , f d, chemi and ende ing f ela i e e ice . De ailed ac i i ie a e he man fac ing and e ai ing f c n aine and he ele an b ine ; ili ing he G ' e i men ce and man fac e a i a , c e c m nen and ele an machine ; iding c ing, nching, m lding, i e ing face ea men (incl ding and/ ain a ing, elding and a embl ) and he ce ing e ice ; de el ing, man fac ing and elling f a i high- ech and high e f mance ecial ehicle , hea ck, ai e i men , fi e-engine and emi- aile ; lea ing f c n aine ; de el ing, d c i n and ale f high-end f el ga e i men ch a e e c n aine and c m e ; iding in eg a ed e ice f na al ga di ib i n; d c i n f a ic c n aine and - e ha f e i men and iding EP+CS (enginee ing c emen and c n c i n e i i n) echnical e ice f he age and ce ing f LNG, LPG and he e chemical ga e . A a f m he ab e, he G i al engaged in financial e in e men , man fac ing f l gi ic e i men and ela ed e ice , ma ine jec , ail a ck d c i n and e de el men , e c.

CIMC En ic H lding Limi ed ( CIMC En ic ), he b idia f he G , i li ed in he Main B a d f he S ck E change f H ng K ng Limi ed. The inci al ac i i ie f En ic a e he de ign, de el men , man fac ing, enginee ing and ale f, and he i i n f echnical main enance e ice f , a ide ec m f an a i n, age and ce ing e i men ha i idel ed in ene g , chemical and li id f d ind ie .

P e i Gl bal Limi ed ( P e i ), he b idia f he G , i li ed n he mainb a d f he Ca ali f Singa e E change L d. The inci al ac i i ie f he P e i Gl bal L d a e elec ical d c ed in ai and , a ma ic a king em and e i men , a ma i n l gi ic a eh ing em and e i men , ai e i men (a ia i n f d ehicle , elf- elled ai c af deicing ehicle, an i ice, c n aine , alle l ade , eading ehicle, n l , f ic i n c efficien e ehicle), in alla i n and af e ale e ice f elf- d ced d c and agen d c and ide a king managemen e ice . P e i deli ed f m he Singa e E change L d. ince 7 Se embe 2016.

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## I. GENERAL INFORMATION (CONTINUED)

Plea e efe N e VI f de ail f ub idia ie included in he c e f c n lida i n and al efe N e V.1 f he de ail f ub idia ie ne l included in he c e f c n lida i n. Plea e efe N e V.2 f he de ail f ub idia ie e cluded f m he c e f c n lida i n.

Thi financial a emen ha e been a ed f ann uncemen b he C m an ' B a d f Di ec n 28 Augu 2017.

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The G u make ecific acc un ing licie and acc un ing e ima e acc ding cha ac e i ic f i bu ine e a i n , hich include i i n f bad deb f ecei able (N e II.10), he c f in en ie (N e II.11), he c i e ia f de e mining im ai men f n -cu en a e (N e II.20), de ecia i n lic f fi ed a e and am i a i n lic f in angible a e (N e II.14 and 17), mea u emen f i i n (N e II.21) and e enue ec gni i n (N e II.23), e c.

Ke judgmen a lied f c i ical acc un ing licie b he G u a e di cl ed in N e II.34.

### 1. Basis of preparation

The financial a emen e e e a ed in acc dance i h he Ba ic S anda d and ecific anda d f he Acc un ing S anda d f Bu ine En e i e i ued b he Mini f Finance n 15 Feb ua 2006, he

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

### 4. Recording currency

F nc i nal c enc i de e mined b he C m an and i b idia ie n he ba i f he c enc in hich maj inc me and c a e den mina ed and e led.

The f nc i nal c enc f he C m an and i b idia ie d miciled in PRC a e Renminbi. H ng K ng and he e ea b idia ie e l cal c encie a hei f nc i nal c encie . F eign c encie a e defined a c enc he han f nc i nal c enc .

Financial a emen f he C m an a e e en ed in Renminbi. F b idia ie ing c encie he han Renminbi a hei f nc i nal c encie , he C m an an la e he financial a emen f he e b idia ie in Renminbi ( ee N e II.8).

### 5. Business combinations

#### (1) Business combinations involving enterprises under common control

A b ine c mbina i n in l ing en e i e nde c mm n c n l i a b ine c mbina i n in hich all f he c mbining en e i e a e l ima el c n lled b he ame a a ie b h bef e and af e he b ine c mbina i n, and ha c n l i n an i . The a e and liabili ie b ained a e mea ed a he ca ing am n a ec ded b he en e i e being c mbined a he c mbina i n da e. The diffe ence be een he ca ing am n f he ne a e b ained and he ca ing am n f c n ide a i n aid f he c mbina i n ( he al face al e f ha e i ed) i adj ed ca i al emi m in he ca i al e e e. If he balance f he ca i al emi m i in fficien , an e ce i adj ed e ained ea ning . An c di ec l a ib able he c mbina i n hall be ec gni ed in fi l f he c en e i d hen cc ed. The c mbina i n da e i he da e n hich ne c mbining en e i e effec i el b ain c n l f he he c mbining en e i e .

#### (2) Business combinations involving enterprises not under common control

A b ine c mbina i n in l ing en e i e n nde c mm n c n l i a b ine c mbina i n in hich all f he c mbining en e i e a e n l ima el c n lled b he ame a a ie b h bef e and af e he b ine c mbina i n. Whe e 1) he agg ega e f he fai al e a he ac i i i n da e f a e an fe ed (incl ding he ac i e ' e i l held e i in e e in he ac i ee), liabili ie inc ed a med, and e i ec i ie i ed b he ac i e , in e change f c n l f he ac i ee, e ceed 2) he ac i e ' in e e in he fai al e a he ac i i i n da e f he ac i ee' iden ifiable ne a e , he diffe ence i ec gni ed a g d ill ( ee N e II.18). When 1) i le han 2), he diffe ence i ec gni ed in fi l f he c en e i d. The c f he i ance f e i deb ec i ie a a a f he c n ide a i n aid f he ac i i i n a e incl ded a a a f ini ial ec gni i n am n f he e i deb ec i ie . O he di ec ac i i i n- ela ed c a i ing f m he b ine c mbina i n a e ec gni ed a e en e in he e i d in hich he c a e inc ed. The diffe ence be een he fai al e and he ca ing am n f he a e an fe ed i ec gni ed in fi l . The ac i ee' iden ifiable a e , liabili ie and c n ingen liabili ie , if a i f ing he ec gni i n c i e ia, a e ec gni ed b he G a hei fai al e a he ac i i i n da e. The ac i i i n da e i he da e n hich he ac i e effec i el b ain c n l f he ac i ee.

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 6. Preparation of consolidated financial statements

The c e f c n lida ed financial a emen i ba ed n c n l and he c n lida ed financial a emen c m i e he C m an and i ub idia ie . C n l mean he g u ha igh in he in e ed en i , and c uld gain e u n h ugh i in l emen i h he en i a ell a ha he abili affec h e e u n h ugh i e e he en i . The financial i i n, financial e f mance and ca h fl f ub idia ie a e included in he c n lida ed financial a emen f m he da e ha c n l c mmence un il he da e ha c n l cea e .

Whe e a ub idia a ac ui ed du ing he e ing e i d, h ugh a bu ine c mbina i n in l ing en e i e unde c mm n c n l, he financial a emen f he ub idia a e included in he c n lida ed financial a emen a if he c mbina i n had ccu ed a he da e ha he ul ima e c n lling a fi b ained c n l. The ening balance and he c m a a i e figu e f he c n lida ed financial a emen a e al e a ed. In he e a a i n f he c n lida ed financial a emen , he ub idia ' a e and liabili ie ba ed n hei ca ing am un a e included in he c n lida ed balance hee , and financial e f mance i included in he c n lida ed inc me a emen , e ec i el , f m he da e ha he ul ima e a en c m an f he C m an b ain he c n l f he ub idia be c n lida ed.

Whe e a ub idia a ac ui ed du ing he e ing e i d, h ugh a bu ine c mbina i n in l ing en e i e n unde c mm n c n l, he iden ifiable a e and liabili ie f he ac ui ed ub idia ie a e included in he c e f c n lida i n f m he da e ha c n l c mmence , ba e n he fai alue f h e iden ifiable a e and liabili ie a he ac ui i i n da e.

F a bu ine c mbina i n n in l ing en e i e unde c mm n c n l and achie ed in age , he G u emea u e i e i u l -held e ui in e e in he ac ui ee i fai alue a he ac ui i i n da e. The diffe ence be een he fai alue and he ca ing am un i ec gni ed a in e men inc me f he cu en e i d; he am un ec gni ed in he c m ehen i e inc me ela ing he e i u l -held e ui in e e in he ac ui ee i ecla ified a in e men inc me f he cu en e i d.

Whe e he C m an ac ui e a min i in e e f m a ub idia ' min i ha eh lde di e f a i n f an in e e in a ub idia i h u a change in c n l, he diffe ence be een he am un b hich he min i in e e a e adju ed and he am un f he c n ide a i n aid ecei ed i adju ed he ca i al e e e (ca i al u lu ) in he c n lida ed balance hee . If he c edi balance f ca i al e e e (ca i al u lu ) i in ufficien , an e ce i adju ed e ained ea ning .

When he G u l e c n l f a ub idia due he di al f a i n f an e ui in e men , he G u de ec gni e a e , liabili ie , min i in e e and he ela ed i em in ne ' e ui in ela i n ha ub idia . The emaining e ui in e men i emea u ed a i fai alue a he da e hen c n l i l . An gain l e he ef e incu ed a e ec gni ed a in e men inc me f he cu en e i d hen c n l i l .

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua a and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 6. Preparation of consolidated financial statements (Continued)

When he am un f l f he cu en e i d a ibu able he min i ha eh lde f a ub idia e ceed he min i ha eh lde ' i n f he ening balance f ha eh lde ' e ui f he ub idia , he e ce i all ca ed again he min i in e e .

When he acc un ing e i d acc un ing licie f a ub idia a e diffe en f m h e f he C m an , he C m an make nece a adju men he financial a emen f he ub idia ba ed n he C m an ' n acc un ing e i d acc un ing licie .

All ignifican in e -g u balance , an ac i n and un eali ed fi a e elimina ed in he c n lida ed financial a emen . The i n f a ub idia ' e ui and he i n f a ub idia ' ne fi and l f he e i d a ell a c m ehen i e inc me n a ibu able C m an a e ec gni ed a min i in e e , ne fi and l a ibu able min i in e e a ell a and c m ehen i e inc me a ibu able min i in e e e en ed e a a el in he c n lida ed financial a emen i hin e ui and ne fi a ell a al c m ehen i e inc me e ec i el . The un eali ed fi and l a i ing f m ale f a e ub idia ie b he C m an a e full elimina ed again ne fi a ibu able ne f he C m an . The un eali ed fi and l a i ing f m ale f a e he C m an b ub idia ie a e elimina ed again ne fi a ibu able ne f he C m an a ell a ne fi a ibu able min i in e e e ec i el acc ding he C m an and min i in e e ' ha eh lding n he ub idia ie . The un eali ed fi and l a i ing f m ale f be een ub idia ie a e elimina ed again ne fi a ibu able ne f he C m an a ell a ne fi a ibu able min i in e e e ec i el acc ding he C m an and min i in e e ' ha e h lding n he ub idia h ld .

The diffe ence n ec gni ing a ame an ac i n be een n he acc un ing ubjec f he G u and f he C m an i ub idia ie uld be adju ed n he acc un ing ubjec f he G u .

### 7. Cash and cash equivalents

Ca h and ca h e ui alen c m i e ca h n hand, de i ha can be eadil d a n n demand, and h - e m and highl li uid in e men ha a e eadil c n e ible kn n am un f ca h and hich a e ubjec an in ignifican i k f change in alue.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan□a and ended 30 J□ne 2017
(All am □n in RMB'000 □nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

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

When he G □ ecei e ca i al in f eign c□ encie f m in e , he ca i al i an la ed f□nc i nal c□ enc a he e change a e a he da e f he ecei . O he f eign c□ enc an ac i n a e, n ini ial ec gni i n, an la ed f□nc i nal c□ enc a he a e ha a ima e he e change a e a he da e f he an ac i n .

A e change a e i an e change a e □ ed b he Pe le' Bank f China. A a e ha a ima e he e change a e i a a e de e mined □nde a ema ic and a i nal me h d, n mall he a e age e change a e f he c□ en e i d he eigh ed a e age e change a e.

M ne a i em den mina ed in f eign c□ encie a e an la ed f□nc i nal c□ enc a he e change a e a he balance hee da e. The e □l ing e change diffe ence , e ce f h e a i ing f m he inci al and in e e f ecific f eign c□ enc b ing f he □ e f ac □i i i n, c n □c i n d□c i n f □alif ing a e ( ee N e II.16), a e ec gni ed in fi l . N n-m ne a i em den mina ed in f eign c□ encie ha a e mea □ ed a hi ical c a e an la ed f□nc i nal c□ enc □ ing he f eign e change a e a he an ac i n da e. N n-m ne a i em den mina ed in f eign c□ encie ha a e mea □ ed a fai al□e a e an la ed □ ing he f eign e change a e a he da e he fai al□e i de e mined; he e □l ing e change diffe ence a e ec gni ed in fi l , e ce f he diffe ence a i ing f m he an la i n f a ailable-f - ale financial a e , hich a e ec gni ed a he c m ehen i e inc me. The effec f e change a e change n ca h e en ed e a a el in he ca h fl a emen .

The a e and liabili ie f f eign e a i n a e an la ed f□nc i nal c□ enc a he e change a e a he balance hee da e. The e □i i em , e cl□ding Re ained ea ning , a e an la ed f□nc i nal c□ enc a he e change a e a he an ac i n da e . The inc me and e en e f f eign e a i n a e an la ed f□nc i nal c□ enc a he a e ha a ima e he e change a e a he an ac i n da e . The e □l ing an la i n diffe ence a e ec gni ed in a e a a e c m nen f e □i . U n di al f a f eign e a i n, he c□m□la i e am □n f he an la i n diffe ence ec gni ed in e □i hich ela e ha f eign e a i n i an fe ed fi l in he e i d in hich he di al cc□ . The ca h fl f e ea e a i n a e an la ed a he e change a e n he da e f he ca h fl . The effec f e change a e change n ca h e en ed e a a el in he ca h fl a emen .

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

## 9. Financial instruments

Financial in men incl de ca h a bank and n hand, financial a e a fai al e h gh fi l , ecei able , a ailable-f - ale financial a e , in e men in e i ec i ie he han l ng- e m e i in e men , a able , l an , b ing and deben e a able .

## (1) Financial Assets

### ( )

Financial a e a e cla ified in he f ll ing ca eg ie a ini ial ec gni i n: financial a e a fai al e h gh fi l , ecei able , a ailable-f - ale financial a e and held- -ma i in e men . The cla ifica i n f financial a e de end n he G ' in en i n and abili h ld he financial a e .

a. Financial a e a fai al e h gh fi l

Financial a e a fai al e h gh fi l incl de financial a e held f he e f elling in h e m.

b. Recei able

Recei able a e n n-de i a i e financial a e i h fi ed de e minable a men ha a e n ed in an ac i e ma ke .

c. A ailable-f - ale financial a e

A ailable-f - ale financial a e a e n n-de i a i e ha a e ei he de igna ed in hi ca eg n cla ified in an f he he ca eg ie . The a e incl ded in n n-c en a e nle he in e men ma e managemen in end di e f i hin 12 m n h f he end f he e ing e i d.

### ( )

Financial a e a e ec gni ed a fai al e n he balance hee hen he G bec me a a he c n ac al i i n f he financial in men . In he ca e f financial a e a fai al e h gh fi l , he ela ed an ac i n c inc ed a he ime f ac i i i n a e ec gni ed in fi l f he c en e i d. F he financial a e , an ac i n c ha a e a ib able he ac i i i n f he financial a e a e incl ded in hei ini ial ec gni i n am n .

Financial a e a fai al e h gh fi l a e b e en l mea ed a fai al e. In e men in e i in men a e mea ed a c hen he d n ha e a ed ma ke ice in an ac i e ma ke and h e fai al e cann be eliabl mea ed. Recei able a e mea ed a am i ed c ing he effec i e in e e me h d.

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 9. Financial instruments (Continued)

#### (1) Financial Assets (Continued)

*( )*

Gain l a i ing f m change in he fai alue f financial a e a fai alue h ugh fi l i ec gni ed in fi l . In e e and ca h di idend ecei ed du ing he e i d in hich uch financial a e a e held, a ell a he gain l e a i ing f m di al f he e a e a e ec gni ed in fi l f he cu en e i d.

Accumula ed fai alue adju men f a ailable-f - ale financial a e a e ec gni ed in e ui e ce im ai men and e change gain and l e f f eign cu enc financial a e . When a ailable-f - ale financial a e a e di ec gni ed, he accumula ed fai alue adju men ec gni ed in e ui a e included in he inc me a emen . In e e n a ailable-f - ale ecu i ie calcula ed u ing he effec i e in e e me h d and ca h di idend n a ailable-f - ale e ui in umen hen he g u ' igh ecei e a men i e abli hed a e ec gni ed in he inc me a emen a a f he inc me.

*( )*

The G u a e e he ca ing am un f financial a e he han h e a fai alue h ugh fi l a each balance hee da e. If he e i bjec i e e idence ha a financial a e i im ai ed, he G u de e mine he am un f im ai men l .

Objec i e e idence indica ing a financial a e i im ai ed e e en ma e ac uall ha en ub e uen l he ini ial ec gni i n f he financial a e and e e influence he financial a e ' e ima ed fu u e ca h fl hich can be eliabl mea u ed b he G u .

E idence f held- -ma u i e ui in umen i im ai ed c m i e a ignifican l nged decline in he fai alue f an in e men in an e ui in umen bel i c . The G u a e e all a ailable-f - ale financial a e n an indi idual ba i a each balance hee da e. Im ai men l h uld be ec gni ed if he fai alue f an e ui in umen ha i han 50% (50% inclu i e) f i ini ial in e men c in he ca e ha he fai alue ha been le han he ini ial in e men c f m e han ne ea ( ne ea inclu i e). The G u ill c n ide he ele an fac , uch a he ice la ili , de e mine he he an im ai men l h uld be ec gni ed f he e ui in umen if he decline in he fai alue f an e ui in umen i m e han 20% (20% inclu i e) bu le han 50% f i ini ial in e men c . The ini ial in e men c f held- -ma u i e ui in umen i calcula ed u ing he eigh ed a e age me h d.

When an im ai men l n a financial a e ca ied a am i ed c ha ccu ed, he am un f l i mea u ed a he diffe ence be een he a e e a e u ha n a financial a .5( infl a ma e an e ui l )]fu u e Tc

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

## 9. Financial instruments (Continued)

### (1) Financial Assets (Continued)

*( ) ( )*

When an a ailable-f - ale financial a e i im ai ed, he c m la i e l a i ing f m decline in fai al e ha ha been ec gni ed di ec l in e i i ecla ified fi l . If, af e an im ai men l ha been ec gni ed n an a ailable-f - ale deb in men , he fai al e f he deb in men inc ea e in

# Notes to the Financial Statements

For the period started 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)

#### (2) Financial liabilities

Financial liabilities are classified into the following categories at initial recognition: financial liabilities at fair value through profit or loss and other financial liabilities.

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

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

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Subsequently, the liabilities are measured at the higher of the initial fair value less cumulative amortisation recognised in the statement of income, and the amount of provision based on the principle of contingencies (see Note II.21).

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

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

#### (3) Determination of fair value

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

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 9. Financial instruments (Continued)

#### (4) Equity instrument

An e ui in umen i a c n ac ha e he ne hi in e e f he a e af e deduc ing all liabili ie in he G u .

The e e ual ca i al in umen i ec gni ed a a f he e ui hen he e i n c n ac ual bliga i n e a he inci al a an in e e di idend.

The c n ide a i n ecei ed f m he i uance f e ui in umen ne f an ac i n c hich bel ng e ui an ac i n di ec l i ec gni ed in ha eh lde ' e ui . Whe e he e ui in umen di ibu e di idend in e e du ing he e i d f e i ence a e ea ed a fi di ibu i n.

C n ide a i n and an ac i n c aid b he G u f e u cha ing elf-i ued e ui in umen a e deduc ed f m ha eh lde ' e ui .

### 10. Receivables

Recei able c m i e f acc un ecei able and he ecei able . Acc un ecei able a i ing f m ale f g d ende ing f e ice a e ini iall ec gni ed a fai alue f he c n ac ual a men f m he bu e e ice eci ien .

Recei able a e a e ed f im ai men b h n an indi idual ba i and n a c llec i e g u ba i .

Whe e im ai men i a e ed n an indi idual ba i , an im ai men l in e ec f a ecei able i calcula ed a he e ce f i ca ing am un e he e en alue f he e ima ed fu u e ca h fl (e clu i e f fu u e c edi l e ha ha e n been incu ed) di c un ed a he iginal effec i e in e e a e. All im ai men l e a e ec gni ed in fi l .

The a e men i made c llec i el he e ecei able ha e imila c edi i k cha ac e i ic (including h e ha ing n been indi iduall a e ed a im ai ed), ba ed n hei hi ical l e e ience , and adju ed b he b e able figu e eflec ing e en ec n mic c ndi i n .

If, af e an im ai men l ha been ec gni ed n ecei able , he e i bjec i e e idence f a ec e in alue f he financial a e hich can be ela ed bjec i el an e en ccu ing af e he im ai men a ec gni ed, he e i u l ec gni ed im ai men l i e e ed h ugh fi l . A e e al f an im ai men l ill n e ul in he a e ' ca ing am un e ceeding ha hich uld ha e been de e mined had n im ai men l been ec gni ed in i ea .

# Notes to the Financial Statements

For the period started 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:

| | |
|---|---|
| Criteria for determining receivables that are individually significant and impairment provided on an individual basis. | Individually significant receivables are the receivables with the individual amount over RMB10 million (inclusive) or accounting for 5% or more of the total receivables. |
| Method for determining receivables that are individually significant and impairment provided on an individual basis. | An impairment loss is calculated at the excess of its carrying amount over the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the original effective interest rate. |

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

| | |
|---|---|
| Criteria for determining receivables that are individually insignificant but impairment provided on an individual basis. | Within the receivables whose amounts are individually insignificant, impairment is assessed on an individual basis if there are overdue receivables unpaid after collection efforts with unique characteristics. |
| Method for determining receivables that are individually insignificant but impairment provided on an individual basis. | An impairment loss is calculated at the excess of its carrying amount over the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the original effective interest rate. |

# 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:

F ecei able ha ha e n been indi id all a e ed a im ai ed in (1) and (2), f he a e men i made c llec i el n a g bai i h ecei able ha ha e imila c edi i k cha ac e i ic .

| | |
|---|---|
| De e mina i n me h d f he g ba ed n c edi i k cha ac e i ic | Acc n ecei able a e di ided in e en g f c n aine , ehicle , ene g , chemi and li id f d e i men , ff h e enginee ing, ai facili ie , he b ine and am n d e f m ela ed a ie , land lea e e a men and e a ing de i acc ding he ind and b ine na e f c me and he cha ac e i ic f he ecei able . A f Off h e enginee ing g , he ele an ecei able i hin c edi e i d ha e l e c edi i k af e he g ing ba ed n c edi i k cha ac e i ic acc ding indi id al c edi i k a e men and hi ical da a. A he g like d e f m ela ed a ie , land lea e e a men e a ing de i , and e c, if he c edi i k i a e ed l af e g ing ba ed n he a e men n c edi i k and hei hi ical l e e ience, n im ai men l i ec gni ed f h e g . |
| G 1 | C n aine |
| G 2 | R ad an a i n ehicle |
| G 3 | Ene g , chemical and li id f d e i men |
| G 4 | Ai facili ie |
| G 5 | L gi ic e ice |
| G 6 | O he b ine |
| G 7 | Financial lea ing |

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

| | |
|---|---|
| C n aine | P i i n i de e mined ba ed n an aging anal i (O e d e aging) |
| R ad an a i n ehicle | P i i n i de e mined ba ed n an aging anal i (O e d e aging) |
| Ene g , chemical and li id f d e i men | P i i n i de e mined ba ed n an aging anal i (O e d e aging) |
| Ai facili ie | P i i n i de e mined ba ed n an aging anal i (O e d e aging) |
| L gi ic e ice | P i i n i de e mined ba ed n an aging anal i (O e d e aging) |
| O he b ine | P i i n i de e mined ba ed n an aging anal i (O e d e aging) |
| Finance lea e ecei able | P i i n i de e mined ba ed n m del anal i |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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)

F he ab e g , i i n i made ba ed n hei e ec i e ageing anal i f ll :

| Ageing | Percentage of total accounts receivable (%) Group 1, 2, 4, 5, 6 | Group 3 |
|---|---|---|
| Wi hin 1 ea (incl i e) | 5% | 0%-5% |
| 1 2 ea (incl i e) | 30% | 30% |
| O e 2 ea | 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

In en ie incl de a ma e ial , k in g e , emi-fini hed g d , fini hed g d and e able ma e ial . Re able ma e ial incl de l - al e c n mable , ackaging ma e ial and he ma e ial , hich can be ed e ea edl b d n mee he defini i n f fi ed a e .

#### (2) Cost of inventories

C f in en ie i calc la ed ing he eigh ed a e age me h d.

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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

In en ie a e ini iall mea ued a c . C f in en ie c m i e all c f u cha e, c f c n e i n and he e endi u e incu ed in b inging he in en ie hei e en l ca i n and c ndi i n. B ing c di ec l ela ed he duc i n f ualif ing in en ie a e al includded in he c f in en ie ( ee N e II.16). In addi i n he u cha ing c f a ma e ial , k in g e and fini hed g d include di ec lab u c and an a ia e all ca i n f duc i n e head .

A he balance hee da e, in en ie a e ca ied a he l e f c and ne eali able alue.

Ne eali able alue i he e ima ed elling ice in he n mal c u e f bu ine le he e ima ed c c m le i n and he e ima ed e en e and ela ed a e nece a make he ale. The ne eali able alue f ma e ial held f u e in he duc i n f in en ie i mea ued ba ed n he ne eali able alue f he fini hed g d in hich he ill be inc a ed. The ne eali able alue f he uan i f in en held a i f ale e ice c n ac i ba ed n he c n ac ice. If he uan i ie f in en ie ecified in ale c n ac a e le han he uan i ie held b he G u , he ne eali able alue f he e ce i n f in en ie hall be ba ed n gene al elling ice .

An e ce f he c e he ne eali able alue f each cla f in en ie i ec gni ed in fi l a a i i n f diminu i n in he alue f in en ie .

#### (4) Inventory system

The G u main ain a e e ual in en em.

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

Reu able ma e ial including l - alue c n umable and ackaging ma e ial a e am i ed in full hen ecei ed f u e. The am un f he am i a i n a e included in he c f he ela ed a e fi l .

### 12. Long-term equity investments

L ng- e m e ui in e men c m i e he C m an ' l ng- e m e ui in e men in i ub idia ie and he G u ' l ng- e m e ui in e men in i j in en u e and a cia e .

Sub idia ie a e he in e ee e hich he C m an i able e e ci e c n l. J in en u e a e he in e ee e hich he G u i able e e ci e j in c n l ge he i h he en u e and he G u enj he igh nl n he ne a e f in e ee . A cia e a e he in e ee ha he G u ha ignifican influence n hei financial and e a ing licie .

In e men in ub idia ie a e e en ed in he C m an ' financial a emen u ing he c me h d, and a e adju ed f e a ing he c n lida ed financial a emen u ing he e ui me h d. In e men in j in en u e and a cia e a e acc un ed f u ing he e ui me h d.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 12. Long-term equity investments (Continued)

#### (1) Determination of investment cost

F l ng- e m e i in e men ac i ed h gh a b ine c mbina i n: f l ng- e m e i in e men ac i ed h gh a b ine c mbina i n in l ing en e i e nde c mm n c n l, he in e men c hall be he ab bing a ' ha e f he ca ing am n f ne ' e i f he a being ab bed a he c mbina i n da e; f l ng- e m e i in e men ac i ed h gh a b ine c mbina i n in l ing en e i e n nde c mm n c n l, he in e men c hall be he c mbina i n c .

F l ng- e m e i in e men ac i ed n h gh a b ine c mbina i n: f l ng- e m e i in e men ac i ed b a men in ca h, he ini ial in e men c hall be he cha e ice ac all aid; f l ng- e m e i in e men ac i ed b i ing e i ec i ie , he ini ial in e men c hall be he fai al e f he e i ec i ie i ed.

#### (2) Subsequent measurement

F l ng- e m e i in e men acc n ed f ing he c me h d, he a e mea ed a he ini ial in e men c , and ca h di idend fi di ib i n decla ed b he in e ee a e ec gni ed a in e men inc me in fi l .

F l ng- e m e i in e men acc n ed f ing he e i me h d, he e he ini ial in e men c f a l ng- e m e i in e men e ceed he G ' ha e f he fai al e f he in e ee' iden ifiable ne a e a he ac i i i n da e, he l ng- e m e i in e men i mea ed a he ini ial in e men c ; he e he ini ial in e men c i le han he G ' ha e f he fai al e f he in e ee' iden ifiable ne a e a he ac i i i n da e, he diffe ence i incl ded in fi l and he c f he l ng- e m e i in e men i adj ed a d acc dingl .

F l ng- e m e i in e men acc n ed f ing he e i me h d, he G ec gni e he in e men inc me acc ding i ha e f ne fi l f he in e ee. If he acc n ing licie and he acc n ing e i d a e inc n i en be een he C m an and in e ee , he financial a emen f in e ee a e adj ed in acc dance i h he acc n ing licie and acc n ing e i d f he C m an . The G di c n in e ec gni ing i ha e f ne l e f an in e ee af e he ca ing am n f he l ng- e m e i in e men ge he i h an l ng- e m in e e ha , in b ance, f m a f he in e ' ne in e men in he in e ee a e ed ced e . H e e , if he G ha bliga i n f addi i nal l e and he c i e ia i h e ec ec gni i n f i i n nde he acc n ing anda d n c n ingencie a e a i fied, he G c n in e ec gni ing he in e men l e and he i i n . F change in ne ' e i f he in e ee he han h e a i ing f m i ne fi l , he G ec d i i na e ha e di ec l in ca i al l , ided ha he G ' i n f ha eh lding in he in e ee emain nchanged. The ca ing am n f he in e men i ed ced b he G ' ha e f he fi di ib i n ca h di idend decla ed b an in e ee. The n eali ed fi l e a i ing f m he in a-g an ac i n am ng he G and i in e ee a e elimina ed in i n he G ' e i in e e in he in e ee , and hen ba ed n hich he in e men gain l e a e ec gni ed. F he l n he in a-g an ac i n am ng he G and i in e ee a ib able a e im ai men , an n eali ed l i n elimina ed.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 12. Long-term equity investments (Continued)

#### (3) Basis for determining the existence of joint control or significant influence over an investee

C n l i he e e he in e ee enj a iable e n b a ici a ing in ela ed ac i i ie f he in e ee and he abili affec he e n am n b e ec ing he e e he in e ee.

J in c n l i he ha ing f c n l e an a angemen acc ding ela ed ag eemen , and e i nl hen he deci i n ela ing he ac i i f he a angemen e i e he nanim c n en f he a ie ha ing c n l.

Significan infl ence i he e a ici a e in he de e mina i n f financial and e a ing licie f he in e ee, b i n c n l j in c n l e h e licie .

#### (4) Method of impairment testing and measuring

The ca ing am n f l ng- e m e i in e men in b idia ie , j in en e and a cia e i ed ced he ec e able am n if he ec e able am n i bel he ca ing am n .

### 13. INVESTMENT PROPERTIES

In e men e ie , incl ding land e igh ha ha e al ead been lea ed , b ilding ha a e held f he e f lea ing and b ilding ha a e being c n c ed de el ed f f e e f lea ing, a e mea ed ini iall a c . S b e en e endi e inc ed in ela i n an in e men e ie a e incl ded in he c f he in e men e ie hen i i bable ha he a cia ed ec n mic benefi ill fl he G and hei c can be eliabl mea ed; he i e, he e endi e a e ec gni ed in fi l f he e i d in hich he a e inc ed.

The G ad fai al e m del b e en l mea e in e men e ie and d n' ide de ecia i n am i a i n. The ca ing am n f in e men e ie i adj ed ba ed n hei fai al e a he balance hee da e, and he diffe ence be een he fai al e and he iginal ca ing am n i ec gni ed in fi l f he c en e i d.

When an in e men e ie i an fe ed ne - cc ied e , i i ecla ified fi ed a e in angible a e i h he ca ing am n de e mined a he fai al e f he in e men e ie a he da e f he an fe , and he diffe ence be een he fai al e and he iginal ca ing am n f he in e men e ie i ec gni ed in fi l f he c en e i d. When an ne - cc ied e i an fe ed f ea ning en al f ca i al a ecia i n, he fi ed a e in angible a e i an fe ed in e men e ie i h he ca ing am n de e mined a he fai al e a he da e f he an fe . If he fai al e a he da e f he an fe i le han he iginal ca ing am n f he fi ed a e he in angible a e , he diffe ence i ec gni ed in fi l f he c en e i d; he i e, i i incl ded in he c m ehen i e inc me.

An in e men e ie i de ec gni ed n di al hen he in e men e ie i e manen l i hd a n f m e and n f e ec n mic benefi a e e ec ed f m i di al. The ne am n f ceed f m ale, an fe , e i emen damage f an in e men e ie ne f i ca ing am n and ela ed a e and e en e i ec gni ed in fi l f he c en e i d.

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 14. Fixed assets

#### (1) Recognition

Fi ed a e e e en he angible a e held b he G u f u e in he duc i n f g d u l f e ice , f en al he f e a i n and admini a i e u e i h u eful li e e ne ea .

The c f a u cha ed fi ed a e c m i e he u cha e ice, ela ed a e , and an di ec l a ibu able e endi u e f b inging he a e king c ndi i n f i in ended u e. The c f elf-c n uc ed a e i mea u ed in acc dance i h he lic e u in N e II.15.

Whe e a f an i em f fi ed a e ha e diffe en u eful li e ide benefi he G u in diffe en a e n hu nece i a ing u e f diffe en de ecia i n a e me h d , each a i ec gni ed a a e a a e fi ed a e .

The ub e uen c inclu ding he c f e lacing a f an i em f fi ed a e a e ec gni ed in he ca ing am un f he i em if he ec gni e fi ed a e c i e ia a e a i fied, and he ca ing am un f he e laced a i de ec gni ed. The c f he da - -da e icing f fi ed a e a e ec gni ed in fi l a incu ed.

Fi ed a e a e a ed in he balance hee a c le accumula ed de ecia i n and im ai men l e .

#### (2) Depreciation

Fi ed a e a e de ecia ed u ing he aigh -line me h d all ca e he c f he a e hei e ima ed e idu al alu e e hei e ima ed u eful li e , unle he fi ed a e i cla ified a held f ale ( ee N e II.28). F he fi ed a e ha ha e been ided f im ai men l , he ela ed de ecia i n cha ge i ec i el de e mined ba ed u n he adju ed ca ing am un e hei emaining u eful li e . The e ima ed u eful li e , e idu al alu e and de ecia i n a e f each cla f fi ed a e a e a f ll :

| Classes | Residual Period (years) | Depreciation value rate (%) | Depreciation rate (%) |
|---|---|---|---|
| Plan and bu ilding | 20-30 | 10% | 3-4.5% |
| Machine and e ui men | 10-12 | 10% | 7.5-9% |
| Office and he e ui men | 3-5 | 10% | 18-30% |
| M ehicle | 5 | 10% | 18% |
| D ck, ha f | 50 | 10% | 1.8% |
| Off h e enginee ing e ui men | 15-30 | 10% | 3-6% |

U eful li e , e idu al alu e and de ecia i n me h d a e e ie ed a lea a each ea -end.

## 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

F c i e ia f ec gni i n and me h d f mea ing f fi ed a e nde a finance lea e, efe N e II 27(3).

#### (5) Disposal

A fi ed a e i de ec gni ed n di al hen n f e ec n mic benefi a e e ec ed f m i e di al. The am n f ceed f m di al n ale, an fe , e i emen damage f a fi ed a e ne f i ca ing am n and ela ed a e and e en e i ec gni ed in fi l f he c en e i d.

### 15. Construction in progress

C n c i n in g e i mea ed a ac al c . The c f elf-c n c ed a e incl de he c f ma e ial , di ec lab , ca i ali ed b ing c ( ee N e II.16), and an he c di ec l a ib able b inging he a e king c ndi i n f i in ended e.

A elf-c n c ed a e i incl ded in c n c i n in g e bef e i i an fe ed fi ed a e hen i i ead f i in ended e. N de ecia i n i ided again c n c i n in g e . C n c i n in g e i a ed in he balance hee a c le im ai men l e ( ee N e II.20).

### 16. Borrowing costs

B ing c inc ed di ec l a ib able he ac i i i n, c n c i n d c i n f a alif ing a e a e ca i ali ed a a f he c f he a e .

E ce f he ab e, he b ing c a e ec gni ed a financial e en e in he inc me a emen hen inc ed.

D ing he ca i ali a i n e i d, he am n f in e e (incl ding am i a i n f an di c n emi m n b ing) be ca i ali ed in each acc n ing e i d i de e mined a f ll :

. Whe e f nd a e b ed ecificall f he ac i i i n, c n c i n d c i n f a alif ing a e , he am n f in e e be ca i ali ed i he in e e e en e calc la ed ing effec i e in e e a e d ing he e i d le an in e e inc me ea ned f m de i ing he b ed f nd an in e men inc me n he em a in e men f h e f nd bef e being ed n he a e .

. Whe e f nd a e b ed gene all and ed f he ac i i i n, c n c i n d c i n f a alif ing a e , he am n f in e e be ca i ali ed n ch b ing i de e mined b a l ing a ca i ali a i n a e he eigh ed a e age f he e ce am n f c m la i e e endi e n he a e e he ab e am n f ecific b ing . The ca i ali a i n a e i he eigh ed a e age f he in e e a e a licable he gene al- e b ing .

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

17.

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 18. Goodwill

G d ill e e en he e ce f c f ac ui i i n e he ac ui e' in e e in he fai al ue f he iden ifiable ne a e f he ac ui ee unde he bu ine c mbina i n in l ing en i ie n unde c mm n c n l.

G d ill i n am i ed and i a ed a c le accumula ed im ai men l e ( ee N e II.20). On di al f an a e g u c mbina i n f a e g u , an a ibu able am un f u cha ed g d ill i i en ff and included in he calcula i n f he fi l n di al.

### 19. Long-term prepaid expenses

L ng- e m e aid e en e a e am i ed n a aigh -line me h d i hin he beneficial e i d.

The am i a i n e i d f e en ed a e a f ll :

| Item | Amortisation period (years) |
|---|---|
| Ren al | 2-10 |
| O he | 3-5 |

### 20. Impairment of long-term assets

Fi ed a e , c n uc i n in g e , in angible a e i h fini e u eful li e and l ng- e m e ui in e men in ub idia ie , j in en u e and a cia e a e e ed f im ai men if he e i an indica i n ha he a e ma be im ai ed a he balance hee da e. If he e ul f he im ai men e indica e ha he ec e able am un f an a e i le han i ca ing am un , a i i n f im ai men and an im ai men l a e ec gni ed f he am un b hich he a e' ca ing am un e ceed i ec e able am un . The ec e able am un i he highe f an a e' fai al ue le c ell and he e en al ue f he fu u e ca h fl e ec ed be de i ed f m he a e . P i i n f a e im ai men i de e mined and ec gni ed n he indi idual a e ba i . If i i n ible e ima e he ec e able am un f an indi idual a e , he ec e able am un f a g u f a e hich he a e bel ng i de e mined. A g u f a e i he malle g u f a e ha i able gene a e inde enden ca h infl .

G d ill ha i e a a el e en ed in he financial a emen i e ed a lea annuall f im ai men , i e ec i e f he he he e i an indica i n ha i ma be im ai ed. In c nduc ing he e , he ca ing al ue f g d ill i all ca ed he ela ed a e g u c mbina i n f a e g u hich a e e ec ed benefi f m he ne gie f he bu ine c mbina i n. If he e ul f he e indica e ha he ec e able am un f an a e g u c mbina i n f a e g u , including he all ca ed g d ill, i l e han i ca ing am un , he c e nding im ai men l i ec gni ed. The im ai men l i fi deduc ed f m he ca ing am un f g d ill ha i all ca ed he a e g u c mbina i n f a e g u , and hen deduc ed f m he ca ing am un f he a e i hin he a e g u c mbina i n f a e g u in i n he ca ing am un f a e he han g d ill.

Once an im ai men l i ec gni ed, i i n e e ed in a ub e uen e i d.

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

### 21. Provisions and contingent liabilities

P i i n f duc a an ie , ne u c n ac e c. a e ec gni ed hen he G u ha a e en bliga i n, i i bable ha an u fl f ec n mic benefi ill be e ui ed e le he bliga i n, and he am un f he bliga i n can be mea u ed eliabl .

A i i n i ini iall mea u ed a he be e ima e f he e endi u e e ui ed e le he ela ed e en bliga i n. Fac u unding a c n ingenc , uch a he i k , unce ain ie and he ime alue f m ne , a e aken in acc un a a h le in eaching he be e ima e f a i i n. Whe e he effec f he ime alue f m ne i ma e ial, he be e ima e i de e mined b di c un ing he ela ed fu u e ca h u fl . The inc ea e in he di c un ed am un f he i i n a i ing f m a age f ime i ec gni ed a in e e e en e.

The ca ing am un f i i n i e ie ed a each balance hee da e and adju ed eflec he cu en be e ima e.

P i i n hich i e ec ed be aid i hin ne ea f m he balance hee da e a e di cl ed a cu en liabili ie .

In e m f a ible bliga i n e ul ing f m a a an ac i n e en , h e e i ence ill nl be c nfi med b he ccu ence n n- ccu ence f unce ain fu u e e en a e en bliga i n e ul ing f m a a an ac i n e en , he e i i n bable ha he e lemen f he ab e bliga i n ill cau e an u fl f ec n mic benefi , he am un f he u fl cann be e ima ed eliabl , he ible e en bliga i n i di cl ed a a c n ingen liabili .

### 22. Share-based payments

#### (1) Classification

Sha e-ba ed a men an ac i n in he G u a e cla ified a e ui - e led ha e-ba ed a men and ca h- e led ha e-ba ed a men .

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

Fai alue f ck i n i e ima ed ba ed n bin mial la ice m del. C n ac e m f he ck i n i ued a he in u a iable f hi m del. And he bin mial la ice m del inclu de e ima i n f ea l e ecu i n f he i n. The f ll ing fac a e aken in acc un hen u ing he bin mial la ice m del: (1) e e ci e ice f he i n; (2) e ing e i d; (3) cu en ice f ba ic ck ; (4) e ec ed fluc ua i n f ck ; (5) e ec ed di idend f ck ; (6) i k-f ee a e i hin he i n e m.

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

A each balance hee da e du ing he e ing e i d, he G u make he be e ima i n acc ding he la e inf ma i n f he nu mbe f em l ee h a e g an ed e and e i e he nu mbe f e ui in umen e ec ed e . On e ing da e, he e ima e hall be e ual he nu mbe f e ui in umen ha u l ima el e ed.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

## 22. Share-based payments (Continued)

### (4) Accounting treatment for share-based payment

*( )*

Whe e he G e ha e he e i in men a c n ide a i n f e ice ecei ed f m he em l ee , he a men i mea ed a he fai al e f he e i in men g an ed he em l ee a he g an da e. If he e i in men g an ed em l ee e immedia el , he fai al e f he e i in men g an ed i , n g an da e, ec gni ed a ele an c e en e i h a c e nding inc ea e in ca i al e e e. If he e i in men g an ed em l ee d n e n il he c m le i n f e ice f a e ing e i d, n il he achie emen f a ecified e f mance c ndi i n, he G , a each balance hee da e d ing he e ing e i d, make he be e ima i n acc ding he la e inf ma i n f he n mbe f em l ee h a e g an ed e and e i e he n mbe f e i in men e ec ed e . Ba ed n he be e ima i n, he G ec gni e he e ice ecei ed f he c en e i d a ela ed c e en e , i h a c e nding inc ea e in ca i al e e e, a an am n e al he fai al e f he e i in men a he g an da e.

*( )*

Whe e he G ecei e e ice f m em l ee b inc ing a liabili deli e ca h he a e f am n ha a e de e mined ba ed n he ice f ha e he e i in men , he e ice ecei ed f m em l ee i mea ed a he fai al e f he liabili inc ed. If he igh nde a ca h- e led ha e-ba ed a men d n e n il he c m le i n f e ice f a e ing e i d, n il he achie emen f a ecified e f mance c ndi i n, he G , a each balance hee da e d ing he e ing e i d, ec gni e he e ice ecei ed f he c en e i d a ela ed c e en e , i h a c e nding inc ea e in liabili , a an am n e al he fai al e f he liabili ba ed n he be e ima e f he c me f e ing.

## 23. Revenue recognition

Re en e i he g infl f ec n mic benefi in he e i d a i ing in he c e f he G ' dina ac i i ie hen he infl e l in inc ea e in ha eh lde ' e i , he han inc ea e ela ing c n ib i n f m ha eh lde . Re en e i ec gni ed in fi l hen i i bable ha he ec n mic benefi ill fl he G , he e en e and c can be mea ed eliabl and he f ll ing e ec i e c ndi i n a e me .

### (1) Sale of goods

Re en e f m ale f g d i ec gni ed hen all f he gene al c ndi i n a ed ab e and f ll ing c ndi i n a e a i fied:

(a) The ignifican i k and e a d f ne hi f g d ha e been an fe ed he b e ;

(b) The G e ain nei he c n in ing manage ial in l emen he deg ee all a cia ed i h ne hi n effec i e c n l e he g d ld.

Re en e f m he ale f g d i mea ed a he fai al e f he c n ide a i n ecei ed ecei able nde he ale c n ac ag eemen .

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 23. Revenue recognition (Continued)

### (1) Sale of goods (Continued)

The G ec gni e e en e af e ecei e acce ance ce ifica e f m c me .

Sale f ad an a i n ehicle a e di ided in ale d me ic c me and ale e ea c me . A ale d me ic c me , he G ec gni e e en e af e c me ick and acce he ehicle . A ale e ea c me , he G ec gni e e en e af e ehicle a e l aded ecified hi in ecific a igned b he c me an c n ac .

The G ec gni e e en e hen he cha e and ell ag eemen i e f med. When he e i ld in ad ance bef e c m le i n, he e en e i ec gni ed nl hen he c n c i n i c m le ed and deli e ed he b e . The de i and in allmen ecei ed bef e e en e ec gni i n a e ega ded a ad ance f m c me .

### (2) Revenue from construction contracts

Whe e he c me f a c n c i n c n ac can be e ima ed eliabl , c n ac e en e and c n ac e en e a cia ed i h he c n c i n c n ac a e ec gni ed a he balance hee da e ing he e cen age f c m le i n me h d.

The age f c m le i n f a c n ac i de e mined ba ed n c m le i n f a h ical i n f he c n ac k.

When he c me f a c n c i n c n ac cann be e ima ed eliabl :

(a) If he c n ac c can be ec e ed, e en e i ec gni ed he e en f c n ac c inc ed ha can be ec e ed, and he c n ac c a e ec gni ed a c n ac e en e hen inc ed;

(b) If he c n ac c cann be ec e ed, he c n ac c a e ec gni ed a c n ac e en e immedia el hen inc ed, and n c n ac e en e i ec gni ed.

C n c i n c n ac e en e incl de ini ial e en e i la ed b c n ac and inc ea ed am n gene a ed b c n ac al e a i n.

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

### 23. Revenue recognition (Continued)

#### (2) Revenue from construction contracts (Continued)

Increased amounts cannot be recognized as contract revenue unless the following contractual variation terms are all satisfied:

(c) Clients accept and confirm the increased amounts generated by contractual variation;

(d) Increased amounts can be reliably measured.

Contract anticipated losses is recognized when estimated total construction contract costs exceed contract revenue. Provision should be made for contract anticipated losses and charged in profit and loss for the current period.

#### (3) Rendering of services

Revenue from rendering of services is measured at the fair value of the consideration received or receivable under the contracts or agreements.

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

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

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

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

### 24. Employee benefits

Em l ee benefi e e en all kind f all ance and c m en a i n aid b he G u f e ice ende ed b em l ee f e mina i n f em l men ela i n hi , hich mainl include h - e m age , en i n benefi and e mina i n f em l men benefi .

### (1) short-term wages

Sh - e m age include age ala ie , b nu e , all ance and ub idie , aff elfa e, medical in u ance, k inju in u ance, ma e ni in u ance, h u ing fund , lab u uni n fund , em l ee educa i n fund and h e m aid ab ence and e c. Ac ual h - e m age a e ec gni ed a liabili ie in he e i d hen he em l ee ende e ice and a e cha ged in fi l ca i ali ed in c f ela ed a e . The n n-m ne a elfa e i mea u ed a fai alue.

### (2) pension benefits

Du ing he e ing e i d, he G u ' en i n benefi a e ba ic en i n in u ance and unem l men in u ance hich a e all defined c n ibu i n lan .

*B*

The G u ' em l ee a ici a ed in he ba ic cial en i n in u ance gani ed and im lemen ed b l cal lab u and cial ecu i bu eau. The G u aid he ba ic en i n i u ance e en e m n hl de igna ed in u ance c m anie f i em l ee acc ding he ba i am un and a e de e mined b he l cal egula i n . Af e e i emen , l cal lab u and cial ecu i bu eau i e n ible f a ing he en i n benefi he e i ed em l ee . The am un f en i n in u ance a able calcula ed acc ding he ab e egula i n a e ec gni ed a liabili ie du ing he e i d hen he em l ee ende e ice and a e cha ged fi l ca i ali ed in c f ela ed a e .

### (3) Enterprise annuities plan

The G u ide c m en a i n f he e mina i n f em l men ela i n hi bef e he e i f em l men c n ac c m en a i n enc u age em l ee ' lun a la ff , hich i ec gni ed a a liabili and cha ged fi l n he ea lie ne hen he G u i unable unila e all i hd a he lan n he e mina i n f em l men ela i n hi he la ff al and c and e en e in ela i n he a men f c m en a i n he e mina i n f em l men ela i n hi a e ec gni ed.

The En e i e annui ie lan i h a men i hin ne ea a he balance hee da e a e cla ified a cu en liabili ie .

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan□a and ended 30 J□ne 2017
(All am □n in RMB'000 □nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 25. Government grants

G e nmen g an a e an fe f m ne a a e n n-m ne a a e f m he g e nmen he G □ a nil c n ide a i n, incl□ding ef□nd f a e and financial □b idie , e c..

A g e nmen g an i ec gni ed hen he c ndi i n a ached i can be c m lied i h and he g e nmen g an can be ecei ed. If a g e nmen g an in he f m f an fe f m ne a a e , he g an i mea □ ed a he am □n ecei ed ecei able. F a g e nmen g an in he f m f an fe f n n-m ne a a e , i i mea □ ed a fai al□e; if he fai al□e i n eliabl de e minable; he g an i mea □ ed a n minal am □n .

G e nmen g an ela ed a e e e en g an b ained f m g e nmen hich a e c m en a e l ng-e m a e □ cha ed he a . G e nmen g an ela ed inc me e e en h e g e nmen g an he han ela ed a e .

A g e nmen g an ela ed an a e i ec gni ed b ded□c ing he g an in a i ing a he ca ing am □n f he a e a defe ed inc me, and am i ed fi l n a ea nable, ema ic ba i e he □ ef□l life f he a e . F g e nmen g an ela ed inc me, he e he g an i a c m en a i n f ela ed e en e l e be inc□ ed b he G □ in he □b e □en e i d , he g an i ec gni ed a defe ed inc me, and incl□ded in fi l b ded□c ing he ela ed e en e e he e i d in hich he ela ed c a e ec gni ed; he e he g an i a c m en a i n f ela ed e en e l e al ead inc□ ed b he G □ , he g an i ec gni ed immedia el in fi l b ded□c ing he ela ed e en e he f he c□ en e i d. The ame me h d f e en a i n h □ld be ad ed f g e nmen g an f he ame ca eg : g e nmen g an ela ed i h he da - -da e a i n h □ld be e en ed in he e a ing fi ; g e nmen g an n ela ed i h he da - -da e a i n h □ld be e en ed in he n n- e a ing inc me e en e .

F g e nmen l an i h bel -ma ke a e f in e e , he ac□al ceed ecei ed i ec gni ed a he ini ial ca ing al□e f he l an , and b ing c a e calc□la ed ba ed n he inci al and he bel -ma ke a e f in e e . Di c □n in e e f□nd di ec l ecei ed f m he g e nmen h □ld be ec gni ed b ded□c ing he ela ed b ing c .

### 26. Deferred tax assets and deferred tax liabilities

Defe ed a a e and liabili ie a i e f m ded□c ible and a able em a diffe ence e ec i el , being he diffe ence be een he ca ing am □n f a e and liabili ie f financial e ing □ e and hei a ba e , hich incl□de he ded□c ible l e and a c edi ca f a d □b e □en e i d . Defe ed a a e a e ec gni ed he e en ha i i bable ha f□ □ e a able fi ill be a ailable again hich ded□c ible em a diffe ence can be □ ili ed.

Defe ed a i n ec gni ed f he em a diffe ence a i ing f m he ini ial ec gni i n f a e liabili ie in a an ac i n ha i n a b□ ine c mbina i n and ha affec nei he acc □n ing fi n a able fi ( a l ). N defe ed a liabili i ec gni ed f a em a diffe ence a i ing f m he ini ial ec gni i n f g d ill.

A he balance hee da e, he am □n f defe ed a ec gni ed i mea □ ed ba ed n he e ec ed manne f ec e e lemen f he ca ing am □n f he a e and liabili ie , □ ing a a e ha a e e ec ed be a lied in he e i d hen he a e i ec e ed he liabili i e led in acc dance i h a la .

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

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

The ca ing am un f a defe ed a a e i e ie ed a each balance hee da e. The ca ing am un f a defe ed a a e i educed he e en ha i i n l nge bable ha ufficien a able fi ill be a ailable all he benefi f he defe ed a a e be u ili ed. Such educ i n i e e ed he e en ha i bec me bable ha ufficien a able fi ill be a ailable.

Defe ed a liabili ie a e ec gni ed f em a diffe ence a i ing f m in e men in ub idia ie , a cia e and j in en u e , e ce he e he G u i able c n l he iming f e e al f he em a diffe ence, and i i bable ha he em a diffe ence ill n e e e in he f e eeable fu u e. When i i bable ha he em a diffe ence a i ing f m in e men in ub idia ie , a cia e and j in en u e ill be e e ed in he f e eeable fu u e and ha he a able fi ill be a ailable in he fu u e again hich he em a diffe ence can be u ili ed, he c e nding defe ed a a e a e ec gni ed.

A he balance hee da e, defe ed a a e and liabili ie a e ff e if all he f ll ing c ndi i n a e me :

. he a able en i ha a legall enf ceable igh e ff cu en a a e again cu en a liabili ie ; and

. he ela e inc me a e le ied b he ame a au h i n ei he he ame a able en i ; diffe en a able en i ie hich ei he in end e le he cu en a liabili ie and a e n a ne ba i , eali e he a e and e le he liabili ie imul ane u l , in each fu u e e i d in hich ignifican am un f defe ed a liabili ie a e a e e ec ed be e led ec e ed.

### 27. Operating and finance leases

A lea e i cla ified a ei he a finance lea e an e a ing lea e. A finance lea e i a lea e ha an fe ub an iall all he i k and e a d inciden al ne hi f a lea ed a e he le ee, i e ec i e f he he he legal i le he a e i e en uall an fe ed. An e a ing lea e i a lea e he han a finance lea e.

### (1) Assets acquired under operating leases

Ren al a men unde e a ing lea e a e ec gni ed a c e en e n a aigh -line ba i e he lea e e m.

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 27. Operating and finance leases (Continued)

#### (2) Assets leased out under operating leases

Fi ed a e lea ed u unde e a ing lea e , e ce f in e men e ie ( ee N e II.13) a e de ecia ed in acc dance i h he G u ' de ecia i n licie de c ibed in N e II.14(2). Im ai men l e a e ided f in acc dance i h he acc un ing lic de c ibed in N e II.20. O he lea ed u a e unde e a ing lea e a e am i ed u ing he aigh -line me h d. Inc me de i ed f m e a ing lea e i ec gni ed in he inc me a emen u ing he aigh -line me h d e he lea e e m. If ini ial di ec c incu ed in e ec f he a e lea ed u a e ma e ial, he c a e ini iall ca i ali ed and ub e uen l am i ed in fi l e he lea e e m n he ame ba i a he lea e inc me. O he i e, he c a e cha ged fi l immedia el .

#### (3) Assets acquired under finance leases

When he G u ac ui e an a e unde a finance lea e, he a e i mea u ed a an am un e ual he l e f i fai alue and he e en alue f he minimum lea e a men , each de e mined a he ince i n f he lea e. A he c mmencemen f he lea e e m, he minimum lea e a men a e ec ded a l ng- e m a able . The diffe ence be een he alue f he lea ed a e and he minimum lea e a men i ec gni ed a un ec gni ed finance cha ge . Ini ial di ec c ha a e a ibu able a finance lea e incu ed b he G u a e added he am un ec gni ed f he lea ed a e . De ecia i n and im ai men l e a e acc un ed f in acc dance i h he acc un ing licie de c ibed in N e II.14(2) and II.20, e ec i el .

If he e i a ea nable ce ain ha he G u ill b ain ne hi f a lea ed a e a he end f he lea e e m, he lea ed a e i de ecia ed e i e ima ed u eful life. O he i e, he lea ed a e i de ecia ed e he h e f he lea e e m and i e ima ed u eful life.

Un ec gni ed finance cha ge unde finance lea e i am i ed u ing an effec i e in e e me h d e he lea e e m. The am i a i n i acc un ed f in acc dance i h inci le f b ing c ( ee N e II.16).

A he balance hee da e, l ng- e m a able a i ing f m finance lea e , ne f he un ec gni ed finance cha ge , a e e en ed a l ng- e m a able n n-cu en liabili ie due i hin ne ea , e ec i el , in he balance hee .

# Notes to the Financial Statements



F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 27. Operating and finance leases (Continued)

#### (4) Assets leased out under finance leases

A he c mmencemen f he lea e e m, he G u ec gni e he agg ega e f he minimum lea e ecei de e mined a he ince i n f a lea e and he ini ial di ec c a finance lea e ecei able. The diffe ence be een he agg ega e f he minimum lea e ecei , he ini ial di ec c , and he agg ega e f hei e en alue i ec gni ed a unea ned finance inc me.

Unea ned finance inc me i all ca ed each acc un ing e i d du ing he lea e e m u ing he effec i e in e e me h d. A he balance hee da e, finance lea e ecei able , ne f unea ned finance inc me, a e e en ed a l ng- e m ecei able n n-cu en a e due i hin ne ea , e ec i el in he balance hee . Plea e efe N e II.9 f acc un ing lic n he de ec gni i n and im ai men f finance lea e ecei able .

### 28. Assets held for sale and discontinued operation

A n n-cu en a e di al g u i cla ified a held f ale hen mee he f ll ing c i e ia: i. The a e ( di al g u ) mu be a ailable f immedia e ale in i e en c ndi i n ubjec nl e m ha a e u ual and cu ma f ale f uch a e ( di al g u ); ii. A n n-cancellable an fe ag eemen ha been igned i h he an fe ee, he di al lan ha been a ed e l and hi an fe i e ec ed be c m le ed i hin ne ea ;

N n-cu en a e held f ale (e cluding financial a e , in e men e ie mea u ed a fai alue and defe ed a a e ) a e a ed a he l e f ca ing am un and ne eali able alue. An e ce f he ca ing am un e he ne eali able alue i ec gni ed a im ai men l .

A e and liabili ie f a n n-cu en a e di al g u hich i cla ified a held f ale a e cla ified a cu en a e and cu en liabili ie , hich a e e a a el e en ed in he balance hee .

A di c n inued e a i n i a c m nen hich ha been di ed cla ified a held f ale f he g u ' bu ine and he e a i n and financial e ing f he di c n inued e a i n can be clea l di ingui hed f m he e f he g u and can mee ne f he f ll ing c i e ia: (a) Thi c m nen f he bu ine e e en a e a a e maj line f bu ine ge g a hic a ea f e a i n ; (b) Thi c m nen f he bu ine i a f a ingle c - dina ed lan di e f a e a a e maj line f bu ine ge g a hical a ea f e a i n ; (c) Thi c m nen f he bu ine i a ub idia ac ui ed e clu i el i h a ie e ale.

The G u hall di cl e fi l f he ea f m di c n inued e a i n di cl ed in he a emen f c m ehen i e inc me c m i ing he al f: he - a fi l f di c n inued e a i n and The - a gain l f m emea u emen f he di c n inued e a i n fai alue le c ell.

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 29. Hedge accounting

Hedge acc un ing i a me h d hich ec gni e he ff e ing effec f fai alue and ca h fl f he hedging in umen and he hedged i em n cu en fi l in he ame acc un ing e i d( ).

Hedged i em a e he i em ha e e he G u i k f change in fai alue fu u e ca h fl and ha a e de igna ed a being hedged. The G u ' hedged i em include a f eca an ac i n ha i e led i h a fi ed am un f f eign cu enc and e e he G u f eign cu enc i k.

A hedging in umen i a de igna ed de i a i e h e change in fai alue ca h fl a e e ec ed ff e change in he fai alue ca h fl f he hedged i em. F a hedge f f eign cu enc i k, a n n-de i a i e financial a e n n-de i a i e financial liabili ma al be u ed a a hedging in umen .

The hedge i a e ed b he G u f effec i ene n an ng ing ba i and judged he he i ha been highl effec i e h ugh u he acc un ing e i d f hich he hedging ela i n hi a de igna ed. A hedge i ega ded a highl effec i e if b h f he f ll ing c ndi i n a e a i fied:

. a he ince i n and in ub e uen e i d , he hedge i e ec ed be highl effec i e in achie ing ff e ing change in fai alue ca h fl a ibu able he hedged i k du ing he e i d f hich he hedge i de igna ed;

. he ac ual e ul f ff e ing a e i hin a ange f 80% 125%.

#### Cash flow hedges

A ca h fl hedge i a hedge f he e u e a iabili in ca h fl . The i n f he gain l n he hedging in umen ha i de e mined be an effec i e hedge i ec gni ed di ec l in ha eh lde ' e ui a a e a a e c m nen . Tha effec i e i n i adju ed he l e f he f ll ing in ab lu e am un :

. he cumula i e gain l n he hedging in umen f m ince i n f he hedge;

. The cumula i e change in e en alue f he e ec ed fu u e ca h fl n he hedged i em f m ince i n f he hedge.

The i n f he gain l n he hedging in umen ha i de e mined be an ineffec i e hedge i ec gni ed in fi l .

If a hedge f a f eca an ac i n ub e uen l e ul in he ec gni i n f a n n-financial a e n n-financial liabili , he a cia ed gain l i em ed f m ha eh lde ' e ui and ec gni ed in fi l in he ame e i d du ing hich he financial a e financial liabili affec fi l . H e e , if he G u e ec ha all a i n f a ne l ec gni ed di ec l in ha eh lde ' e ui ill n be ec e ed in fu u e acc un ing e i d , i ecla ifie in fi l he am un ha i n e ec ed be ec e ed.

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

### 29. Hedge accounting (Continued)

#### Cash flow hedges (Continued)

If a hedge f a f eca an ac i n b e en l e l in he ec gni i n f a financial a e a financial liabili , he a cia ed gain l i em ed f m e i and ec gni ed in fi l in he ame e i d d ing hich he financial a e financial liabili affec fi l . H e e , if he G e ec ha all a i n f a ne l ec gni ed di ec l in ha eh lde ' e i ill n be ec e ed in f e acc n ing e i d , i ecla ifie in fi l he am n ha i n e ec ed be ec e ed.

F ca h fl hedge , he han h e c e ed b he eceding lic a emen , he a cia ed gain l i em ed f m ha eh lde ' e i and ec gni ed in fi l in he ame e i d e i d d ing hich he hedged f eca an ac i n affec fi l .

When a hedging in men e i e i ld, e mina ed e e ci ed, he hedge n l nge mee he c i e ia f hedge acc n ing, he G ill di c n in e he hedge acc n ing ea men ec i el . In hi ca e, he gain l n he hedging in men ha emain ec gni ed di ec l in ha eh lde ' e i f m he e i d hen he hedge a effec i e hall n be ecla ified in fi l and i ec gni ed in acc dance i h he ab e lic hen he f eca an ac i n cc . If he f eca an ac i n i n l nge e ec ed cc , he gain l n he hedging in men ha emain ec gni ed di ec l in ha eh lde ' e i f m he e i d hen he hedge a effec i e hall be ecla ified in fi l immedia el .

### 30. Dividend distribution

Ca h di idend i ec gni ed a a liabili f he e i d in hich he di idend i a ed b he ha eh lde ' mee ing.

Di idend di ib i n f fi ed in he fi a ia i n lan hich ill be a h i ed and decla ed af e he balance hee da e, a e n ec gni ed a a liabili a he balance hee da e b di cl ed in he n e e a a el .

### 31. Related parties

If a a ha he e c n l, j in l c n l e e ci e ignifican infl ence e an he a , ice e a, he e m e a ie a e bjec c mm n c n l j in c n l f m an he a , he a e c n ide ed be ela ed a ie . Rela ed a ie ma be indi id al en e i e . En e i e i h hich he C m an i nde c mm n c n l nl f m he S a e and ha ha e n he ela ed a ela i n hi a e n ega ded a ela ed a ie f he G . Rela ed a ie f he G and he C m an incl de, b a e n limi ed :

(a) he C m an ' a en ;

(b) he C m an ' b idia ie ;

(c) en e i e ha a e c n lled b he C m an ' a en ;

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 31. Related parties (Continued)

(d) in e ha ha e j in c n l e e ci e ignifican influence e he G u ;

(e) en e i e indi idual if a a ha c n l, j in c n l e b h he en e i e indi idual and he G u ;

(f) j in en u e f he G u , including ub idia ie f j in en u e ;

(g) a cia e f he G u , including ub idia ie f a cia e ;

(h) inci al indi idual in e and cl e famil membe f uch indi idual ;

(i) ke managemen e nnel f he G u and cl e famil membe f uch indi idual ;

(j) ke managemen e nnel f he C m an ' a en and cl e famil membe f uch indi idual ;

(k) cl e famil membe f ke managemen e nnel f he C m an ' a en ; and

(l) he en e i e ha a e c n lled j in l c n lled b inci al indi idual in e , ke managemen e nnel f he G u , and cl e famil membe f uch indi idual .

Be ide he ela ed a ie a ed ab e de e mined in acc dance i h he e ui emen f CAS, he f ll ing en e i e and indi idual a e c n ide ed a (bu n e ic ed ) ela ed a ie ba ed n he di cl u e e ui emen f Admini a i e P cedu e n he Inf ma i n Di cl u e f Li ed C m anie i ued b he CSRC:

(m) en e i e e n ha ac in c nce ha h ld 5% m e f he C m an ' ha e ;

(n) indi idual and cl e famil membe f uch indi idual h di ec l indi ec l h ld 5% m e f he C m an ' ha e , u e i f li ed c m anie and hei cl e famil membe ;

( ) en e i e ha a i f an f he af e aid c ndi i n in (a), (c) and (m) du ing he a 12 m n h ill a i f hem i hin he ne 12 m n h u uan a ele an ag eemen ;

( ) indi idual h a i f an f he af e aid c ndi i n in (i), (j) and (n) du ing he a 12 m n h ill a i f hem i hin he ne 12 m n h u uan a ele an ag eemen ; and

( ) en e i e , he han he C m an and ub idia ie c n lled b he C m an , hich a e c n lled di ec l indi ec l b an indi idual defined in (i), (j), (n) ( ), in hich uch an indi idual a ume he i i n f a di ec eni e ecu i e.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 32. Segment reporting

Re able egmen a e iden ified ba ed n e a ing egmen hich a e de e mined ba ed n he c e f he G ' in e nal gani a i n, managemen e i emen and in e nal e ing em. An e a ing egmen i a c m nen f he G ha mee he f ll ing c ndi i n :

. I engage in b ine ac i i ie f m hich i ma ea n e en e and inc e en e ;

. I financial e f mance a e eg la l e ie ed b he G ' managemen make deci i n ab e ce be all ca ed he egmen and a e i e f mance;

. The G i able b ain i financial inf ma i n ega ding financial i i n, financial e f mance and ca h fl , e c.

T m e e a ing egmen ma be agg ega ed in a ingle e a ing egmen if he egmen ha e ame imila ec n mic cha ac e i ic , and a e imila in e ec f he f ll ing a ec :

. he na e f each d c and e ice;

. he na e f d c i n ce e ;

. he e cla f c me f he d c and e ice ;

. he me h d ed di ib e he d c ide he e ice ;

. he legal and eg la im ac n man fac ing f d c and ende ing f e ice .

In e - egmen e en e a e mea ed n he ba i f ac al an ac i n ice f ch an ac i n f egmen e ing, and egmen acc n ing licie a e c n i en i h h e f he c n lida ed financial a emen .

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 33. Significant changes in accounting policy

(1) On 10 Ma 2017, he Mini f Finance i ed he N ice n I ing he Re i ed Acc n ing S anda d f B ine En e i e N . 16 . G e nmen G an (Cai K ai [2017] N . 15) e i e he Acc n ing S anda d f B ine En e i e N . 16 . G e nmen G an , hich came in f ce n 12 J ne 2017. F he e i d f m 1 Jan a 30 J ne 2017, he c m an ad ed he af e aid acc n ing anda d f he In e im financial a emen . The im ac f he change in acc n ing lic n financial a emen f he g a e li ed a bel :

| Contents and reasons for the change | Impacted items on financial statement | Impacted amount for the period from 1 January to 30 June 2017 |
|---|---|---|
| The g e nmen g an ela ing he dina ac i i ie f en e i e hall be incl ded in he inc me ba ed n he na e f ec n mic b ine ; he g e nmen g an n ela ing he dina ac i i ie f en e i e hall be incl ded in n n- e a ing inc me and e en e . F g e nmen g an e i ed a a 1 Jan a 2017, he ec i e a lica i n me h d hall be a lied, and f ne g e nmen g an inc ed f m 1 Jan a 2017 he da e n hich he anda d came in f ce, adj men hall be made acc ding he anda d . The c m a a i e financial a emen f he e i d f m Jan a J ne 2016 e e n e a ed. | O he inc me<br>N n- e a ing inc me | 91,032<br>(91,032) |

(2) On 28 A il 2017, he Mini f Finance i ed he e i emen f he N ice n I ing he Acc n ing S anda d f B ine En e i e N . 42 . N n-c en A e Held f Sale, Di al G and Di c n in ed O e a i n (Cai K ai [2017] N . 13), hich e i ed ha he ad i n f Acc n ing S anda d f B ine En e i e N . 42 . N n-c en A e Held f Sale, Di al G and Di c n in ed O e a i n hall ake effec n 28 Ma 2017. F he e i d f m 1 Jan a 30 J ne 2017, The e a n ignifican im ac f he change in acc n ing lic n financial a emen f he g .

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 34. Critical accounting estimates and judgements

The e a a i n f financial a emen e i e managemen make e ima e and a m i n ha affec he a lica i n f acc n ing licie and he e ed am n f a e , liabili ie , inc me and e en e . Ac al e l ma diffe f m he e e ima e . E ima e and nde l ing a m i n a e e ie ed n an ng ing ba i . Re i i n acc n ing e ima e a e ec gni ed in he e i d in hich he e ima e i e i ed and in an f e

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 34. Critical accounting estimates and judgements (Continued)

#### (3) Impairment of long-term assets

A de c ibed in N e II.20, l ng- e m a e a e e ie ed a each balance hee da e de e mine he he he ec e able am un f he a e i l e han ca ing am un . If an indica i n h ha he ca ing am un f he a e ma n be full ec e ed, he a e i deemed ha e been im ai ed and an im ai men l i ec gni ed.

The ec e able am un f an a e (a e g u ) i he g ea e f i fai alue le c ell and i e en alue f e ec ed fu u e ca h fl . Since a ma ke ice f he a e ( he a e g u ) cann be b ained eliabl , he fai alue f he a e cann be e ima ed eliabl . In a e ing alue in u e, ignifican judgemen a e e e ci ed e he a e ' duc i n, elling ice, ela ed e a ing e en e and di c un ing a e calcula e he e en alue. All ele an ma e ial hich can be b ained a e u ed f e ima i n f he ec e able am un , including he e ima i n f he duc i n, elling ice and ela ed e a ing e en e ba ed n ea nable and u able a um i n.

If he managemen e i ed he g fi ma gin u ed in he fu u e ca h fl calcula i n f he a e (a e g u ) and he e i ed g fi ma gin i l e han he g fi ma gin cu en l u ed, he G u i e ui ed make i i n f im ai men f l ng- e m a e .

If he managemen e i ed he di c un a e bef e a a lied he ca h fl di c un and he e i ed di c un a e bef e a i highe han he di c un a e cu en l u ed, he G u i e ui ed make i i n f im ai men f l ng- e m a e .

If he ac ual g ma gin di c un a e bef e a i highe l e han he managemen ' e ima e, he G u can n e e e e i u l ec gni ed i i n f im ai men f l ng- e m a e .

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

A de c ibed in N e II.14 and 17, fi ed a e and in angible a e a e de ecia ed and am i ed e hei u eful li e af e aking in acc un e idual alue. The u eful li e f he a e a e egula l e ie ed de e mine he de ecia i n and am i a i n c cha ged in each e ing e i d. The u eful li e f he a e a e de e mined ba ed n hi ical e e ience f imila a e and he e ima ed echnical change . If he e ha e been ignifican change in he fac u ed de e mine he de ecia i n am i a i n, he a e f de ecia i n am i a i n i e i ed ec i el .

# Notes to the Financial Statements



F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## II.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan☐a and ended 30 J☐ne 2017
(All am ☐n in RMB'000 ☐nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## III. TAXATION

### 1. Main taxes categories and rates

| Types of tax | Tax basis | Tax rate |
| --- | --- | --- |
| Val☐e added a (VAT)(a) | The ☐ ☐ VAT calc☐la ed ba ed n a able inc me f m ale f g d and ende ing f e ice, af e ☐b ac ing he ded☐c able in ☐ VAT f he e i d, i VAT a able | |

(All am □n in RMB'000 □nle he i e a ed)

## III. TAXATION (CONTINUED)

### 2. Preferential tax treatments

The G □ ' □b idia ie ha a e en i led efe en ial a ea men a e a f ll :

| | Name of enterprises | Local statutory tax rate | Preferential rate | Reasons |
|---|---|---|---|---|
| 1 | Nan ng CIMC S ecial T an a i n E □i men Man□fac □ e C ., L d. | 25% | 15% | C n in□e be ec gni ed a high- ech en e i e in 2015 en i led 15% efe en ial a e |
| 2 | Xinh□i CIMC S ecial T an a i n E □i men C ., L d. | 25% | 15% | C n in□e be ec gni ed a high- ech en e i e in 2016 en i led 15% efe en ial a e |
| 3 | Yang h □ R□n ang L gi ic E □i men C ., L d. | 25% | 15% | Rec gni ed a high- ech en e i e , in 2014 en i led 15% efe en ial a e |
| 4 | Yang h □ T nglee Reefe C n aine C ., L d. | 25% | 15% | Rec gni ed a high- ech en e i e , in 2015 en i led 15% efe en ial a e |
| 5 | H□nan CIMC Bamb Ind□ De el men C ., L d. | 25% | 15% | Rec gni ed a high- ech en e i e , in 2016 en i led 15% efe en ial a e |
| 6 | Dalian CIMC L gi ic E □i men C ., L d. | 25% | 15% | C n in□e be ec gni ed a high- ech en e i e in 2014 en i led 15% efe en ial a e |
| 7 | Shen hen CIMC S ecial Vehicle C ., L d. | 25% | 15% | C n in□e be ec gni ed a high- ech en e i e in 2014 en i led 15% efe en ial a e |
| 8 | Yang h □ CIMC T ng H□a S ecial Vehicle C ., L d. | 25% | 15% | C n in□e be ec gni ed a high- ech en e i e in 2014 en i led 15% efe en ial a e |
| 9 | Zh□madian CIMC H□aj□n Ca ing C . L d. | 25% | 15% | C n in□e be ec gni ed a high- ech en e i e in 2015 en i led 15% efe en ial a e |
| 10 | W□h□ CIMC R□iJiang A□ m bile CO L d. | 25% | 15% | Rec gni ed a high- ech en e i e , in 2014 en i led 15% efe en ial a e |
| 11 | L□ ang CIMC Ling □ A□ m bile CO., L d. | 25% | 15% | Rec gni ed a high- ech en e i e , in 2016 en i led 15% efe en ial a e |
| 12 | Zhangjiagang CIMC Sanc □m C genic E □i men Machine C ., L d. | 25% | 15% | C n in□e be ec gni ed a high- ech en e i e in 2014 en i led 15% efe en ial a e |
| 13 | En ic (Bengb□) C m e C ., L d. | 25% | 15% | C n in□e be ec gni ed a high- ech en e i e in 2014 en i led 15% efe en ial a e |

# Notes to the Financial Statements

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

## III. TAXATION (CONTINUED)

### 2. Preferential tax treatments (Continued)

| | Name of enterprises | Local statutory tax rate | Preferential rate | Reasons |
|---|---|---|---|---|
| 14 | Shijiazhuang Enric Gas Equipment Co., Ltd. | 25% | 15% | Continue to be recognised as high-tech enterprises in 2014 entitled to 15% preferential rate |
| 15 | Enric (Langfang) Energy Equipment Integration Co., Ltd. | 25% | 15% | Continue to be recognised as high-tech enterprises in 2015 entitled to 15% preferential rate |
| 16 | Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd. | 25% | 15% | Continue to be recognised as high-tech enterprises in 2015 entitled to 15% preferential rate |
| 17 | Nantong CIMC Tank Equipment Co., Ltd. | 25% | 15% | Continue to be recognised as high-tech enterprises in 2015 entitled to 15% preferential rate |
| 18 | Liaoning CIMC Hashenleng Gas Liquefaction Plant Co., Ltd. | 25% | 15% | Continue to be recognised as high-tech enterprises in 2015 entitled to 15% preferential rate |
| 19 | Nantong CIMC Energy Equipment Co, Ltd. | 25% | 15% | Continue to be recognised as high-tech enterprises in 2014 entitled to 15% preferential rate |
| 20 | Ziemann Holvrieka Asia Co., Ltd. | 25% | 15% | Recognised as high-tech enterprises, in 2016 entitled to 15% preferential rate |
| 21 | Shenzhen CIMC - Tianda Airport Support Co., Ltd. | 25% | 15% | Continue to be recognised as high-tech enterprises in 2014 entitled to 15% preferential rate |
| 22 | Xinfa Airport Equipment Ltd. | 25% | 15% | Recognised as high-tech enterprises, in 2015 entitled to 15% preferential rate |
| 23 | Shenzhen CIMC Tianda Logistics Systems Engineering Co., Ltd. | 25% | 15% | Recognised as high-tech enterprises, in 2016 entitled to 15% preferential rate |
| 24 | Shenzhen CIMC Intelligent Technology Co., Ltd. | 25% | 15% | Continue to be recognised as high-tech enterprises in 2014 entitled to 15% preferential rate |

(All amounts in RMB'000 unless otherwise stated)

# IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Please refer to VI.1 and IV.13 for the definitions of Subsidiaries, associates and joint ventures.

## 1. Cash at bank and on hand

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

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

# Notes to the Financial Statements

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

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 2. Financial assets at fair value through profit or loss

#### (1) Classification

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

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

# IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

### (4) Forward foreign exchange contracts

A a 30 J ne 2017, he G had ce ain n e led f a d c n ac , mainl den mina ed in US d lla , Ja ane e en, G ea B i ain nd and E . The n minal al e f he e c n ac am n ed US d lla (USD) 33,500,000 Ja ane e Yen (JPY) 696,890,000, G ea B i ain P nd (GBP) 6,500,000 and E (EUR) 11,500,000, e ec i el . P an he e f a d c n ac , he G a e e i ed b / ell f eign c encie , ch a USD, Ja ane e en, G ea B i ain nd, E f c n ac ed n minal al e a ag eed a e in e change f RMB a he c n ac e lemen da e . The e f a d c n ac ill be e led n a ne ba i b c m a ing he ma ke a e a he e lemen da e and he ag eed a e . The e lemen da e f he af e aid f a d c n ac ange f m 10 J l 2017 and 16 A il 2018.

### (5) Currency swap contracts

A a 30 J ne 2017, he G had 5 n e led c enc a c n ac den mina ed in US d lla and Y an (RMB). The ini iall n minal al e f he e c n ac am n ed USD15,000,000 and RMB52,847,000. The e c n ac ill ma e a 25 Se embe 2017, 20 Decembe 2017, 20 Decembe 2017, 20 Decembe 2017, 20 Decembe 2017, e ec i el . A a 30 J ne 2017, he fai al e f he c enc a c n ac am n ed RMB333,000, hich i ega ded a de i a e and ec gni ed a financial a e a fai al e h gh fi l and financial liabili ie a fai al e h gh fi l . T an ac i n c n eali a i n ha e n been c n ide ed hen calc la ing he fai al e .

### (6) Interest swap contracts

A a 30 J ne 2017, he G had 19 n e led in e e a c n ac den mina ed in US d lla , i h a n minal al e am n ed USD1,453,802,000, and a fai al e f RMB247,296,000. The e lemen da e f he af e aid in e e a c n ac ange f m 1 Jan a 2019 28 J ne 2021.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3. Notes receivable

#### (1) Classification of Notes receivable

| | **30 June 2017** | 31 Decembe 2016 |
|---|---|---|
| Bank acce ance n e | **990,955** | 1,374,487 |
| T ade acce ance n e | **105,295** | 161,704 |
| T al | **1,096,250** | 1,536,191 |

All f he ab e bill ecei able a e d e i hin ne ea .

N am n d e f m ha eh lde h h ld 5% m e f he ing igh f he C m an i incl ded in he ab e balance f bill ecei able.

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

| | **30 June 2017** |
|---|---|
| Bank acce ance n e | **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 acce ance n e | 1,266,791 | 178,447 |
| T ade acce ance n e | 5,960 | - |
| T al | 1,272,751 | 178,447 |

# Notes to the Financial Statements

For the period started 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)

### 4. Accounts receivable

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

| | 30 June 2017 | 31 December 2016 |
|---|---|---|
| Containers | **6,265,003** | 2,540,433 |
| Transportation vehicles | **3,278,726** | 2,396,644 |
| Energy, chemical and liquid food equipment | **3,304,160** | 3,220,025 |
| Offshore engineering | **587,228** | 244,655 |
| Airport facilities | **966,932** | 1,255,195 |
| Logistics services | **1,160,930** | 1,159,172 |
| Heavy truck | **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 to 2 years (inclusive) | **1,029,918** | 989,469 |
| 2 to 3 years (inclusive) | **532,145** | 548,922 |
| Over 3 years | **313,661** | 286,923 |
| Sub-total | **17,017,751** | 12,155,311 |
| Less: provision for doubtful debts | **(646,733)** | (629,236) |
| Total | **16,371,018** | 11,526,075 |

As at 30 June 2017 and 31 December 2016, the Group had no material overdue accounts receivable without impairment.

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

# Notes to the Financial Statements

For the period started 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)

### 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 provision individually assessed for those with individual significant value | (4) | **4,036,854** | **23.72%** | **151,090** | **3.74%** | 2,987,769 | 24.58% | 142,565 | 4.77% |
| Accounts receivable provision individually assessed for those with individual small value | (5) | **487,571** | **2.87%** | **63,238** | **12.97%** | 599,213 | 4.93% | 63,181 | 10.54% |
| Provision for doubtful debts collectively assessed* | | | | | | | | | |
| Group – containers | | **4,809,768** | **28.26%** | **15,176** | **0.32%** | 1,733,265 | 14.26% | 14,762 | 0.85% |
| Group – transportation vehicles | | **2,256,230** | **13.26%** | **91,326** | **4.05%** | 1,315,102 | 10.82% | 100,810 | 7.67% |
| Group – energy, chemical and liquid food equipment | | **2,918,218** | **17.15%** | **205,248** | **7.03%** | 2,911,678 | 23.95% | 201,187 | 6.91% |
| Group – airport facilities | | **677,157** | **3.98%** | **53,027** | **7.83%** | 944,708 | 7.77% | 54,025 | 5.72% |
| Group – logistics services | | **1,010,207** | **5.94%** | **37,642** | **3.73%** | 1,002,835 | 8.25% | 34,573 | 3.45% |
| Group – heavy trucks | | **370,019** | **2.17%** | **16,600** | **4.49%** | 303,664 | 2.50% | 6,020 | 1.98% |
| Group – others | | **451,727** | **2.65%** | **13,386** | **2.96%** | 357,077 | 2.94% | 12,113 | 3.39% |
| Group sub-total | (6) | **12,493,326** | **73.41%** | **432,405** | **3.46%** | 8,568,329 | 70.49% | 423,490 | 4.94% |
| Total | | **17,017,751** | **100.00%** | **646,733** | **3.80%** | 12,155,311 | 100.00% | 629,236 | 5.18% |

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

As at 30 June 2017, the Group did not hold any collateral for accounts receivable that were made impairment aforesaid.

(All amounts in RMB'000 unless otherwise stated)

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

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 Decembe 2016 | | |
|---|---|---|---|---|---|---|
| | **Book balance Amount** | **Provision for doubtful debts Amount** | **Ratio (%)** | B k balance Am n | P i i n f d b f l deb Am n | Ra i (%) |
| Wi hin 1 ea | **11,361,722** | **103,698** | **0.91%** | 7,386,617 | 77,585 | 1.05% |
| 1 2 ea | **575,783** | **28,053** | **4.87%** | 604,679 | 59,829 | 9.89% |
| 2 3 ea | **330,333** | **189,392** | **57.33%** | 368,380 | 151,792 | 41.21% |
| O e 3 ea | **225,488** | **111,262** | **49.34%** | 208,653 | 134,284 | 64.36% |
| T al | **12,493,326** | **432,405** | **3.46%** | 8,568,329 | 423,490 | 4.94% |

The aging i calc la ed f m he da e ha he acc n ecei able i ec gni ed.

#### (7) Reversal or recovery of provision for the period

The i i n f d b f l deb f he e i d am n ed RMB79,347,000 (F he e i d f m 1 Jan 30 J ne 2016: RMB14,445,000), a i i n f d b f l deb am n ed RMB53,359,000 ha been c llec ed e e ed. (F he e i d f m 1 Jan 30 J ne 2016: Nil)

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

The acc n ecei able am n ed RMB9,312,000 a i en ff in c en e i d. (F he e i d f m 1 Jan 30 J ne 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** |
|---|---|---|---|
| S m f he fi e la ge acc n ecei able | 2,729,716 | . | 16.04% |

(All amounts in RMB'000 unless otherwise stated)

# 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 due 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%).

| | | 30 June 2017 | | | 31 December 2016 | | |
|---|---|---|---|---|---|---|---|
| Company name | Relationship with the Group | 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 Heavy Duty Automobile C&C Truck Co., Ltd | Minority shareholder of subsidiaries | 60,476 | 0.36% | - | 27,987 | 0.23% | - |
| Florens Maritime Limited (FML) | Subsidiary of significant shareholder | 38,523 | 0.23% | - | 7,311 | 0.06% | - |
| Florens Container Services Ltd. | Subsidiary of significant shareholder | 12,419 | 0.07% | - | - | 0.00% | - |
| Garfin Investments S.A. (Garfin) | Minority shareholder of subsidiaries | 8,142 | 0.05% | - | 8,183 | 0.07% | - |
| SUMITOMO CORPORATION | Minority shareholder of subsidiaries | 7,631 | 0.04% | - | 56,538 | 0.46% | - |
| NYK Zhenhua | Joint Venture | 4,473 | 0.03% | - | 5,795 | 0.05% | - |
| China Merchants Shekou Holding Co., Ltd | Subsidiary of significant shareholder | 4,180 | 0.02% | - | - | 0.00% | - |
| Dongfang international Container (LianYunGang) Co. Ltd (DongFang International) | Subsidiary of significant shareholder | 1,879 | 0.01% | - | 27,650 | 0.23% | - |
| Garfin Development GmbH | Minority shareholder of subsidiaries | 1,709 | 0.01% | - | 1,610 | 0.01% | - |
| Xuzhou Wood | 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 started 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)

### 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 |
|---|---|---|---|
| Receivables arising from financing related activities | | **550,077** | 873,585 |
| Receivables from share capital increase/share capital transfer | | **4,265,196** | 4,020,057 |
| Advance payments and financial grants | (i) | **1,658,985** | 1,658,985 |
| Loans | (ii) | **473,022** | 1,011,616 |
| Assets purchased under reverse repurchase agreements | (iii) | **1,020,166** | 999,926 |
| Receivables from demolition compensation | | **28,613** | 572,258 |
| Security deposits | | **823,600** | 663,995 |
| Tax refunds receivable | | **234,831** | 167,099 |
| Others | | **900,111** | 960,805 |
| 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 |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan□a and ended 30 J□ne 2017
(All am □n in RMB'000 □nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 5. Other receivables (Continued)

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

(i) An indi ec h ll- ned □b idia f En ic and an □b idia f he G □ , CIMC En ic In e men H lding (Shen hen) L d. ( EIHL ), en e ed in an ag eemen ( Ag eemen ) n 27 A□g□ 2015 i h SOEG PTE LTD ( SOEG ), Jiang □ Pacific Shi b□ilding G □ C ., L d. ( Jiang □ Pacific ) and E e g een G □ C ., L d ( E e g een ) (c llec i el , he Vend ), □ □an hich he Vend ag eed ell and EIHL ag eed □ cha e 100% e □i in e e in Sin Pacific Off h e & Enginee ing C ., L d ( SOE ). Af e a d , he C m an , SOE and E e g een en e ed in a financial a i ance f ame k ag eemen ( Financial A i ance Ag eemen ) hich g e ned he financial a i ance ided b he G □ SOE in he f m f l an and g□a an ee . A a 1 J□ne 2016, En ic ann □nced ha he B a d c n ide ed ce ain c ndi i n eceden in he Ag eemen c □ld n be f□lfilled and he Vend had b eached ce ain ma e ial e m f he Ag eemen . EIHL deli e ed e mina i n n ice he Vend f e mina i n f he Ag eemen and e □e ed f he e □ n f he e aid c n ide a i n f 178,634,000. On he ame da e, he C m an deli e ed e mina i n n ice SOE and E e g een f e mina i n f he Financial A i ance Ag eemen and e □e ed SOE e a he l an f 482,052,000 and elea e he g□a an ee f bank l an f 1,000,000,000 ided b a □b idia f En ic , in fa □ f, SOE.

D□ ing he ec nd half ea f 2016, he de i f 1,000,000,000 ledged f SOE' bank l an ha e been i hd a n b he bank a SOE failed e a i bank l an □ n ma □ i . A a 31 Decembe 2017, he al ecei able d□e f m SOE am □n ed 1,480,351,000. Ba ed n he inf ma i n a ailable, En ic ha made □b an ial i i n f a ima el 178,634,000 and 1,184,281,000 e ec i el f e aid am □n f m he Vend and he ecei able f m SOE i h a al al□e f 1,362,915,000 d□ ing he ea ended 31 Decembe 2016.

SOE a □nde ecei e hi b he SOE In l enc and Li □ida i n Team ( he Recei e ) hich a a in ed b he PRC C □ . On 5 J□l 2017, EIHL, SOE and he Recei e en e ed in e □c □ ing in e men ag eemen □ □an hich EIHL a he e □c □ ing in e , ffe ed □ cha e he maj a e f SOE h □gh ac □i ing SOE' i □ed ha e, e e en ing he en i e e □i in e e in SOE f a c n ide a i n f RMB799,800,000. S□b e □en l , he e □c □ ing lan a a ed b SOE' c edi a he c edi ' mee ing a ell a b he PRC C □ n 4 A□g□ 2017.

F he e i d ended 30 J□ne 2017, ba ed n he inf ma i n c□ en l a ailable and he □ da e e ima e f he ec e abili a i , En ic f□ he made an im ai men i i n f a ima el RMB105,549,000 i e d n he ecei able d□e f m SOE. A a 30 J□ne 2017, En ic ha made i i n f a ima el 178,634,000 and 1,289,830,000 e ec i el f e aid am □n f m he Vend and he ecei able f m SOE i h a al al□e f 1,468,464,000.

(ii) The b ing mainl c n ained in e bank b ing f he Finance C m an i h an am □n f 135,488,000 hich e i ed f m J□l 3 J□l 5 2017; and e a men f ca l an and e ca h f□nd f aff.

(iii) A e □ cha ed □nde e e e e □ cha e ag eemen mainl c n ained he in e bank ledge- le e an ac i n f Finance c m an , ne f he □b idia f he G □ .

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

| | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|
| Wi hin 1 ea (Incl□ i e) | **9,174,370** | 9,667,565 |
| 1 2 ea (Incl□ i e) | **558,934** | 999,143 |
| 2 3 ea (Incl□ i e) | **31,344** | 95,819 |
| O e 3 ea | **189,953** | 165,799 |
| S□b- al | **9,954,601** | 10,928,326 |
| Le : i i n f d □b f□l deb | **(1,710,625)** | (1,580,439) |
| T al | **8,243,976** | 9,347,887 |

The aging i calc□la ed f m he da e ha he ecei able a e ec gni ed.

A a 30 J□ne 2017 and 31 Decembe 2016, he G □ ha n he ma e ial ecei able e d□ed i h □ im ai men (31 Decembe 2016: Nil).

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 5. Other receivables (Continued)

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

| | | 30 June 2017 | | | | 31 Decembe 2016 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Book balance | | Provision for doubtful debts | | B k balance | | P i i n f d ub fu l deb | |
| | N e | Amount | % of total balance | Amount | Ratio (%) | Am un | % f al balance | Am un | Ra i (%) |
| O he ecei able i h am un ha a e indi iduall ignifican | (4) | **8,234,184** | **82.72%** | **1,604,552** | **19.49%** | 9,379,989 | 85.83% | 1,503,143 | 16.02% |
| O he ecei able i h am un ha a e n indi iduall ignifican | | **1,720,417** | **17.28%** | **106,073** | **6.17%** | 1,548,337 | 14.17% | 77,296 | 4.99% |
| T al | | **9,954,601** | **100.00%** | **1,710,625** | **17.18%** | 10,928,326 | 100.00% | 1,580,439 | 14.46% |

The G u did n h ld an c lla e al f he ecei able i h i i n f bad deb .

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

| | Book balance | Provision for doubtful debts | Ratio (%) | Reason |
|---|---|---|---|---|
| Recei able a i ing f m financing ela ed a ie | **490,664** | **–** | **0.00%** | N e 1 |
| Recei able a i ing f m ha e ca i al inc ea e/e u i an fe | **4,119,061** | **–** | **0.00%** | N e 1 |
| L an | **278,889** | **72,255** | **25.91%** | N e 1 |
| Redem f m dem li i n c m en a i n | **1,020,166** | **–** | **0.00%** | N e 1 |
| Ad ance a men f e ui an fe and financial g an | **1,658,985** | **1,468,464** | **88.52%** | N e 1 |
| Ta efund ecei able | **51,531** | **–** | **0.00%** | N e 1 |
| O he | **614,888** | **63,833** | **10.38%** | N e 1 |
| T al | **8,234,184** | **1,604,552** | | |

N e 1: The i i n f d ub fu l deb i indi iduall a e ed ba ed n he ec e abili f indi idual balance.

### (5) Reversal or recovery of provision for the period

The i i n f d ub fu l deb hi e i d am un ed RMB142,700,000 (F he e i d f m 1 Jan 30 June 2016: RMB412,354,000). A i i n f d ub fu l deb am un ed RMB777,000 (F he e i d f m 1 Jan 30 June 2016: RMB68,853,000) ha been ec e ed e e ed.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan□a and ended 30 J□ne 2017
(All am □n in RMB'000 □nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 5. Other receivables (Continued)

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

O he ecei able i en ff in c□ en e i d am □n ed RMB6,579,000 (F he e i d ended J□ne 30 2016: Nil).

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

| | Notes | Nature | Book balance | Aging | % of total balance | Provision for doubtful debts |
|---|---|---|---|---|---|---|
| Tianjin Lan h□i Off ha e Enginee ing Limi ed Pa ne hi ( Tianjin Lan h□i ) | (i) | Recei able a i ing f m e □i an fe | 3,575,000 | i hin 1 ea | 35.91% | . |
| Sin acific Off h e & Enginee ing C ., L d ( SOE ) | | Ad ance a men f e □i an fe | 1,658,985 | i hin 1 ea / 1 2 ea | 16.67% | 1,468,464 |
| Zhenjiang CIMC Embelli h Y□ Real E a e C ., L d( Embelli h Y□ Real E a e ) | (ii) | Recei able f m A cia e | 503,568 | e 3 ea | 5.06% | . |
| Changjiang Sec□ i ie C m an Limi ed | | B nd ledge e e e □ cha e | 299,950 | i hin 1 ea | 3.01% | . |
| Ji□ h □ Sec□ i ie C m an Limi ed | | B nd ledge e e e □ cha e | 152,100 | i hin 1 ea | 1.53% | . |
| T al | | | 6,189,603 | | 62.18% | 1,468,464 |

The al am □n f he G □ ' fi e la ge he ecei able a a 31 Decembe 2016 am □n ed RMB7,130,634,000, acc □n ing f 65.25% f he al balance.

(i) A a 23 Decembe 2016, Qianhai CIMC lea ing (Shen hen) C ., L d. ( efe ed a Qianhai Lea ing ), ne f he G □ ' □b idia ie , and TianJin Y ngWang machine e □i men lea ing L d ( efe ed a TianJin Y ngWang ), ne f he G □ ' □b idia ie , and TianJin Bl□eWa e igned ca i al inc ea e ag eemen and ind□ ial and c mme cial egi a i n a changed n 28 Decembe , 2016. A a 30 J□ne 2017, he e a ill 3.575 billi n ha ha n ecei ed. Acc ding he c n ac , af e he da e f ca i al inc ea e, TianJin Bl□eWa e h □ld g□a an ee he e ill be an ann□al e ec ed ea ning ield f n le han 4.9853% f m 2017 2019 hich ill be aid f m he ea f 2018. Af e a e men , he di idend lic a c nfi med a he n n-c□ en liabili i h al am □n f 487,632,000 hile he diffe ence f al ca i al inc ea e and he n n-c□ en liabili men i ned ab e a ec ded a e □i .

(ii) A a 14 Oc be , 2016, 80% ha e f Embelli h Y□ Real E a e, he h ll - ned □b idia f he G □ , a an fe ed Nanjing Ga ch□n C □n Ga den Real E a e De el men C ., L d ( efe ed a C □n Ga den ) b he G □ and he ind□ ial and c mme cial egi a i n a changed hen. The in e -g □ f□nd lending f m he G □ Embelli h Y□ Real E a e a □ ned in ela ed a f□nd lending f m he G □ C □n Ga den. Acc ding he E □i an fe ag eemen , in he ne 9 m n h af e he ind□ ial and c mme cial egi a i n da , C □n Ga den ill a i Embelli h Y□ Real E a e a ing hi l an he G □ . A a 30 J□ne 2017, he f□nd n e □ ned e a am □n RMB503,568,000.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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:

A a 30 J ne 2017 and 31 Decembe 2016, n am n d e f m ha eh lde h lding m e han 5% (incl ding 5%) f he ing igh f he C m an i incl ded in he ab e balance f he ecei able .

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

| | | 30 June 2017 | | | | 31 Decembe 2016 | | | |
|---|---|---|---|---|---|---|---|---|---|
| C m an name | Rela i n hi i h he G | Amount | Nature | % of total balance | Provision for doubtful debts | Am n | Na e | % f al balance | P i i n f d b f l deb |
| R n Y Real E a e | A cia e | **503,568** | **Funding** | **5.06%** | **-** | 824,391 | F nding | 7.54% | . |
| China Me chan e De el men C .L d | S b idia f ignifican ha eh lde | **70,650** | **Transfer of equity** | **0.71%** | **-** | 70,650 | T an fe f e i | 0.65% | . |
| Shanghai Feng ang | A cia e | **34,204** | **Funding** | **0.34%** | **-** | 34,204 | F nding | 0.31% | . |
| Xin ang W d Ind | A cia e | **12,305** | **Funding** | **0.12%** | **-** | 436 | F nding | 0.00% | . |
| O he | | **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 Decembe 2016 |
|---|---|---|
| Ra ma e ial (incl ding e i men f hi nde c n c i n) | **2,519,661** | 2,313,829 |
| C f hi nde c n c i n | **864** | 553 |
| O he | **106,137** | 78,567 |
| S b- al | **2,626,662** | 2,392,949 |
| Le : i i n f d b f l deb | **(233,632)** | (226,967) |
| T al | **2,393,030** | 2,165,982 |

(All am ȗn in RMB'000 ȗnle he i e a ed)

# 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 Decembe 2016 | |
|---|---|---|---|---|
| | **Amount** | **% of total balance** | Am ȗn | % f al balance |
| Wi hin 1 ea (Inclȗ i e) | **1,562,745** | **59.50%** | 1,201,088 | 50.19% |
| 1 2 ea (Inclȗ i e) | **164,197** | **6.25%** | 285,595 | 11.94% |
| 2 3 ea (Inclȗ i e) | **272,648** | **10.38%** | 619,004 | 25.87% |
| O e 3 ea | **627,072** | **23.87%** | 287,262 | 12.00% |
| Sȗb- al | **2,626,662** | **100.00%** | 2,392,949 | 100.00% |
| Le : i i n f d ȗb fȗl deb | **(233,632)** | **8.89%** | (226,967) | 9.48% |
| T al | **2,393,030** | **91.11%** | 2,165,982 | 90.52% |

The aging i calcȗla ed f m he da e ha e aid e en e i ec gni ed.

O he e aid e en e aged e a ea mainl e e en ed e a men f ma e ial and eȗi men f ff h e enginee ing jec b he G ȗ . Since he dȗc i n c cle f he ff h e enginee ing jec i ȗ ȗall m e han ne ea , he e a men ha n e been e led.

### (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** |
|---|---|---|
| Sȗm f he fi e la ge ad ance ȗ lie | **968,260** | **36.86%** |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Inventories

#### (1) Inventories are summarised by categories as follows:

| | 30 June 2017 | | | 31 Decembe 2016 | | |
|---|---|---|---|---|---|---|
| | Book balance | Provision for decline in the value of inventories | Net book Value | B k balance | P i i n f decline in he al e f in en ie | Ne b k Value |
| Ra ma e ial | **3,705,526** | **(168,780)** | **3,536,746** | 3,252,604 | (163,944) | 3,088,660 |
| W k in g e | **2,569,392** | **(27,821)** | **2,541,571** | 2,223,924 | (27,978) | 2,195,946 |
| Fini hed g d | **4,109,445** | **(112,544)** | **3,996,901** | 3,713,285 | (125,107) | 3,588,178 |
| C n ignmen ck | **212,003** | **(242)** | **211,761** | 113,302 | (242) | 113,060 |
| S a e a | **184,079** | **(4,655)** | **179,424** | 213,712 | (1,538) | 212,174 |
| L - alued c n umable | **40,055** | **(76)** | **39,979** | 35,951 | (72) | 35,879 |
| Ma e ial in an i | **30,731** | **–** | **30,731** | 22,887 | - | 22,887 |
| C m le ed e ie held f ale | **801,710** | **–** | **801,710** | 852,395 | - | 852,395 |
| P e ie unde de el men | **1,425,597** | **–** | **1,425,597** | 1,400,761 | - | 1,400,761 |
| Off h e enginee ing e ui men | **4,718,967** | **(121)** | **4,718,846** | 4,658,377 | (123) | 4,658,254 |
| Am un due f m cu me f c n ac k (4) | **853,605** | **–** | **853,605** | 1,241,321 | - | 1,241,321 |
| T al | **18,651,110** | **(314,239)** | **18,336,871** | 17,728,519 | (319,004) | 17,409,515 |

A a 30 June 2017, he G u ' cl ing balance f in en ie included ca i ali ed b ing c am un ing 263,341,000 (31 Decembe 2016: 187,359,000). The in e e a e e annum a hich he b ing c e e ca i ali ed a 3.39% (31 Decembe 2016: 4.07%).

A a 30 June 2017, he e i n e ic ed in en ie . (31 Decembe 2016: Nil).

# Notes to the Financial Statements

For the period started 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)

### 7. Inventories (Continued)

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

| | 31 December 2016 | Increase in current period | Decrease in current period | **30 June 2017** |
|---|---|---|---|---|
| Raw materials | 3,252,604 | 22,385,554 | (21,932,632) | **3,705,526** |
| Working 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** |
| Consignment stock | 113,302 | 1,299,933 | (1,201,232) | **212,003** |
| Spare parts | 213,712 | 301,210 | (330,843) | **184,079** |
| Low-valued consumables | 35,951 | 136,378 | (132,274) | **40,055** |
| Materials in transit | 22,887 | 50,168 | (42,324) | **30,731** |
| Completed properties held for sale | 852,395 | 406,123 | (456,808) | **801,710** |
| Properties under development | 1,400,761 | 240,987 | (216,151) | **1,425,597** |
| Offshore engineering equipment | 4,658,377 | 86,687 | (26,097) | **4,718,967** |
| Amounts due from customers for contract work | 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 current period | Decrease in current period | | Exchange Differences arising from translating foreign operations | **30 June 2017** |
|---|---|---|---|---|---|---|
| | | Increase | Reversal | Write-off | | |
| Raw materials | 163,944 | 40,938 | (39,065) | (993) | 3,956 | **168,780** |
| Working 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** |
| Consignment stock | 242 | – | – | – | – | **242** |
| Spare parts | 1,538 | – | (1,565) | (4,458) | 9,140 | **4,655** |
| Low-valued consumables | 72 | 4 | – | – | – | **76** |
| Offshore engineering equipment | 123 | – | – | – | (2) | **121** |
| Amounts due from customers for contract work | – | – | – | – | – | **–** |
| Total | 319,004 | 79,760 | (83,281) | (16,395) | 15,151 | **314,239** |

(All am n in RMB'000 nle he i e a ed)

## 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 i i n f decline in al e f he G ' in en ie d ing he e i d a ec gni ed mainl f he ice d f ce ain d c and he l -m ing a e ma e ial .

W i en ff/ e e al f i i n f decline in al e f he G ' in en ie d ing he e i d i a f ll :

| Category | Basis for provision | Reason for reversal/write-off |
|---|---|---|
| Ra ma e ial | The ne eali able al e i l e han he ne b k al e | Inc ea e in ne eali able al e/ age ale f in en ie |
| W k in g e | The ne eali able al e i l e han he ne b k al e | Inc ea e in ne eali able al e/ age ale f in en ie |
| Fini hed g d | The ne eali able al e i l e han he ne b k al e | Inc ea e in ne eali able al e/ age ale f in en ie |
| C n ignmen ck | The ne eali able al e i l e han he ne b k al e | Inc ea e in ne eali able al e/ age ale f in en ie |
| S a e a | The ne eali able al e i l e han he ne b k al e | Inc ea e in ne eali able al e/ age ale f in en ie |
| L - al ed c n mable | The ne eali able al e i l e han he ne b k al e | Inc ea e in ne eali able al e/ age ale f in en ie |
| Off h e enginee ing e i men | The ne eali able al e i l e han he ne b k al e | Inc ea e in ne eali able al e/ age ale f in en ie |
| Am n d e f m c me f c n ac k | The ne eali able al e i l e han he ne b k al e | Inc ea e in ne eali able al e/ age ale f in en ie |

#### (4) Amount due from customer for contract work

| | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|
| Agg ega e c n ac c inc ed and fi ec gni ed da e (Le f e eeable l e ) | **4,138,034** | 6,293,908 |
| Le : g e billing ecei ed and ecei able | **(3,349,614)** | (5,131,718) |
| | **788,420** | 1,162,190 |
| Incl ding: | | |
| C n c i n k-in- g e in e ce f g e billing | **853,605** | 1,241,321 |
| P g e billing in e ce f c n c i n k-in- g e | **(65,185)** | (79,131) |
| | **788,420** | 1,162,190 |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 |
| In e men e ie | **26,401** | **26,401** | **–** | **2017** |
| Fi ed a e | **92,269** | **115,743** | **6,768** | **2017** |
| In angible a e | **85,177** | **97,563** | **4,614** | **2017** |
| T al | **203,847** | **239,707** | **11,382** | |

A a 11 N embe 2016, n a al f he B a d f Di ec , he G ' b idia ie , Jid ng (Qinh angda ) Vehicle Man fac ing C ., L d., ne f he b idia ie f he G , igned an i e cable a e an fe ag eemen i h he Qinh angda Ec n mic and Techn l gical De el men Z ne Land Ac i i i n and Re e e Cen e ell i f fi ed a e i h he ca ing am n f 36,377,000 and in angible a e i h he ca ing am n f 74,954,000. The an fe an ac i n i e ec ed be c m le ed i hin 2017. A a 16 N embe 2016, i h he a al f he B a d f Di ec , CIMC Vehicle (G ) Xinjiang C ., L d., ne f he b idia ie f he G , ha igned an i e cable a e an fe ag eemen ell i in e men e ie i h he ca ing am n f 26,401,000, fi ed a e i h he ca ing am n f 55,892,000 and in angible a e i h he ca ing am n f 10,223,000 U m i High- ech Ind ial De el men Z ne (Ne U ban A ea) Pe le' G e nmen and The Managemen C mmi ee f U m i Hi-Tech Ind ial De el men Z ne, hich i e ec ed be c m le ed b 2017. The ab e-men i ned a e be ld a e alified a a e cla ified a a ailable f ale and a e e en ed e a a el a c en a e in he balance hee (31 Decembe 2016: 203,847,000).

### 9. Current portion of non-current assets

| | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|
| Finance lea e ecei able | **5,677,533** | 5,467,492 |
| Le : n eali ed financing inc me | **(1,179,085)** | (1,252,505) |
| Finance lea e ecei able-ne | **4,498,448** | 4,214,987 |
| Sale f g d b in almen | **19,769** | 33,378 |
| O he | **4,401** | 518 |
| S b- al | **4,522,618** | 4,248,883 |
| Le : i i n f im ai men | **(404,590)** | (307,194) |
| T al | **4,118,028** | 3,941,689 |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

A a 30 June 2017, he balance f he l ng- e m ecei able f m ela ed a ie due i hin ne ea f he G u a 36,658,000 (31 Decembe 2016: 108,990,000).

| C m an Name | Rela i n hi i h he G u | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|---|
| LiHua ga age and an a i n C ., L d. ( LiHua Ene g ) | A cia e | **26,619** | 90,752 |
| Y&C Engine C ., L d ( Y&C Engine ) | J in Ven u e | **10,039** | 18,238 |
| T al | | **36,658** | 108,990 |

Cu en i n f n n-cu en a e a e umma i ed b ca eg ie a f ll :

| | 30 June 2017 | | | | 31 Decembe 2016 | | | |
|---|---|---|---|---|---|---|---|---|
| | Ending balance | | Provision for bad debts | | Ending balance | | P i i n f bad deb | |
| | Amount | % of total balance | Amount | % of total balance | Am un | % f al balance | Am un | % f al balance |
| Cu en i n f n n-cu en a e i h indi iduall ignifican alue and inde enden i i n f d ub ful deb | **310,099** | **6.86%** | **77,175** | **24.89%** | 143,170 | 3.37% | 49,775 | 34.77% |
| Cu en i n f n n-cu en a e i h c mbined i i n f d ub ful deb * | **4,212,519** | **93.14%** | **327,415** | **7.77%** | 4,105,713 | 96.63% | 257,419 | 6.27% |
| T al | **4,522,618** | **100.00%** | **404,590** | **8.95%** | 4,248,883 | 100.00% | 307,194 | 7.23% |

N e*: Thi ca eg inclu de n n-cu en a e due i hin ne ea ha a e f ee f im ai men in indi idual e .

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 10. Other current assets

| | **30 June 2017** | 31 Decembe 2016 |
|---|---|---|
| Ta ded c ible/ i hheld | **704,034** | 656,847 |
| O he | **15,142** | 45,631 |
| T al | **719,176** | 702,478 |

### 11. Available-for-sale financial assets

| | **30 June 2017** | 31 Decembe 2016 |
|---|---|---|
| Mea ed a fai al e | | |
| A ailable-f - ale e i in men -Li ed | **1,761** | 2,441 |
| Financial d c | **20,000** | - |
| B nd | **31,086** | 30,803 |
| Mea ed a hi ical c | | |
| A ailable-f - ale e i in men (1) - Unli ed | **411,970** | 412,240 |
| O he | **10** | 307 |
| Le : i i n f im ai men | **(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.

(All am n in RMB'000 nle he i e a ed)

# 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 ailable-f - ale e i in men mea ed a fai al e:

| | **30 June 2017** | 31 Decembe 2016 |
|---|---|---|
| A ailable-f - ale e i in men | | |
| . Fai al e | **1,761** | 2,441 |
| . Hi ical c | **4,582** | 4,582 |
| . Acc m la ed ne change in fai al e f a ailable-f - ale financial a e ec gni ed in he c m ehen i e inc me | **(2,821)** | (2,141) |
| Financial d c | | |
| . Fai al e | **20,000** | . |
| . Hi ical c | **20,000** | . |
| . Acc m la ed ne change in fai al e f a ailable-f - ale financial a e ec gni ed in he c m ehen i e inc me | **–** | . |
| B nd | | |
| . Fai al e | **31,086** | 30,803 |
| . Hi ical c | **31,813** | 31,914 |
| . Acc m la ed ne change in fai al e f a ailable-f - ale financial a e ec gni ed in he c m ehen i e inc me | **(727)** | (1,111) |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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)

A ailable-f - ale e i in men mea ed a hi ical c :

| | 31 Decembe 2016 | Inc ea e in c en e i d | Dec ea e in c en e i d | **30 June 2017** | Sha eh lding a i f in e ee | Ca h di idend in c en e i d |
|---|---|---|---|---|---|---|
| A ailable-f - ale e i in men | | | | | | |
| . hi ical c | | | | | | |
| . China Uni ed In e na i nal Rail C n aine C ., L d( CR In e m dal ) | 380,780 | . | . | **380,780** | 10.00% | 4,000 |
| . Bank f C mm nica i n Sch de F nd Managemen C ., L d( BOCM Sch de ) | 8,125 | . | . | **8,125** | 5.00% | . |
| . Beihai Yinjian C ., L d( Beihai Yinjian ) | 1,700 | . | . | **1,700** | 1.01% | . |
| . G angd ng Sam ng En e i e G C ., L d( G angd ng Sam ng ) | 1,365 | . | . | **1,365** | 0.09% | . |
| . D ngh a C n aine T an a i n Se ice C ., L d | 270 | . | (270) | **–** | 0.00% | . |
| . Zh hai Y n h Techn l g C ., L d ( Zh hai Y n h ) | 20,000 | . | . | **20,000** | 2.00% | . |
| S b al | 412,240 | . | (270) | **411,970** | | 4,000 |
| . P i i n f im ai men | (3,065) | . | . | **(3,065)** | | . |
| T al | 409,175 | . | (270) | **408,905** | | . |

A ailable-f - ale e i in men mea ed a hi ical c mainl c n i f e i in e men f n-li ed c m anie , hich d n ha e ed ice in ac i e ma ke . The a ia i n f ea nable e ima e f fai al e i la ge, and he babili ie ed de e mine he e ima i n can n be ea nabl c nfi med. Th , he fai al e can n be e al a ed eliabl . The G fa d n ha e lan di e he e in e men .

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. Long-term receivables

| | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|
| Finance Lea e ecei able | **21,106,913** | 21,814,831 |
| Le : Un eali ed financing inc me | **(7,601,148)** | (8,593,181) |
| Finance lea e ecei able-ne | **13,505,765** | 13,221,650 |
| Sale f g d b in almen | **235,898** | 325,592 |
| O he | **210,113** | 158,052 |
| Sub- al | **13,951,776** | 13,705,294 |
| Le : i i n f im ai men | **(452,449)** | (485,052) |
| T al | **13,499,327** | 13,220,242 |

A he end f 30 June 2017, he e i n l ng- e m ecei able due f m ha eh lde h lding m e han 5%(inclu i e) f he ing igh f he c m an ela ed a ie . (31 Decembe 2016: Nil)

The al fu u e minimum lea e ecei unde finance lea e af e he balance hee da e, hich a e ba ed n c n ac ual undi c un ed ca h fl (including in e e a men c m u ed u ing c n ac ual a e , if fl a ing, ba ed n a e cu en a he balance hee da e), a e ecei able a f ll :

| Minimum lea e ecei | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|
| Wi hin 1 ea (inclu i e) | **5,677,533** | 5,467,492 |
| 1 and 2 ea (inclu i e) | **3,746,417** | 3,608,636 |
| 2 and 3 ea (inclu i e) | **2,543,013** | 2,261,810 |
| O e 3 ea | **14,817,483** | 15,944,385 |
| Sub- al | **26,784,446** | 27,282,323 |
| Le : un eali ed finance inc me | **(8,780,233)** | (9,845,686) |
| T al | **18,004,213** | 17,436,637 |

A a 30 June 2017, he e i n l ng- e m ecei able de ec gni ed due an fe ing f financial a e in cu en e i d (31 Decembe 2016: Nil).

# Notes to the Financial Statements



## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. Long-term receivables (Continued)

A he end f 30 June 2017, he G u ' l ng- e m ecei able due f m ela ed a ie am un ed 213,007,000 (31 Decembe 2016: 107,298,000).

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 13. Long-term equity investments

### (1) Classification of long-term equity investments:

| | | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|---|
| J in en e | (2) | **512,490** | 500,501 |
| A cia e | (3) | **1,736,940** | 1,661,718 |
| | | **2,249,430** | 2,162,219 |
| Le : i i n f im ai men | | **(2)** | (2) |
| T al | | **2,249,428** | 2,162,217 |

The e i n b an ial e ic i n f he eali a i n f l ng- e m e i in e men .

N b an ial e ic i n e i hich hibi he an fe f f nd be een he G and he j in en e and a cia e .

# 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)

### 13. Long-term equity investments (Continued)

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

| | 31 December 2016 | Movements in current period: Increase/Decrease in investment | Net profit or loss adjusted by equity method | Adjustment of other comprehensive income | Other equity movement | Cash dividend declared | Changes in foreign exchange rate | **30 June 2017** | Provision for impairment |
|---|---|---|---|---|---|---|---|---|---|
| Guangxi Southern CIMC Logistics Equipment Manufacturing Co., Ltd. | 36,294 | – | 3,345 | – | – | – | – | **39,639** | – |
| Supercool (Shanghai) Refrigeration Equipment Co. Ltd | 2,171 | – | (295) | – | – | – | – | **1,876** | – |
| Shanghai Shenxi Special Vehicle Parts Co., Ltd | 11,340 | – | – | – | – | – | (338) | **11,002** | – |
| NYK Zhenhua Logistics (Tianjin) Co. Ltd. | 75,432 | – | 823 | – | – | (4,753) | – | **71,502** | – |
| Kawasaki 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 Jilong&Baijian Logistics Co., Ltd. | 5,678 | – | 397 | – | – | (1,000) | (169) | **4,906** | – |
| Shanghai Baijian Deyi Container Maintenance Co., Ltd. | 23,888 | – | 2,045 | – | – | – | (711) | **25,222** | – |
| Tianjin Jinshi Baijian Container Maintenance Co., Ltd. | 7,933 | – | 1,087 | – | – | – | (236) | **8,784** | – |
| Y&C Engine Co., Ltd | 195,777 | – | 6,149 | – | – | – | – | **201,926** | – |
| Shenzhen CIMC Mobile International Service Co., Ltd | 1,630 | – | (1,015) | – | – | – | – | **615** | – |
| Ningbo Meishan Bonded Port Area Chuangzhi Liancheng Investment Management Partnership (Limited Partnership) | 50,100 | 3,000 | – | – | – | – | – | **53,100** | – |
| Hangzhou Yinghe Investment Management Partnership | 20,100 | 1,200 | – | – | – | – | – | **21,300** | – |
| New Horizon Shipping UG | 33,287 | – | – | – | – | – | – | **33,287** | – |
| Hangzhou Xinsei Investment Management Partnership | 10 | – | – | – | – | – | – | **10** | – |
| Total | 500,501 | 4,200 | 15,429 | – | – | (5,753) | (1,887) | **512,490** | – |

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

# 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)

### 13. Long-term equity investments (Continued)

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

| | | Movements in current period | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 31 December 2016 | Increase/ Decrease in investment | Net profit/ loss adjusted by equity method | Adjustment for other comprehensive income | Other equity movement | Cash dividend declared | Change in foreign exchange rate | Recognised impairment loss | Others | **30 June 2017** | Provision for impairment |
| Xinyang Wood (Hong Kong) Co., Ltd. | 7,071 | - | - | - | - | - | - | - | - | **7,071** | - |
| Ningbo Beilun Donghua Container Service Co., Ltd. | 1,200 | - | - | - | - | - | - | - | - | **1,200** | - |
| Xiamen CIMC Haitou Container Service Co., Ltd | 23,350 | - | 1,505 | - | - | - | - | - | - | **24,855** | - |
| Dalian Jilong Logistics Co., Ltd. | 47,615 | - | 529 | - | - | - | - | - | - | **48,144** | - |
| Senju (Jiangmen) Technology Material Co., Ltd. | 45,684 | - | 790 | - | - | - | - | - | - | **46,474** | - |
| Eurotank Oy (Eurotank) | 8,374 | - | 389 | - | - | - | - | - | - | **8,763** | - |
| Shanghai Fengyang Real Estate Development Co., Ltd. | 104,191 | - | - | - | - | - | - | - | - | **104,191** | - |
| TSC | 212,905 | - | - | - | - | - | (6,338) | - | - | **206,567** | - |
| Marine Subsea & Consafe Limited | 2 | - | - | - | - | - | - | - | - | **2** | (2) |
| Tianshui (Shanghai) International Freight Agency Co., Ltd. | 1,900 | - | 75 | - | - | - | - | - | - | **1,975** | - |
| LiHua gas storage and transportation Co., Ltd. (LiHua Energy) | 102,176 | - | 2,832 | - | - | - | - | - | - | **105,008** | - |
| Jiangsu Ruicheng Machinery Co., Ltd | 28,123 | - | - | - | - | - | - | - | - | **28,123** | - |
| Jiuquan Enric Kunlun Cryogenic Machinery Co., Ltd. | 2,608 | - | (1,225) | - | - | - | - | - | - | **1,383** | - |
| O n Inc (Shanghai) | 16,589 | - | (81) | - | - | - | - | - | - | **16,508** | - |
| Xuzhou CIMC Wood Co., Ltd | 27,519 | - | 302 | - | - | - | - | - | - | **27,821** | - |
| Tianjin Sunlon Dongjiang Animal Husbandry Co., Ltd. | 30,436 | - | (2,316) | - | - | - | - | - | - | **28,120** | - |
| Qingdao Port International Trade and Logistics Co., Ltd. | 43,400 | - | 1,246 | - | - | - | - | - | - | **44,646** | - |
| ZPMC-Red Box Energy Services Limited | 14,567 | - | (14,567) | - | - | - | - | - | - | **-** | - |
| Tianjin Sh n ng Import & Export Trading Co. Ltd. | 21,110 | - | - | - | - | - | - | - | - | **21,110** | - |
| Jiahua Shipping Co., Ltd. (Jiahua Shipping) | 126,454 | - | - | - | - | - | (2,966) | - | - | **123,488** | - |
| Xind F eigh Co., Ltd. | 688 | - | 150 | - | - | - | - | - | - | **838** | - |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 . nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 13. Long-term equity investments (Continued)

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

| | | M emen in c en e i d | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 31 Decembe 2016 | Inc ea e/ Dec ea e in in e men | Ne fi l adj ed b e i me h d | Adj men f he c m ehen i e inc me | O he e i m emen | Ca h di idend decla ed | Change in f eign e change a e | Rec gni ed im ai men i i n | O he | **30 June 2017** | P i i n f im ai men |
| Chifeng L ian an Fa m C ., L d. | 6,296 | . | . | . | . | . | . | . | . | **6,296** | . |
| CIMC A abia Fac C m an Limi ed | 5,227 | . | . | . | . | . | . | . | . | **5,227** | . |
| Shanghai Xiang A a C ., L d. | 679 | (603) | (76) | . | . | . | . | . | . | **-** | . |
| N h ea ig a l d | 14,633 | . | . | . | . | . | . | . | . | **14,633** | . |
| Ning ia Changming Na al Ga De el men C ., L d. | 18,331 | . | . | . | . | . | . | . | . | **18,331** | . |
| Chengd T C mm nica i n E i men C ., L d | 2,637 | . | (240) | . | . | . | . | . | . | **2,397** | . |
| Shen hen R ad Ne k Techn l g C ., L d | 7,407 | 2,000 | . | . | . | . | . | . | . | **9,407** | . |
| Beijing B c l E hibi i n C ., L d. | 12,423 | . | . | . | . | . | . | . | . | **12,423** | . |
| G ang h CH C n l Techn l g C ., LTD | 23,829 | . | 321 | . | . | . | . | . | . | **24,150** | . |
| China Fi e Safe En e i e G Limi ed ( China Fi e Safe ) | 485,275 | . | . | . | . | . | 29,718 | . | . | **514,993** | . |
| Shanghai Tanklink S l Chain Techn l g De el men C ., L d | 2,000 | . | . | . | . | . | . | . | . | **2,000** | . |
| Zhejiang Xinl ng Bamb Ind C ., L d | 14,447 | . | . | . | . | . | . | . | . | **14,447** | . |
| Ningg G ang hen Bamb P d c C ., L d ( Ningg G ang hen ) | 662 | . | . | . | . | . | . | . | . | **662** | . |
| F jian Qingchen Bamb Ind C ., L d.( Qingchen bamb ind ) | 2,448 | . | . | . | . | . | . | . | . | **2,448** | . |
| UC S age LLC | 5,779 | . | . | . | . | . | . | . | . | **5,779** | . |
| W ldlink Yib (Beijing) In e na i nal L gi ic C ., Limi ed | 3,120 | . | . | . | . | . | . | . | . | **3,120** | . |
| Jiang Ba king A Pa C ., L d | 23,755 | . | 111 | . | . | . | (422) | . | . | **23,444** | . |
| Shen hen Cad H d a lic E i men C ., L d. ( Cad H d a lic ) | 17,858 | . | . | . | . | . | . | . | . | **17,858** | . |
| Zh ng i Xin ei | 22,648 | . | . | . | . | . | . | . | . | **22,648** | . |
| Henan Yida Tian ia L gi ic Techn l g C ., L d. ( Henan Yida ) | 378 | . | . | . | . | . | . | . | . | **378** | . |
| CIMC Leng n (Beijing) C ld Chain Techn l g C ., L d | 580 | 80 | . | . | . | . | . | . | . | **660** | . |
| Qianhai R iji Techn l g C ., L d | 3,718 | . | (363) | . | . | . | . | . | . | **3,355** | . |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jana and ended 30 Jne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 13. Long-term equity investments (Continued)

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

| | 31 Decembe 2016 | Inc ea e/ Dec ea e in in e men | Ne fi l adj ed b e i me h d | Adj men f he c m ehen i e inc me | O he e i m emen | Ca h di idend decla ed | Change in f eign e change a e | Rec gni ed im ai men i n | O he | 30 June 2017 | P i i n f im ai men |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | M emen in c en e i d | | | | | | | | | |
| Sh h ng In e men Managemen C ., L d | 117,775 | - | (2,633) | - | - | - | - | - | - | **115,142** | - |
| CIMC Shang (Chang h ) L gi ic C ., L d | 3,000 | (3,000) | - | - | - | - | - | - | - | **-** | - |
| M i (Shanghai) In e na i nal T ade C ., L d.( M i Shanghai ) | 851 | - | (68) | - | - | - | - | - | - | **783** | - |
| Shanghai Xin Bai Qin Vehicle C ., L d | - | 16,000 | 428 | - | - | - | - | - | - | **16,428** | - |
| Shen hen Sk Ca i al C ., L d (SESKYC) | - | 2,750 | - | - | - | - | - | - | - | **2,750** | - |
| Read n In e men Inn a i e en e ca i al fnd C ., LLP | - | 30,539 | - | - | - | - | - | - | - | **30,539** | - |
| Xingh Chelian Tech l g C ., L d | - | 1,750 | - | - | - | - | - | - | - | **1,750** | - |
| CELA S l | - | 18,605 | - | - | - | - | - | - | - | **18,605** | - |
| T al | 1,661,718 | 68,121 | (12,891) | - | - | - | 19,992 | - | - | **1,736,940** | (2) |

Refe N e VI.2 f e i in a cia e .

The G ' in e men a i in TSC, LiHa Ene g , Jiang Richen, O n Inc (Shanghai), ZPMC, Cad H d alic, Zh ng i Xin ei, Henan Yida and Shen hen R ad Ne k Techn l g C ., L d. a e all bel 20%. B ince he G ha a in ed di ec he ab e men i ned a cia e , he G had ignifican infl ence e hem. Th , e i in e men n he e a cia e e e e al a ed b e en l b e i me h d.

A a 30 Jne 2017, e ce f MSC, he e i n need f he G ec gni e i i n f l ng- e m e i in e men in j in en e and a cia e ba ed n he i i n e ing e l ha c m a ed he e ima ed ec e able am n and b k al e f l ng- e m e i in e men in j in en e and a cia e (31 Decembe 2016: Nil).

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14. Investment properties

| | Buildings and relevant land use rights | Land use rights | Total |
|---|---|---|---|
| 1 Janua 2016 | 730,168 | . | 730,168 |
| Addi i n | 78,176 | . | 78,176 |
| Change in fai alue | 75,792 | . | 75,792 |
| T an fe ed f m fi ed a e | 131,859 | . | 131,859 |
| T an fe ed f m in angible a e | 46,843 | 130,551 | 177,394 |
| T an fe ed f m c n uc i n in g e | 786 | . | 786 |
| Re alua i n gain u n an fe | 102,062 | 482,772 | 584,834 |
| T an fe ed u a e cla ified a held f ale | (26,401) | . | (26,401) |
| T an fe ed u | . | . | . |
| 31 Decembe 2016 | 1,139,285 | 613,323 | 1,752,608 |
| 1 Janua 2017 | **1,139,285** | **613,323** | **1,752,608** |
| Addi i n | **–** | **–** | **–** |
| Change in fai alue | **–** | **–** | **–** |
| T an fe ed f m fi ed a e | **–** | **–** | **–** |
| T an fe ed f m in angible a e | **–** | **–** | **–** |
| T an fe ed f m c n uc i n in g e | **1,287** | **–** | **1,287** |
| Re alua i n gain u n an fe | **–** | **–** | **–** |
| T an fe ed u a e cla ified a held f ale | **–** | **–** | **–** |
| T an fe ed u | **(17,704)** | **(17,685)** | **(35,389)** |
| E change diffe ence a i ing f m an la ing f eign cu encie | **3,559** | **–** | **3,559** |
| 30 June 2017 | **1,126,427** | **595,638** | **1,722,065** |

In he e i d, he e i n ca i ali ed b ing c in in e men e ie (F he e i d ended 30 June 2016:Nil).

The fai alue f he in e men e ie f he G u bel ng le el 3. De ail f he alua i n me h d and ignifican a um i n u ed b he G u in de e mining he fai alue f in e men e ie a e e u in N e XIV. 6.

In he e i d, am un an fe ed u fi ed a e and in angible a e a e 17,704,000 and 17,685,000, e ec i el .

A a 30 June 2017, he building i h ca ing am un f ab u 156,697,000 (31 Decembe 2016: 113,196,000) had n been en i led he e ne hi ce ifica e due unfini hed en i ling ced u e .

# Notes to the Financial Statements

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

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 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 |
| Addition due to business combination | 24,321 | 11,604 | 7 | 71 | - | - | 36,003 |
| Addition in current period | 58,845 | 160,773 | 76,355 | 167,934 | - | - | 463,907 |
| Transfer from construction in progress | 35,997 | 206,727 | 159,382 | 12,060 | - | - | 414,166 |
| Transfer from investment properties | 41,738 | - | - | - | - | - | 41,738 |
| Decrease in current period | (86,498) | (296,266) | (85,105) | (27,882) | (79,025) | - | (574,776) |
| Transfer to investment properties | - | - | - | - | - | - | - |
| Divided into held for sale assets | - | - | - | - | - | - | - |
| Exchange differences arising from translating 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 |
| Addition due to business combination | 4,742 | 5,969 | 6 | 60 | - | - | 10,777 |
| Depreciation recognised in current period | 213,148 | 341,224 | 110,381 | 90,651 | 135,213 | 25,881 | 916,498 |
| Transfer from investment properties | 24,034 | - | - | - | - | - | 24,034 |
| Decrease in current period | (54,520) | (105,017) | (80,543) | (14,433) | (8,436) | - | (262,949) |
| Transfer to investment properties | - | - | - | - | - | - | - |
| Divided into held for sale assets | - | - | - | - | - | - | - |
| Exchange differences arising from translating 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 |
| Addition due to business combination | - | - | - | - | - | - | - |
| Impairment recognised in current period | 75 | 1,459 | - | - | - | - | 1,534 |
| Written off on disposal | - | (2,387) | (9,433) | (19) | - | - | (11,839) |
| Exchange differences arising from translating 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

F he e i d a ed f m 1 Jana and ended 30 Jne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Fixed assets (Continued)

### (1) Fixed assets (Continued)

A a 30 Jne 2017, he machine i h a ne b k ale f a ima el 375,761,000 ( iginal c f 525,362,000) a ed a c lla e al f l ng- e m a able f 109,272,000 (31 Decembe 2016: 398,144,000 ( iginal c f 525,305,000)) a ed a c lla e al f l ng- e m a able f 159,815,000, ee N e IV. 24.

In he e i d, de ecia i n f fi ed a e ec gni ed am n ed 916,498,000(F he e i d ended 30 Jne 2016: 1,056,717,000), f hich 776,825,000, 9,897,000 and 129,776,000(F he e i d ended 30 Jne 2016: 891,935,000, 14,860,000 and 149,922,000) ha been cha ged in c f ale , elling and di ib i n e en e , gene al and admini a i e e en e , e ec i el .

In he e i d, he iginal c f fi ed a e an fe ed f m c n c i n in g e i 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 |
|---|---|---|---|---|
| Bilding | 390,069 | (108,091) | (12,592) | 269,386 |
| Machine and e i men | 193,270 | (98,910) | (26,036) | 68,324 |
| T an a i n | 3,510 | (2,640) | (102) | 768 |
| Office & he e i men | 27,712 | (17,845) | (3,960) | 5,907 |
| | 614,561 | (227,486) | (42,690) | 344,385 |

(All amounts in RMB'000 unless otherwise stated)

## 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 |
| Building | **2,626** | **(2,183)** | **443** | 2,626 | (1,875) | 751 |
| Machinery & equipment | **527,751** | **(149,865)** | **377,886** | 527,599 | (127,256) | 400,343 |
| Offshore engineering 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 period, the fixed assets held through finance leases mainly consist of machinery and equipment sold and leased back by C&C Trucks.

#### (4) Fixed assets with certificates of ownership unsettled

| | Carrying amount | Reasons for pending |
|---|---|---|
| Factories | 974,123 | Pursue, certificate being in the progress |
| Office buildings | 159,663 | Pursue, certificate being in the progress |
| Workshops | 214,459 | Information updated, being in the progress |
| Dormitories and Canteen | 105,598 | Pursue, certificate being in the progress |
| Warehouse | 116,637 | Under preparation of supporting materials |
| Others | 162,602 | Certificate being in the progress |
| Total | 1,733,082 | |

# Notes to the Financial Statements

For the period started 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)

### 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 |
| Vessels under construction 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 |
| Enric workshop construction project | **59,202** | **–** | **59,202** | 88,101 | – | 88,101 |
| Cold Chain Research Institute Project | **49,146** | **–** | **49,146** | 47,633 | – | 47,633 |
| Refrigerated cars project of Anhui United Feicai | **37,622** | **–** | **37,622** | 30,583 | – | 30,583 |
| Production equipment of C&C Truck | **35,382** | **–** | **35,382** | 35,218 | – | 35,218 |
| HJQM semi-trailer production line | **26,477** | **–** | **26,477** | – | – | – |
| XHCIMC waterborne paint reconstruction project | **22,418** | **–** | **22,418** | 13,079 | – | 13,079 |
| Dormitory construction project of QDCRC | **21,129** | **–** | **21,129** | 21,129 | – | 21,129 |
| Qingdao CIMC waterborne paint reconstruction project | **19,590** | **–** | **19,590** | – | – | – |
| SHYSLE waterborne paint reconstruction project | **11,933** | **–** | **11,933** | – | – | – |
| Dongguan CIMC vehicle logistic equipment project | **5,522** | **–** | **5,522** | 11,497 | – | 11,497 |
| TCCIMC relocation and reconstruction project | **5,400** | **–** | **5,400** | 5,400 | – | 5,400 |
| Raffles large scale equipment (including 2000T lifting crane) | **3,128** | **–** | **3,128** | 3,080 | – | 3,080 |
| TJCIMC mid-thick plate and bottom side cross beam automatic 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 Power Facilities Reconstruction Project | **1,506** | **–** | **1,506** | 1,506 | – | 1,506 |
| Second phase of Hebei construction | **641** | **–** | **641** | 12,033 | – | 12,033 |
| Others | **454,939** | **(1,645)** | **453,294** | 338,916 | (2,421) | 336,495 |
| Total | **23,806,298** | **(1,645)** | **23,804,653** | 22,771,610 | (2,421) | 22,769,189 |

The carrying amount of construction in progress at the end of the period included accumulated capitalized borrowing costs of 1,750,963,000 (31 December 2016: 1,532,714,000). The interest rates adopted for determining capitalized borrowing cost for the current period was 3.18% (For the period ended 30 June 2016: 3.08%).

As at 30 June 2017, there is no restricted construction in progress of the Group (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)

### 16. Construction in progress (Continued)

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

| | Budgeted amount | 31 December 2016 | Current period addition | Transferred to fixed assets | Transfer to investment properties | **30 June 2017** | Proportion of expenditure incurred to budgeted amount (%) | Progress of construction | Cumulative capitalised interest expense | Including: current period capitalised interest expense | Interest capitalisation rate (%) | Source of fund | Exchange difference arising from translating foreign currencies |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Vessels under construction of financing and leasing company | 25,459,806 | 19,405,489 | 997,902 | - | - | **20,301,214** | 98% | 79%-100% | 1,110,333 | 177,235 | 3.18% | Bank loan | (102,177) |
| Raffles H273, H1284 Projects | 2,866,854 | 2,754,873 | 56,753 | - | - | **2,747,244** | 97% | 95% | 192,141 | 41,014 | 3.18% | Self-funding & bank loan | (64,382) |
| Enric workshop construction project | 181,082 | 88,101 | 9,764 | (38,663) | - | **59,202** | 91% | 74% | - | - | - | Self-funding | - |
| Cold Chain Research Institute Project | 60,000 | 47,633 | 1,513 | - | - | **49,146** | 82% | 82% | - | - | - | Self-funding | - |
| Refrigerated cabinet project of Anhui United Feicai | 41,249 | 30,583 | 7,039 | - | - | **37,622** | 91% | 100% | - | - | - | Self-funding | - |
| Production line equipment of C&C Truck | 35,838 | 35,218 | 260 | (96) | - | **35,382** | 99% | 50%-100% | - | - | - | Self-funding | - |
| HJQM semi-trailer production line | 120,000 | - | 26,477 | - | - | **26,477** | 22% | 22% | - | - | - | Self-funding | - |
| XHCIMC tank body new plant construction project | 30,640 | 13,079 | 11,863 | (2,524) | - | **22,418** | 81% | 90% | - | - | - | Self-funding | - |
| Dormitory construction project of QDCRC | 23,369 | 21,129 | - | - | - | **21,129** | 90% | 90% | - | - | - | Self-funding | - |
| Qingdao CIMC tank body new plant construction project | 29,500 | - | 19,590 | - | - | **19,590** | 66% | 90% | - | - | - | Self-funding | - |
| SHYSLE tank body new plant construction project | 30,000 | - | 11,933 | - | - | **11,933** | 40% | 40% | - | - | - | Self-funding | - |
| Dongguan CIMC vehicle logistics equipment project | 388,182 | 11,497 | 923 | | **22,419** | 40% | 40% | – | – | – | | | |

# Notes to the Financial Statements

For the period started 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)

### 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 |
| Additions due to business combination | 15,198 | – | – | – | – | – | – | 15,198 |
| Current period additions | 37,696 | 122,332 | – | – | – | – | – | 160,028 |
| Transferred from investment properties | 22,718 | – | – | – | – | – | – | 22,718 |
| Current period decrease | (124,128) | (62,517) | (9,601) | – | – | – | – | (196,246) |
| Exchange differences 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 amortisation | | | | | | | | |
| 31 December 2016 | 665,789 | 1,086,080 | 129,894 | 151,760 | 159,755 | 28,936 | 8,420 | 2,230,634 |
| Additions due to business combination | 976 | – | – | – | – | – | – | 976 |
| Current period additions | 59,665 | 87,612 | – | 18,927 | 6,932 | 910 | 1,688 | 175,734 |
| Transferred from investment properties | 5,033 | – | – | – | – | – | – | 5,033 |
| Current period decrease | (6,983) | (131) | – | – | – | – | – | (7,114) |
| Exchange differences 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 |
| Provision for impairment | | | | | | | | |
| 31 December 2016 | – | 4,564 | 110,288 | 1,817 | 59,003 | – | – | 175,672 |
| Exchange differences arising from translating foreign currencies | – | – | (2,937) | – | 672 | – | – | (2,265) |
| 30 June 2017 | – | 4,564 | 107,351 | 1,817 | 59,675 | – | – | 173,407 |
| Carrying amount | | | | | | | | |
| 30 June 2017 | 3,133,842 | 893,346 | 3,232 | 230,216 | 58,585 | 63,603 | 101,826 | 4,484,650 |
| 31 December 2016 | 3,248,211 | 913,979 | 9,896 | 246,594 | 66,515 | 66,048 | 103,514 | 4,654,757 |

In the period, amortisation expense of intangible assets amounted to 175,734,000 (For the period ended 30 June 2016: 121,062,000).

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 |
|---|---|---|
| Ningb C n aine Man fac e land e igh | 75,322 | in he g e |
| SCIMCEL Tangkeng land e igh | 55,674 | e i ed and ele an ced e a e e i ed |
| C&C T ck land e igh | 19,187 | in he g e |
| Langfang land e igh | 8,887 | in he g e |
| SCIMCEL d mi | 1,787 | in he g e |
| T al | 160,857 | |

Af e he e al a i n f b a d f di ec f he G , he af emen i ned in angible a e i h n e led ce ifica e ha e n i k f im ai men .

### (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 Decembe 2016 | C en e i d addi i n | Rec gni ed a in angible a e | **30 June 2017** |
|---|---|---|---|---|
| P jec n ehicle echn l g | 43,089 | 21,029 | (14,441) | **49,677** |
| O he | 6,901 | 10 | . | **6,911** |
| | 49,990 | 21,039 | (14,441) | **56,588** |

In he e i d, he G ' de el men e endi e am n ed 309,498,000(F he e i d ended 30 J ne 2016: 248,570,000): 288,459,000 f hich (F he e i d ended 30 J ne 2016:230,097,000) a incl ded in he c en fi and l e , and l2 i 212 ed ich en e i d

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 19. Goodwill

| | 31 Decembe 2016 | C en e i d addi i n | C en e i d dec ea e | E change diffe ence a i ing f m an la ing f eign c encie | 30 June 2017 |
|---|---|---|---|---|---|
| En ic | 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** |
| Ba e | 132,245 | . | . | . | **132,245** |
| P e i | 108,196 | . | . | . | **108,196** |
| C & C T ck | 132,145 | . | . | . | **132,145** |
| Ha henleng | 103,530 | . | . | . | **103,530** |
| O he | 569,673 | 1,453 | . | (140) | **570,986** |
| S b- al | 2,264,201 | 1,453 | . | 10,572 | **2,276,226** |
| Le : i i n f im ai men | | | | | |
| C & C T ck | 93,330 | . | . | . | **93,330** |
| O he | 42,978 | . | . | (475) | **42,503** |
| S b- al | 136,308 | . | . | (475) | **135,833** |
| T al | 2,127,893 | 1,453 | . | 11,047 | **2,140,393** |

#### (1) Impairment test for asset group including goodwill

The g d ill all ca ed he a e g and c mbina i n f a e g a e mma i ed b e a ing egmen a f ll :

| | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|
| C n aine a e g | **120,085** | 120,085 |
| R ad an a i n ehicle a e g | **417,663** | 408,658 |
| Ene g and chemical & f d e i men a e g | **1,075,392** | 1,074,195 |
| Off h e enginee ing a e g | **229,442** | 229,397 |
| L gi ic e ice a e g | **120,558** | 120,558 |
| Hea ck a e g | **38,815** | 38,815 |
| Ai e i men a e g | **108,196** | 108,196 |
| A e g i h in ignifican all ca i n e cen age f g d ill g | **30,242** | 27,989 |
| T al | **2,140,393** | 2,127,893 |

(All am n in RMB'000 nle he i e a ed)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20. Long-term prepaid expenses

| | 31 Decembe 2016 | Addi i n d e b ine c mbina i n | C en e i d addi i n | C en e i d am i a i n | E change diffe ence a i ing f m an la ing f eign c encie | **30 June 2017** |
|---|---|---|---|---|---|---|
| Ya d facili e en e | 9,691 | – | 223 | (1,424) | 29 | **8,519** |
| P jec in ance and c mmi i n | 133,924 | – | 31,369 | (30,658) | (2,513) | **132,122** |
| Im emen fi ed a e held nde e a ing lea e | 9,439 | – | 5,372 | (2,204) | – | **12,607** |
| O e a ing lea e in e e e en e | – | – | – | – | – | **–** |
| Im emen f enginee ing e el | 19,996 | – | 51,692 | (12,110) | (987) | **58,591** |
| O he | 73,524 | 52 | 10,123 | (14,283) | (99) | **69,317** |
| S b- al | 246,574 | 52 | 98,779 | (60,679) | (3,570) | **281,156** |
| Le : i i n f im ai men | – | – | – | – | – | **–** |
| T al | 246,574 | 52 | 98,779 | (60,679) | (3,570) | **281,156** |

# Notes to the Financial Statements

For the period started 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)

### 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 asset 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 |
| Movement of fair value of financial assets at fair value through profit or loss/hedging instruments | **7,729** | **1,634** | 27,566 | 6,892 |
| Available-for-sale financial assets | **–** | **–** | 14,230 | 2,134 |
| Intra-group unrealised revenue | **29,871** | **7,468** | 18,904 | 4,726 |
| Others | **2,180,446** | **436,088** | 278,319 | 69,580 |
| Sub-total | **6,721,898** | **1,309,759** | 6,205,102 | 1,263,917 |
| Offsetting amount | **(187,229)** | **(32,843)** | (25,512) | (6,247) |
| **Offsetting balances** | **6,534,669** | **1,276,916** | 6,179,590 | 1,257,670 |
| Including: | | | | |
| Amount estimated to be recovered within 1 year (inclusive) | | **227,983** | | 552,415 |
| Amount estimated to be recovered after 1 year | | **1,048,933** | | 705,255 |
| | | **1,276,916** | | 1,257,670 |
| Deferred tax liabilities: | | | | |
| Movement of fair value of financial assets at fair value through profit or loss | **(2,385)** | **(448)** | (26,076) | (6,483) |
| Movement of fair value of Investment properties | **–** | **–** | (700,853) | (170,909) |
| Movement of fair value of hedging instruments | **(7,998)** | **(1,200)** | – | – |
| Revaluation gain through combination | **(1,000,899)** | **(208,194)** | (933,696) | (231,947) |
| Gross profit of real estate projects (tax paid after completion) | **(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) |
| Sub-total | **(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: | | | | |
| Amount estimated to be recovered within 1 year (inclusive) | | **(431,300)** | | (140,809) |
| Amount estimated to be recovered after 1 year | | **(256,584)** | | (516,605) |
| | | **(687,884)** | | (657,414) |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 21. Deferred tax assets and deferred tax liabilities (Continued)

### (2) Unrecognised deferred tax assets

| | **30 June 2017** | 31 Decembe 2016 |
|---|---|---|
| Deduc ible l e | **1,712,996** | 1,606,035 |
| Im ai men l e f SOE | **634,426** | 340,729 |
| Im ai men l e f imbe C nce i n igh | **22,119** | 22,119 |
| O he | **3,125** | 3,125 |
| T al | **2,372,666** | 1,972,008 |

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

| | **30 June 2017** | 31 Decembe 2016 |
|---|---|---|
| 2017 | **1,296,480** | 1,199,243 |
| 2018 | **1,086,941** | 1,086,941 |
| 2019 | **437,892** | 340,655 |
| 2020 | **819,702** | 819,702 |
| 2021 and af e 2021 | **4,149,817** | 4,149,817 |
| T al | **7,790,832** | 7,596,358 |

N e 1: B he end f 2016 and a a 30 June 2017, un ec gni ed defe ed a a e aged e 5 ea (inclu i e) a i ing f m deduc ible a l e e ul ed f m f eign ub idia ie ' e a ing l e . Deduc ible a l e gene a ed f m H ng K ng, he Uni ed S a e f Ame ica, he Uni ed Kingd m f G ea B i ain and Au alia can be ff e i h fu u e fi indefini el ; deduc ible a l e gene a ed f m he Ne he land can be ff e in he ub e uen nine ea .

A a 30 June 2017, he G u i ubjec an inc me a n he diffe ence f a a e if i ub idia ie in H ng K ng and e ea decide di ibu e di idend he ha eh lde in mainland China. The em a diffe ence a i ing f m he undi ibu ed fi f uch ub idia ie i a ima el 3,630,258,000(31 Decembe 2016: 3,303,113,000). Since he G u can c n l he di idend di ibu i n lic f i ub idia ie and ha decided n di ibu e di idend in he f e eeable fu u e, he defe ed inc me a liabili ie n uch undi ibu ed fi e e n ec gni ed.

The G u had n un ec gni ed defe ed a liabili ie he han he men i ned ab e.

# Notes to the Financial Statements

For the period started 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)

### 22. Other non-current assets

| | **30 June 2017** | 31 December 2016 |
|---|---|---|
| Entrusted loans | **13,721** | 35,547 |
| Prepayments for land use rights | **6,956** | 32,235 |
| Prepayments for equipment | **–** | 8,695 |
| Prepayments for construction | **–** | 7,429 |
| Others | **–** | 2,447 |
| Total | **20,677** | 86,353 |

As at 30 June 2017, The other non-current assets due from shareholders holding more than 5% (inclusive) of the voting rights or related parties. (31 December 2016:Nil).

### 23. PROVISION FOR ASSET IMPAIRMENT

| | 31 December 2016 | Current period additions | Current period decrease: Reversal | Current period decrease: Write-off | Exchange differences arising from translating foreign currencies | 30 June 2017 |
|---|---|---|---|---|---|---|
| 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 to suppliers | 226,967 | 6,675 | – | – | (10) | **233,632** |
| Provision for doubtful debts of current portion of non-current 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 inventories | 319,004 | 79,760 | (83,281) | (16,395) | 15,151 | **314,239** |
| Provision for impairment of long-term equity investments | 2 | – | – | – | – | **2** |
| Provision for impairment of available-for-sale financial assets | 3,065 | – | – | – | – | **3,065** |
| Provision for impairment of fixed assets | 369,259 | 1,534 | – | (11,839) | 5,925 | **364,879** |
| Provision for impairment of construction in progress | 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 respective notes of the assets for reasons of the provisions.

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 24. Restricted assets

A a 30 June 2017, a e i h e ic i n in hei ne hi a e a f ll :

| | N e | 31 Decembe 2016 | Cu en e i d addi i n | Cu en e i d dec ea e | E change diffe ence a i ing f m an la ing f eign cu encie | **30 June 2017** |
|---|---|---|---|---|---|---|
| A e u ed a c lla e al | | | | | | |
| . Ca h a bank and n hand | IV.1 | 987,257 | 49,135 | (219,448) | (99) | **816,845** |
| . N e ecei able | IV.3 | 206,753 | 207,835 | (158,188) | . | **256,400** |
| . L ng e m ecei able | IV.12 | 8,164,729 | (57,408) | (654,249) | . | **7,453,072** |
| . Fi a e | IV.15 | 398,144 | . | (22,383) | . | **375,761** |
| T al | | 9,756,883 | 199,562 | (1,054,268) | (99) | **8,902,078** |

L ng e m ecei able a e u ed a c lla e al f m gage l an. N e ecei able a e u ed f edi c un ing, ledge f le e f gua an ee and ledge f l f n e. Refe IV.15 f n n-cu en e ic i n i h e ic i n hich a e u ed a c lla e al f l ng e m a able. Refe N e IV.25 and IV.28 f de ail f h - e m ledged b ing . The e ic ed ca h a bank and n hand e e ecu i de i , and de i in he Pe le' Bank f China b Finance C m an .

# 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)

### 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

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 25. Short-term borrowings (Continued)

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

(a) A a 30 June 2017, gua an eed b ing f he G u c n i ed f he f ll ing: bank l an f ub idia Zhenhua L gi ic G u C ., L d. ( Zhenhua G u ) am un ing USD324,000 (E ui alen RMB2,195,000); l an f CIMC Raffle ff h e enginee ing (Singa e) C ., L d am un ing 1,400,138,000, USD33,962,000 (E ui alen RMB230,096,000) and Eu 2,158,000 (E ui alen RMB16,723,000), gua an eed b he G u and China In e na i nal Ma ine C n aine (H ng K ng) Limi ed ( CIMC H ng K ng ); l an f ub idia C&C T uck am un ing 450,000,000, hich i gua an eed b he G u ; l an f Xiamen H ng in Be g Lea ing C ., L d. Am un ing 112,000,000, gua an eed b he CIMC Financing and Lea ing C ., L d. (CIMCVL); CIMC Financing and Lea ing C ., L d. (CIMCVL) am un ing USD23,500,000 (E ui alen RMB159,214,000), gua an eed b he G u and CIMC H ng K ng.

(b) A a 30 June 2017, he ledged l an f he G u a l an f m he Pe le' Bank f China ledged i h n e ecei able hich a a lied b he Finance C m an , am un ing 32,821,000.

(c) A a 30 June 2017, he e a n h - e m b ing ed ha eh lde h lding m e han 5% (including 5%) f he ing igh f he G u ela ed a ie .

(d) A a 30 June 2017, he in e e a e f h e m b ing anged f m 1.30% 6.09% (31 Decembe 2016: 0.65% 16.41%).

### 26. Financial liabilities at fair value through profit or loss

| | N e | **30 June 2017** | 31 Decembe 2016 |
|---|---|---|---|
| **Current** | | | |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 27. Notes payable

| | **30 June 2017** | 31 Decembe 2016 |
|---|---|---|
| Bank acce ance n e | **872,925** | 1,050,745 |
| T ade acce ance n e | **380,250** | 500,837 |
| T al | **1,253,175** | 1,551,582 |

The ab e n e a able a e d e i hin ne ea .

### 28. Accounts payable

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

| | **30 June 2017** | 31 Decembe 2016 |
|---|---|---|
| D e a ma e ial lie | **9,364,746** | 8,303,845 |
| In eg a ed l gi ic e ice cha ge | **468,558** | 461,925 |
| P jec c n ac cha ge | **291,105** | 259,029 |
| P jec c emen cha ge | **398,677** | 658,048 |
| D e e i men lie | **618,839** | 150,029 |
| T an a i n cha ge | **69,741** | 135,159 |
| P ce ing cha ge | **41,972** | 129,178 |
| O he | **91,540** | 63,738 |
| T al | **11,345,178** | 10,160,951 |

(All amounts in RMB'000 unless otherwise stated)

# 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 to 2 years (inclusive) | **337,357** | 414,188 |
| 2 to 3 years (inclusive) | **179,384** | 153,893 |
| Over 3 years | **118,162** | 57,520 |
| Total | **11,345,178** | 10,160,951 |

As at 30 June 2017, accounts payable over 1 year with a carrying amount of 634,903,000 (31 December 2016: 625,601,000) are mainly payables related to offshore engineering business. Since the production cycle of the offshore engineering projects is usually more than one year, the payables have not been settled.

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

### (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** Amount | **30 June 2017** % of total balance | 31 December 2016 Amount | 31 December 2016 % of total balance |
|---|---|---|---|---|---|
| Y&C Engine | Joint Venture | **38,931** | **0.34%** | 66,157 | 0.65% |
| TSC | Associate | **13,807** | **0.12%** | 25,727 | 0.25% |
| Fujian Qingchen Bamboo Industry Co., Ltd. | Associate | **10,496** | **0.09%** | 8,138 | 0.08% |
| Shanxi Heavy Duty Automobile | Minority shareholder of subsidiaries | **5,352** | **0.05%** | 3,611 | 0.04% |
| Ningxia Changming | Associate | **2,732** | **0.02%** | 2,435 | 0.02% |
| Xuzhou CIMC Wood Co., Ltd | Associate | **202** | **0.00%** | 17,905 | 0.18% |
| Asahi Trading Co., Ltd | Minority shareholder of subsidiaries | **–** | **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 started 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)

### 29. Advanced receipts

### (1) Advanced receipts

| | 30 June 2017 | 31 December 2016 |
|---|---|---|
| Advances for goods | **2,431,530** | 3,167,715 |
| Advances for construction | **1,571,044** | 155,912 |
| Advances for property | **210,070** | 208,583 |
| Advances for 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 over 1 year with a carrying amount of 304,804,000 (31 December 2016: 330,291,000), are mainly rental in advance and project payments related to offshore engineering business. Since the production cycle of the offshore engineering projects, energy and chemical industry projects are usually more than one year, the advanced receipts have not yet been settled.

### (2) As at 30 June 2017, advanced receipts from those who hold 5% or more of the voting rights or related parties amounted to 40,000 (31 December 2016: 5,200).

### 30. Accrued payroll

| | Note | 30 June 2017 | 31 December 2016 |
|---|---|---|---|
| Short-term wages | (1) | **2,074,384** | 2,090,125 |
| Defined contribution plans | (2) | **45,153** | 24,156 |
| Dismission welfare | (3) | **880** | 827 |
| | | **2,120,417** | 2,115,108 |

(All am n in RMB'000 nle he i e a ed)

# IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 30. Accrued payroll (Continued)

### (1) Short-term wages

| | 31 Decembe 2016 | C en e i d addi i n | C en e i d dec ea e | E change diffe ence a i ing f m an la ing f eign c encie | 30 June 2017 |
|---|---|---|---|---|---|
| Wage and ala ie , b n e , all ance and b idie | 1,699,319 | 2,516,308 | (2,475,474) | 4,252 | **1,744,405** |
| P fi - ha ing and eni managemen b n | 205,151 | . | (8,951) | . | **196,200** |
| H ing f nd | 6,118 | 80,860 | (80,906) | (30) | **6,042** |
| Lab ni n f nd and em l ee ed ca i n f nd | 62,236 | 27,129 | (36,014) | (157) | **53,194** |
| S cial ec i c n ib i n and he | 12,517 | 87,991 | (77,504) | 1 | **23,004** |
| Incl ding: Medical in ance | 9,564 | 74,051 | (65,053) | 1 | **18,563** |
| W k inj in ance | 1,583 | 8,250 | (7,850) | . | **1,983** |
| Ma e ni in ance | 1,370 | 5,690 | (4,601) | . | **2,458** |
| O he h - e m age | 104,784 | 280,656 | (334,802) | 901 | **51,539** |
| T al | 2,090,125 | 2,992,944 | (3,013,651) | 4,967 | **2,074,384** |

### (2) Defined contribution plans

| | 31 Decembe 2016 | C en e i d addi i n | C en e i d dec ea e | E change diffe ence a i ing f m an la ing f eign c encie | 30 June 2017 |
|---|---|---|---|---|---|
| Ba ic en i n | 21,455 | 205,171 | (186,716) | 5 | **39,915** |
| Unem l men in ance | 2,554 | 8,214 | (5,724) | . | **5,043** |
| En e i e ann i ie | 147 | 1,109 | (1,061) | . | **195** |
| T al | 24,156 | 214,494 | (193,501) | 5 | **45,153** |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan▯a and ended 30 J▯ne 2017
(All am ▯n in RMB'000 ▯nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 32. Interest payable

| | N e | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|---|
| In e e f edem i n igh f a egic in e | IV.43 | **203,985** | 135,990 |
| In e e f h - e m b ing | | **79,273** | 76,730 |
| In e e f c a e b nd | | **218,242** | 70,249 |
| In e e f l ng- e m b ing | | **31,928** | 20,406 |
| T al | | **533,428** | 303,375 |

### 33. Dividends payable

| | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|
| D▯e min i ha eh lde f ▯b idia ie | **75,080** | 16,746 |
| D▯e dina ha e | **178,332** | - |
| T al | **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 Decembe 2016 |
|---|---|---|---|
| Ad ance ecei ed | | **2,595,693** | 1,892,437 |
| Acc ▯al | | **1,555,619** | 1,490,340 |
| Q▯ali g▯a an ee | | **543,228** | 593,210 |
| T an a i n e en e | | **500,826** | 315,605 |
| E ▯i men land ▯ e igh | | **136,633** | 185,777 |
| E e nal c mmi i n | | **82,243** | 73,619 |
| C▯ en acc ▯n i h ▯b idia ' min i | (3) | **72,786** | 111,054 |
| In ▯ ance | | **27,483** | 12,732 |
| R al ie | | **4,452** | 601 |
| P fe i nal and aining fee | | **1,712** | 17,897 |
| H ▯ ing main enance fee | | **773** | 5,456 |
| E ▯i a able n Yang han e ice | | **–** | 23,200 |
| O he | | **605,931** | 432,145 |
| T al | | **6,127,379** | 5,154,073 |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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:

| C m an name | Rela i n hi i h he G u | **30 June 2017** | | 31 Decembe 2016 | |
|---|---|---|---|---|---|
| | | **Amount** | **% of total balance** | Am un | % f al balance |
| Ga fin In e men S.A. | Min i ha eh lde f ub idia | **45,571** | **0.74%** | 46,990 | 0.91% |
| Shunde Fu i Real E a e In e men C ., L d ( Shunde Fu i ) | Min i ha eh lde f ub idia | **27,215** | **0.44%** | 56,794 | 1.10% |
| Shanghai Feng ang | A cia e | **26,390** | **0.43%** | 26,390 | 0.51% |
| Xiamen CIMC Hai u C n aine Se ice C ., L d. ( Xiamen CIMC ) | A cia e | **4,998** | **0.08%** | . | 0.00% |
| Lihua Ene g | A cia e | **–** | **0.00%** | 37,690 | 0.73% |
| Ning ia Changming | A cia e | **–** | **0.00%** | 11,900 | 0.23% |
| TSC | A cia e | **–** | **0.00%** | 6,766 | 0.13% |
| Inland Se ice B.V. (Ne he land ) | Min i ha eh lde f ub idia | **–** | **0.00%** | 7,270 | 0.14% |
| O he ela ed a ie | | **7,232** | **0.12%** | 11,584 | 0.22% |
| T al | | **111,406** | **1.82%** | 205,384 | 3.98% |

### 35. Provisions

| | N e | 31 Decembe 2016 | Cu en e i d addi i n | Cu en e i d a men | Cu en e i d e e al | E change diffe ence a i ing f m an la ing f eign cu encie | **30 June 2017** |
|---|---|---|---|---|---|---|---|
| P duc a an ie | (1) | 690,574 | 182,393 | (34,036) | (183,149) | 1,867 | **657,649** |
| Gua an ee f hi d a ie | | 79,104 | . | (79,104) | . | . | **–** |
| L f ending ac i n | | 43,490 | 2,301 | . | (1,883) | (903) | **43,005** |
| O he | (2) | 34,261 | 43,131 | (10,833) | (2,565) | 7,515 | **71,509** |
| T al | | 847,429 | 227,825 | (123,973) | (187,597) | 8,479 | **772,163** |

(1) The G u ide af e - ale e ai a an he cu me , anging f m e en ea f c n aine , ne ea f aile , ne e en ea f ank e ui men , ne ea f ai g und facili ie and ne ea f ff h e bu ine af e deli e f e el . The G u ill ide e ai and main enance e ice in acc dance i h ale c n ac du ing he a an e i d in he e en f an n n-acciden al b eakd n uali blem . The balance f P i i n . Wa an ie f duc uali e e en he G u ' e ima ed bliga i n f uch a an ie f duc ld u du ing he ea and in he e i u fi cal ea .

(2) HI, ne f he ub idia ie , ide he gua an ee f he banking l an b hich he cu me bu ehicle duc f m HI. HI uld accu e a i i n f he ending balance f he l an gua an ee, c n ide ing he c edi uali .

(All am n in RMB'000 nle he i e a ed)

# 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:

| | N e | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|---|
| C en i n f l ng- e m b ing | IV.38 | | |
| . Un ec ed | | **3,197,042** | 3,401,313 |
| . G a an eed | | **1,694,372** | 124,397 |
| | | **4,891,414** | 3,525,710 |
| C en i n f l ng- e m a able | | | |
| Finance lea e a able | | **114,537** | 136,571 |
| Le : n eali ed financing e en e | | **(8,826)** | (15,826) |
| Finance lea e a able-ne | IV.40 | **105,711** | 120,745 |
| O he | | **18,376** | 17,567 |
| | | **124,087** | 138,312 |
| C en i n f he n n-c en | | **–** | 3,850 |
| T al | | **5,015,501** | 3,667,872 |

## 37. Other current liabilities

| | N e | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|---|
| C mme cial a e i ed b he G | (1) | **2,583,959** | 1,666,966 |
| O he | | **28,321** | 20,796 |
| | | **2,612,280** | 1,687,762 |

(1) The C mme cial a e a i ed b CIMC F ne H lding Limi ed ( F ne ) and CIMC HK, he b idia ie f he G . A a 20 Ma 2016, F ne igned a h - e m c mme cial a e ag eemen i h Bank f Ne Y k Mell n, G ldman Sach and Bank f China (L nd n B anch) n i ing c mme cial a e a he am n f USD450 milli n i h an e i e i d f h ee ea ; A a he end f he e i d, he ne i ed am n f he anding c mme cial a e a USD318,000,000 (e i alen RMB2,154,471,000); A a 21 Decembe 2015, CIMC HK ene ed a ila e al c e a i n f ame k ag eemen i h Bank f China and Bank Me il L nch n i ing c mme cial a e in he Uni ed S a e i hin USD600 milli n. A a 30 J ne 2017, he ne i ed am n f anding 3- ea c mme cial a e i ed nde ch f ame k ag eemen a USD63,400,000 (e i alen RMB429,488,000).

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 38. Long-term borrowings

#### (1) Classification of long-term borrowings

| | N e | **30 June 2017** | 31 Decembe 2016 |
|---|---|---|---|
| Bank b ing | | | |
| . Un ecu ed | | **10,276,585** | 11,496,937 |
| . M gaged | (i) | **5,772,819** | 6,260,830 |
| . Gua an eed | (ii) | **12,507,099** | 12,791,165 |
| | | **28,556,503** | 30,548,932 |
| Le : cu en i n f l ng- e m b ing | | | |
| . Un ecu ed | | **3,197,042** | 3,401,313 |
| . Gua an eed | (ii) | **1,694,372** | 124,397 |
| | | **4,891,414** | 3,525,710 |
| T al | | **23,665,089** | 27,023,222 |

(i) A a 30 June 2017, he ubjec ma e f he financial lea ing c n ac f he ub idia ie f CIMC Financing and Lea ing C ., L d a e m gaged a c lla e al f he G u ' m gaged l an.

(ii) A a 30 June 2017, he G u ' l ng- e m gua an eed ing e e c m i ed f he f ll ing: bank b ing f F une am un ed USD1,489,000,000 (e ui alen RMB10,088,075,000) hich e e gua an eed b he C m an , am ng hich he cu en i n am un ed USD2,000,000 (e ui alen RMB13,550,000); bank l an f CIMCVL am un ed USD352,157,000 (e ui alen RMB2,385,719,000), gua an eed b he C m an and CIMC H ng K ng, am ng hich he cu en i n am un ed USD248,114,000 (e ui alen RMB1,680,822,000);bank b ing f Xiamen H ng in Be g Lea ing C ., L d am un ed 25,787,000 gua an eed b Tianjin H ng in Be g C ., L d; bank b ing f D ngguan CIMC In elligen Techn l g C ., L d am un ed 7,518,000 gua an eed b he C m an .

#### (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

F he e i d a ed f m 1 Janua a and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 39. Debentures payable

| | 31 Decembe 2016 | Cu en i ue | 30 June 2017 |
|---|---|---|---|
| Medium- e m n e | 7,986,500 | - | **7,986,500** |

### (1) Related information is as follows:

| Debenture name | Par value | Issuance date | Maturity | Issuance amount |
|---|---|---|---|---|
| Medium- e m n e -16CIMC MTN1 (i) | 3,500,000 | 11 Augu 2016 | 3 ea | 3,500,000 |
| Medium- e m n e -16CIMC MTN2 (i) | 2,500,000 | 22 Augu 2016 | 3 ea | 2,500,000 |
| Medium- e m n e -16CIMC MTN3 (ii) | 2,000,000 | 17 Oc be 2016 | 3+N ea | 1,986,500 |
| T al | 8,000,000 | | | 7,986,500 |

(i) The C m an can i ue medium- e m n e in he na i nal in e -bank b nd ma ke . The c m an i ued medium- e m n e (MTN) i h am un f 3.5 billi n n 11 Augu 2016 i h a ceiling f 6 billi n in i u i nal in e in he na i nal in e -bank b nd ma ke ; i h a alue f 100 e n e and fi ed in e e a e f 3.07% e annum. In e e i be aid n 11 Augu each ea in he a ea un il edem i n and a alue be aid n 11 Augu 2019. The n e a e un ecu ed and a ge in i u i nal in e in he na i nal in e -bank ma ke . A a 22 Augu 2016, he C m an made he ec nd i ue i h am un f 2.5 billi n i h a alue f 100 e n e and fi ed in e e a e f 3.15% e annum a ucce full i ued ublicl . In e e i be aid n 22nd Augu each ea in he a ea un il edem i n and a alue be aid n 22 Augu 2019. The n e a e un ecu ed and a ge in i u i nal in e in he na i nal in e -bank ma ke .

(ii) A a 17 Oc be 2016, he C m an i ued medium- e m n e i h am un f 2 billi n a face alue. The ne am un af e deduc ing he i ue fee a 1,986,500,000. The medium- e m n e a e i ued f gene al c a e finance u e . The fi h ee in e e -bea ing ea a e acc ued a an in e e a e f 3.89% e annum and a e aid annuall f m Oc be 14, 2017 and he C m an can ch e a defe ed in e e a men . F m he f u h in e e -bea ing ea , he c u n a e i e e e 3 ea .The medium- e m n e ha e n fi ed e i da e and ma be edeemed b he C m an n af e Oc be 14, 2019 a hei n minal alue, ge he i h a a men f an acc ued, un aid defe ed in e e . Bef e he e lemen f defe ed in e e (including he in e e f defe ed in e e ), he i ue can n di ibu e di idend, educe ca i al an he a men ecu i ie ha a e infe i he mid e m n e . A e ul f he h lde ' ec i n clau e, i h u he ai e f he n e h lde , he C m an i e ui ed e a he inci al and in e e if he C m an and ub idia ie ha i h ld i m e han 80% e ui ha failed e le an financial in i u i n l an due e ceed he ag eed am un . The ef e, he medium e m n e a e ea ed a liabili ie .

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 40. Long-term payables

| | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|
| Financial Lea e a able | **303,625** | 323,920 |
| Le : un eali ed financing e en e | **(41,174)** | (34,723) |
| Financial Lea e a able . ne | **262,451** | 289,197 |
| Pa able min i ha eh lde | **120,789** | 120,789 |
| De i a able | **100,635** | 117,922 |
| O he | **21,034** | 1,464 |
| T al | **504,909** | 529,372 |

### (1) Details of financial leasing payables

A a 30 June 2017, he al fu u e minimum lea e a men unde finance lea e , hich a e ba ed n c n ac ual undi c un ed ca h fl (including in e e a men c m u ed u ing c n ac ual a e , if fl a ing, ba ed n a e cu en a he balance hee da e), e e a f ll :

| Minimum lea e a men | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|
| Wi hin 1 ea (inclu i e) | **114,537** | 136,571 |
| O e 1 ea bu i hin 2 ea (inclu i e) | **251,829** | 287,267 |
| O e 2 ea bu i hin 3 ea (inclu i e) | **12,352** | 3,564 |
| O e 3 ea | **39,444** | 33,089 |
| Sub- al | **418,162** | 460,491 |
| Le : un ec gni ed finance e en e | **(50,000)** | (50,549) |
| Ca ing am un | **368,162** | 409,942 |

The G u had n financial lea ing gua an eed b inde enden hi d a du ing he e i d.

(All amounts in RMB'000 unless otherwise stated)

# 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 with the Group | **30 June 2017** | 31 December 2016 |
|---|---|---|---|
| Shunde Fu[illegible]i Real Estate Investment Co., Ltd (Shunde Fu[illegible]i) | Subsidiaries' minority shareholder | **120,789** | 120,789 |

## 41. Payables for specific projects

| | 31 December 2016 | Current period addition | Current period decrease | **30 June 2017** |
|---|---|---|---|---|
| Project fund | 9,704 | 7,016 | - | **16,720** |

## 42. Deferred income

| | Note | 31 December 2016 | Current period addition | Current period decrease | **30 June 2017** | Reason |
|---|---|---|---|---|---|---|
| Government grant | (1) | 829,742 | 44,700 | (44,624) | **829,818** | Government Grant received, to be recognized in future period |
| Others | | 9,996 | - | (3,164) | **6,832** | Outright sale of operating leasing receivables, to be recognized in future period |
| Total | | 839,738 | 44,700 | (47,788) | **836,650** | - |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 42. Deferred income (Continued)

#### (1) Government grants

| P jec name | 31 Decembe 2016 | Cu en e i d addi i n | Rec gni ed a he inc me | O he change | **30 June 2017** | Rela ed a e /inc me |
|---|---|---|---|---|---|---|
| Yan ai Raffle Na i nal De el men and Ref m C mmi i n n he elea e f indu ial u g ading jec budge e | 200,000 | . | . | . | **200,000** | Rela ed a e |
| En ic el ca i n c m en a i n | 184,253 | . | 3,566 | . | **180,687** | Rela ed a e |
| En ic ne fac g e nmen g an | 80,396 | . | 1,735 | . | **78,661** | Rela ed a e |
| Shan i CIMC Vehicle Indu Ga den c n uc i n g an | 54,052 | . | 651 | . | **53,401** | Rela ed a e |
| Ningb C n aine Manufac u e indu u fund | 38,000 | . | . | . | **38,000** | Rela ed inc me |
| C&C T uck g e nmen build d na i n | 30,000 | . | . | . | **30,000** | Rela ed a e |
| TAS indu ial ba e jec | 28,291 | 4,220 | 803 | . | **31,708** | Rela ed a e |
| Yan ai Raffle Se en h Gene a i n Su e Dee a e D illing Pla f m (B a ) Inn a i n S ecial | 26,504 | . | . | . | **26,504** | Rela ed inc me |
| Taicang CIMC S ecial L gi ic E ui men C . L d. | 11,396 | . | 152 | . | **11,244** | Rela ed a e |
| TCCIMC land c m en a i n | 9,862 | . | 131 | . | **9,731** | Rela ed a e |
| CQLE Land g an fee efund | 8,021 | . | 100 | . | **7,921** | Rela ed inc me |
| Zhenhua G u D and Pull T an g am | 7,844 | . | 450 | . | **7,394** | Rela ed a e |
| S ecial e ui men c n lle and em indu iali a i n ba ed n a i u c mmunica i n in e face f CCHQ | 8,000 | . | 917 | . | **7,083** | Rela ed a e |
| TAS inf ma i n echn l g de el men ecial fund | 7,348 | . | 351 | . | **6,997** | Rela ed a e |
| MEA- he | 6,301 | . | . | . | **6,301** | Rela ed inc me |
| En i nmen all f iendl mega dee a e fl a ing duc i n age uni (FPSO) and a lica i n f he S u h China Sea | 6,000 | . | . | . | **6,000** | Rela ed a e |
| MEA ecial fund u indu ial inn a i n | 5,520 | . | 460 | . | **5,060** | Rela ed a e |
| KGR R&D fund | 4,270 | . | 112 | . | **4,158** | Rela ed a e |
| T an f ma i n jec f high- ech in Jiang u P ince f Yang h u Run ang | 2,256 | . | 113 | . | **2,143** | Rela ed a e |
| TAS echn l g de el men fund | 886 | . | 48 | . | **838** | Rela ed a e |
| G e nmen ub idie f XHCIMCS | 17,362 | . | 17,362 | . | **–** | Rela ed a e |
| G e nmen ub idie f Xinhui M dula Building Manufac u ing | 10,764 | . | 10,764 | . | **–** | Rela ed a e |
| O he | 82,416 | 40,480 | 6,909 | . | **115,987** | Rela ed a e / inc me |
| T al | 829,742 | 44,700 | 44,624 | . | **829,818** | |

(All am un in RMB'000 unle he i e a ed)

# IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 43. Other non-current liabilities

| | N e | 30 June 2017 | 31 Decembe 2016 |
|---|---|---|---|
| Ca i al inc emen f m a egic in e | (1)(2) | **1,549,826** | 1,549,826 |
| C mmi men f di idend min i ha eh lde | IV.5(7)(i) | **487,632** | 487,632 |
| Pla f m ecial in ec i n fee | (3) | **73,421** | 73,421 |
| Ren al ad ance | | **11,576** | 12,677 |
| O he | | **114,359** | . |
| T al | | **2,236,814** | 2,123,556 |

(1) A a 18 Decembe 2015, Shanghai Taifu iang h ng P i a e E ui Fund (Limi ed Pa ne hi ), Nan han Dacheng Ne Ma e ial In e ing Pa ne hi (LLP), Sumi m C a i n and Shen hen D ag n-S u ce Ha b Ci In e ing De el men C ., L d.( ge he efe ed a ne a egic in e ) en e ed an addi i nal in e men n CIMC Vehicle (G u ) ( efe ed a HI ) c n ac i h he C m an , China Re u ce Shen hen In e na i nal Tu In e men C ., L d and China In e na i nal Ma ine C n aine (H ng K ng) Limi ed ( ge he efe ed a iginal ha eh lde ); in Janua 2016, ne a egic in e ide addi i nal in e men n HI USD166,173,000 (e ui alen RMB1,089,580,000), USD15,233,000 (e ui alen RMB100,000,000); In Decembe 2015, ne a egic in e ide addi i nal in e men n HI am un ed USD9,288,117 (e ui alen RMB60,246,000, ba ed n he in e ing a men da e e change a e) and 100,000,000 e ec i el ; af e he addi i nal in e ing, hei ha e n HI ill be 16.822%, 1.544%, 0.929% and 1.544% f h le HI ha e . Al , he c n ac egula e ha if HI cann launch a alid IPO bef e 31 Decembe 2020, ne a egic in e (e ce Shen hen D ag n-S u ce Ha b Ci In e ing De el men C ., L d.) uld ha e he igh a k he C m an e u cha e hei ha e n HI in he f m f ca h. The e u cha e ice h uld be he um f (a) he ub c i i n ice ha he indi idual ne a egic in e ac uall aid in hi addi i nal in e ing and (b) he al in e e calcula ed ba ed n 8% ingle in e e e ea and he e i d c e ed f m he da e f he ub c i i n ice ac uall aid he da e he c n lling ha eh lde full a he e u cha e am un .

The e ui f HI ha he in e ha e igh a k e u cha e h uld be full ec gni ed a a liabili becau e f he e i ence f igh f e u cha e; A a 30 June 2017, he ele an liabili a 1,249,826,000 (31 Decembe 2016: 1,249,826,000).

# Notes to the Financial Statements

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

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 44. Share capital

| | 31 December 2016 '000 | Current period addition '000 | Current period decrease '000 | Change of shares subject to selling restriction '000 | **30 June 2017 '000** |
|---|---|---|---|---|---|
| Shares subject to trading restriction | | | | | |
| – Held by domestic natural persons | 699 | 29 | – | – | **728** |
| Shares not subject to trading restriction | | | | | |
| – RMB-denominated ordinary shares | 1,261,301 | 1,747 | – | – | **1,263,048** |
| – Foreign shares listed overseas | 1,716,577 | – | – | – | **1,716,577** |
| Total | 2,978,577 | 1,776 | – | – | **2,980,353** |

| | 31 December 2015 '000 | Current year addition '000 | Current year decrease '000 | Change of shares subject to selling restriction '000 | 31 December 2016 '000 |
|---|---|---|---|---|---|
| Shares subject to trading restriction | | | | | |
| – Held by domestic natural persons | 866 | 21 | – | (188) | 699 |
| Shares not subject to trading restriction | | | | | |
| – RMB-denominated ordinary shares | 1,260,377 | 736 | – | 188 | 1,261,301 |
| – Foreign shares listed overseas | 1,716,577 | – | – | – | 1,716,577 |
| Total | 2,977,820 | 757 | – | – | 2,978,577 |

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

(All amounts in RMB'000 unless otherwise stated)

# IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 45. Other equity instruments

| | 31 December 2016 | Current period issuance | Other changes in current period | Paid in current | **30 June 2017** |
|---|---|---|---|---|---|
| Perpetual bonds | 2,049,035 | - | 35,908 | (103,800) | **1,981,143** |

| | 31 December 2015 | Current year issuance | Other changes in current year | Paid in current | 31 December 2016 |
|---|---|---|---|---|---|
| Perpetual bonds | 2,033,043 | - | 119,792 | (103,800) | 2,049,035 |

As at 16 June 2015, the Group issued unsecured perpetual bonds at a par value of 2,000 million. The net value amounted to 1,981,143,000 after the deduction of issue expenses. The issuing instrument was used for common corporate financing. The interest rate is 5.19% per annum at the first 3 interest-bearing years. The interest is paid once a year and the Group can choose to defer the payment. After the fourth interest-bearing year, the coupon rate is reset every 3 years. This instrument has no settled maturity date, and the Group can choose to buy it back at the par value together with any accrued, unpaid or deferred interest after 16 June 2018 or later. Before the settlement of deferred interest (including the interest of deferred interest), the issuer cannot distribute dividend, reduce capital [illegible] the payment securities that are inferior to the mid-term notes of current period.

# Notes to the Financial Statements

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

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 46. Capital surplus

| | 31 December 2016 | Current period additions | Current period decreases | 30 June 2017 |
|---|---|---|---|---|
| Share premium | 3,590,421 | 29,310 | – | **3,619,731** |
| Other capital surplus: | | | | |
| – Exchange reserve on foreign currency capital | 692 | – | – | **692** |
| – Donated non-cash assets reserve | 257 | – | – | **257** |
| – Equity-settled share-based payment | 420,004 | 6,778 | (12,103) | **414,679** |
| – Capital surplus due to share option exercised by subsidiaries | 15,967 | 70 | – | **16,037** |
| – Capital surplus due to minority shareholders' contribution | 435,101 | 3,428 | – | **438,529** |
| – Decrease in minority interests resulted from disposal of subsidiaries (not lost the controlling right on the subsidiaries) | 900,031 | – | – | **900,031** |
| – Capital surplus due to cost of asset restructuring | (42,696) | – | – | **(42,696)** |
| – Capital surplus due to acquiring minority shareholders' equity | (246,669) | – | (78,103) | **(324,772)** |
| – Capital surplus due to minority shareholders' contribution | (58,964) | – | – | **(58,964)** |
| – Effect of functional currency change | (406,795) | – | – | **(406,795)** |
| – Capital surplus due to acquisition or establishment of subsidiaries | (51,925) | – | – | **(51,925)** |
| – Recognition of buy-back right granted to minority shareholders | (1,549,826) | – | – | **(1,549,826)** |
| Others | 120,987 | – | – | **120,987** |
| Total | 3,126,585 | 39,586 | (90,206) | **3,075,965** |

(All am n in RMB'000 nle he i e a ed)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 46. Capital surplus (Continued)

| | 31 Decembe 2015 | C en e i d addi i n | C en e i d dec ea e | 31 Decembe 2016 |
|---|---|---|---|---|
| Sha e emi m | 3,577,648 | 12,773 | – | 3,590,421 |
| O he ca i al l : | | | | |
| . E change e e e n f eign c enc ca i al | 692 | – | – | 692 |
| . D na ed n -ca h a e e e e | 257 | – | – | 257 |
| . E i e led ha e-ba ed a men | 402,887 | 22,316 | (5,199) | 420,004 |
| . Ca i al l d e ha e i n e e ci ed b b idia | 14,275 | 1,692 | – | 15,967 |
| . Ca i al l d e min i ha eh lde ' c n ib i n | 207,660 | 227,441 | – | 435,101 |
| . Dec ea e in min i in e e e led f m di al f b idia (n l he c n lling igh n he b idia ) | 899,128 | 903 | – | 900,031 |
| . Ca i al l d e c a e e c ing | (42,696) | – | – | (42,696) |
| . Ca i al l d e ac i ing min i ha eh lde ' e i | (224,430) | – | (22,239) | (246,669) |
| . Ca i al l d e min i ha eh lde ' c n ib | (58,964) | – | – | (58,964) |
| . Effec f f nc i nal c enc change | (406,795) | – | – | (406,795) |
| . Ca i al l d e ac i i i n e abli hmen f b idia | (51,925) | – | – | (51,925) |
| . Rec gni i n f b -back igh g an ed min i ha eh lde | (1,249,826) | – | (300,000) | (1,549,826) |
| O he | 113,952 | 7,035 | – | 120,987 |
| T al | 3,181,863 | 272,160 | (327,438) | 3,126,585 |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 47. Other Comprehensive Income

| | | F he Pe i d f m 1 Janua 30 June 2017 | | | | |
|---|---|---|---|---|---|---|
| | 31 Decembe 2016 | P e-a am un incu ed in cu en e i d | Le : Inc me a | P -a am un a ibu able he C m an | P -a am un a ibu able he min i | **30 June 2017** |
| I em ha ma be ecla ified ub e uen l fi and l : | | | | | | |
| . P e e alua i n e e e | 43,754 | - | - | - | - | **43,754** |
| . Change in fai alue f a ailable-f - ale financial a e | (3,344) | (113) | (128) | (241) | - | **(3,585)** |
| . Ca h fl hedge | 80 | 7,144 | (1,072) | 6,072 | - | **6,152** |
| . E change diffe ence a i ing f m an la ing f eign cu encie | (164,200) | 93,191 | - | 66,593 | 26,598 | **(97,607)** |
| . Gain/(l ) f m he diffe ence be een fai alue and b k alue b c n e ing elf-u e e in e men e ie mea u ed i h fai alue | 481,051 | - | - | - | - | **481,051** |
| | 357,341 | 100,222 | (1,200) | 72,424 | 26,598 | **429,765** |

| | | Yea 2016 | | | | |
|---|---|---|---|---|---|---|
| | 31 Decembe 2015 | P e-a am un incu ed in cu en ea | Le : Inc me a | P -a am un a ibu able he C m an | P -a am un a ibu able he min i | 31 Decembe 2016 |
| I em ha ma be ecla ified ub e uen l fi and l : | | | | | | |
| . P e e alua i n e e e | 43,754 | - | - | - | - | 43,754 |
| . Change in fai alue f a ailable-f - ale financial a e | (3,240) | (104) | - | (104) | - | (3,344) |
| . Ca h fl hedge | (4,074) | 4,887 | (733) | 4,154 | - | 80 |
| . E change diffe ence a i ing f m an la ing f eign cu encie | (554,570) | 462,287 | - | 390,370 | 71,917 | (164,200) |
| . Gain/(l ) f m he diffe ence be een fai alue and b k alue b c n e ing fi ed a e /in angible a e in e men e ie | 3,653 | 584,834 | (83,825) | 477,398 | 23,611 | 481,051 |
| | (514,477) | 1,051,904 | (84,558) | 871,818 | 95,528 | 357,341 |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 48. Surplus reserve

| | 31 Decembe 2016 | Cu en e i d addi i n | Cu en e i d dec ea e | **30 June 2017** |
|---|---|---|---|---|
| S a u u lu e e e | 1,489,287 | . | . | **1,489,287** |
| Di c e i na u lu e e e | 1,790,092 | . | . | **1,790,092** |
| T al | 3,279,379 | . | . | **3,279,379** |

| | 31 Decembe 2015 | Cu en ea addi i n | Cu en ea dec ea e | 31 Decembe 2016 |
|---|---|---|---|---|
| S a u u lu e e e | 1,413,486 | 75,801 | . | 1,489,287 |
| Di c e i na u lu e e e | 1,790,092 | . | . | 1,790,092 |
| T al | 3,203,578 | 75,801 | . | 3,279,379 |

In acc dance i h he C m an La and he C m an ' A icle f A cia i n, he C m an h uld a ia e 10% f ne fi f he ea (including ha eh lde and he e u i h lde f he C m an ) he a u u lu e e e, and he C m an can cea e a ia i n hen he a u u lu e e e accumula ed m e han 50% f he egi e ed ca i al. The a u u lu e e e can be u ed make u f he l inc ea e he aid in ca i al.

The C m an a ia e f he di c e i na u lu e e e af e he ha eh lde ' mee ing a e he al f m he B a d f Di ec . The di c e i na u lu e e e can be u ed make u f he l inc ea e he aid in ca i al af e a al f m he a ia e au h i ie .

### 49. Undistributed profits

| | N e | **30 June 2017** | 31 Decembe 2016 |
|---|---|---|---|
| Undi ibu ed fi a he beginning f he ea | | **17,495,053** | 17,805,808 |
| Add: ne fi a ibu able he ha eh lde and he e u i h lde f he C m an f he cu en e i d | | **796,898** | 539,660 |
| Le : Influence f i uing e e ual b nd | | **(35,908)** | (119,792) |
| Le : a ia i n f u lu e e e | | **–** | (75,801) |
| Le : dina ha e di idend a able | (1) | **(179,835)** | (654,822) |
| Undi ibu ed fi a he end f he e i d | | **18,076,208** | 17,495,053 |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 Decembe 2016 |
|---|---|---|
| Di idend ed b n decla ed | **–** | |
| T al ed di idend in he e i d | **179,835** | 654,822 |

In acc dance i h he e l i n a he ha eh lde ' gene al mee ing f he C m an , a a 9 J ne 2017, he C m an aid a ca h di idend in he am n f 0.06 e ha e he dina ha eh lde a a 20 J l 2017 (2016: 0.22 e ha e), alling 179,835,000 (2016: 654,822,000).

### 50. Revenue and cost of sales

| | **For the Period from 1 January to 30 June 2017** | F he Pe i d f m 1 Jan a 30 J ne 2016 |
|---|---|---|
| Re en e f m main e a i n | **32,656,928** | 22,828,212 |
| Re en e f m he e a i n | **730,224** | 714,631 |
| T al | **33,387,152** | 23,542,843 |
| C f ale f m main e a i n | **26,911,617** | 18,795,869 |
| C f ale f m he e a i n | **329,947** | 330,627 |
| T al | **27,241,564** | 19,126,496 |

The e a n indi id al c n c i n c n ac h e e en e am n ed m e han 10% f he al e en e.

(All amounts in RMB'000 unless otherwise stated)

# IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 50. Revenue and cost of sales (Continued)

### (1) Revenue and cost of sales from main operations by industries and by products

| | For the Period from 1 January to 30 June 2017 | | For the Period from 1 January to 30 June 2016 | |
|---|---|---|---|---|
| Industry | **Revenue from main operations** | **Cost of sales from main operations** | Revenue from main operations | Cost of sales from main operations |
| Containers | **9,596,787** | **7,944,171** | 4,403,976 | 4,028,151 |
| Road transportation vehicles | **9,456,259** | **7,813,816** | 6,807,849 | 5,586,799 |
| Energy and chemical & food equipment | **4,825,819** | **4,021,439** | 4,180,940 | 3,372,051 |
| Offshore business | **500,245** | **461,813** | 950,752 | 822,464 |
| Airport facilities | **1,147,629** | **932,468** | 1,096,364 | 886,690 |
| Logistics 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 |
| Heavy truck | **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 (except for 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 locations is determined on the locations at which the services were provided or the goods were delivered.

# Notes to the Financial Statements

For the period started 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)

### 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 |
| Rendering of services | **532,435** | **239,624** | 580,116 | 226,095 |
| Sales of raw 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% - 5% of revenue |
| City maintenance and construction tax | **44,238** | 85,368 | 7% of VAT and business tax |
| Land appreciation tax | **17,849** | 12,290 | Appreciation amount in transferring property and applicable tax rate |
| Educational surcharge | **35,470** | 62,541 | 3% - 5% of VAT and business tax paid |
| Others | **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



F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 53. General and administrative expenses

| | **For the Period from 1 January to 30 June 2017** | F he Pe i d f m 1 Jan a 30 J ne 2016 |
|---|---|---|
| Em l Benefi | **1,004,200** | 783,266 |
| Techn l g de el men c | **288,459** | 230,097 |
| Pe f mance b n and e iden b n | **165,200** | 49,872 |
| De ecia i n | **134,408** | 149,922 |
| Am i a i n | **113,415** | 99,409 |
| Agenc fee | **110,796** | 97,258 |
| Ren al | **75,806** | 63,119 |
| L - al e c n mable and ma e ial c n med | **49,006** | 30,969 |
| Ta e and cha ge | **34,293** | 127,122 |
| Sha e-ba ed a men e en e | **9,583** | 19,889 |
| Office e endi e, en e ainmen fee and he | **382,873** | 331,378 |
| T al | **2,368,039** | 1,982,301 |

### 54. Financial expenses-net

| | **For the Period from 1 January to 30 June 2017** | F he Pe i d f m 1 Jan a 30 J ne 2016 |
|---|---|---|
| In e e e en e | **779,849** | 594,185 |
| Le : ca i ali ed b ing c | **257,584** | 279,103 |
| Le : in e e inc me | **117,661** | 97,294 |
| E change (gain )/l e | **111,742** | (29,461) |
| O he | **77,905** | 116,617 |
| T al | **594,251** | 304,944 |

# Notes to the Financial Statements

For the period started 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)

### 55. Expenses by nature

Cost of services, selling expenses, general administrative expenses and financial expenses in income statements by nature are analysed as follows:

| | For the Period from 1 January to 30 June 2017 | For the Period from 1 January to 30 June 2016 |
|---|---|---|
| Finished goods and work-in-process movement | **(741,628)** | (244,984) |
| Consumption of raw materials and low-priced and easily worn articles, etc | **24,492,423** | 16,685,627 |
| Salaries and wages | **3,216,847** | 2,129,005 |
| Depreciation and amortisation | **1,152,911** | 1,242,346 |
| Shipping and handling charges | **560,202** | 411,149 |
| Financial expenses | **594,251** | 304,944 |
| Rental | **130,874** | 130,385 |
| Technology development costs | **288,459** | 230,097 |
| Processing and repairing expenses | **294,912** | 211,604 |
| Property expenses | **283,549** | 180,553 |
| Selling operation expenses | **149,651** | 57,393 |
| Other expenses – the manufacturing expenses | **164,295** | 234,324 |
| Other expenses – the selling and distribution expenses | **209,567** | 291,869 |
| Other expenses – the 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 to 30 June 2016 |
|---|---|---|
| Financial assets at fair value through profit or loss | | |
| (a) Changes in fair value during the year | | |
| 1. Profit from changes in fair value of equity investments held for trading | **29,834** | 944 |
| 2. Profit/(Loss) from changes in fair value of derivative financial instruments | **(73,769)** | (136,647) |
| (b) Profit/(Loss) from derecognised financial assets 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 | | |
| (a) Changes in fair value during the year | | |
| 1. Profit/(Loss) from changes in fair value of derivative financial instruments | **9,479** | 131,398 |
| Total | **(32,626)** | 137,104 |

(All am un in RMB'000 unle he i e a ed)

# 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** | F he Pe i d f m 1 Janua 30 June 2016 |
|---|---|---|
| (L )/inc me f m di al f financial a e a fai alue h ugh fi | **(1,830)** | (141,409) |
| Inc me ea ned du ing he h lding e i d f a ailable-f - ale financial a e | **4,106** | 8,855 |
| Inc me ea ned f m di al f a ailable-f - ale financial a e | **533** | 7,714 |
| Inc me f m l ng- e m e ui in e men unde e ui me h d | **2,538** | 13,800 |
| Inc me f m di al f l ng- e m e ui in e men | **(25,460)** | 23,712 |
| O he | **9,485** | . |
| T al | **(10,628)** | (87,328) |

## 58. Asset impairment losses

| | **For the Period from 1 January to 30 June 2017** | F he Pe i d f m 1 Janua 30 June 2016 |
|---|---|---|
| Acc un ecei able | **25,988** | 14,445 |
| Ad ance u lie | **6,675** | . |
| O he ecei able | **141,923** | 343,501 |
| In en ie | **(3,521)** | 6,962 |
| Cu en i n f n n-cu en a e | **97,401** | 153,029 |
| L ng- e m ecei able | **(35,563)** | (129,164) |
| O he n n-cu en a e | **–** | 178,634 |
| Fi ed a e | **1,534** | 94 |
| Re ic ed ca h a bank | **–** | 700,000 |
| T al | **234,437** | 1,267,501 |

# Notes to the Financial Statements

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

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Other Income

| | For the Period from 1 January to 30 June 2017 |
|---|---|
| Financial subsidies | **57,088** |
| Tax return | **27,472** |
| Other | **6,472** |
| Total | **91,032** |

### 60. Non-operating income

#### (1) Non-operating income by categories:

48 10 )]5(r4.6>26 1)0.5(Gains on disposal of non-current assets0 Td(91,032)TjET 485 w q 1 0 0 1 79.1455 5032.00 ISTw 731,127.5 84.7587 513.729

| | For the Period from 1 January to 30 June 2017 |
|---|---|

(All am n in RMB'000 nle he i e a ed)

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 61. Non-operating expenses

| | **For the Period from 1 January to 30 June 2017** | F he Pe i d f m 1 Jan a 30 J ne 2016 | Am n ec gni ed In n n- ec ing fi l f m 1 Jan a 30 J ne 2017 |
|---|---|---|---|
| L e n di al f n n-c en a e | **17,388** | 9,485 | 17,388 |
| Incl ding: L e n di al f fi ed a e | **17,388** | 9,485 | 17,388 |
| L e n di al f in angible a e | **–** | . | . |
| D na i n | **352** | 393 | 352 |
| Penal e en e | **1,699** | 380 | 1,699 |
| C m en a i n e en e | **11,486** | 989 | 11,486 |
| Abn mal l e | **679** | 664 | 679 |
| O he | **800** | 2,234 | 800 |
| T al | **32,404** | 14,145 | 32,404 |

### 62. Income tax expenses

| | **For the Period from 1 January to 30 June 2017** | F he Pe i d f m 1 Jan a 30 J ne 2016 |
|---|---|---|
| C en inc me a calc la ed ba ed n a la and ela ed eg la i n | **499,609** | 262,989 |
| Defe ed inc me a | **10,024** | 112,327 |
| T al | **509,633** | 375,316 |

# Notes to the Financial Statements

For the period started 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)

### 62. Income tax expenses (Continued)

Reconciliation between income tax expenses and accounting profit is as follows:

| | For the Period from 1 January to 30 June 2017 | For the Period from 1 January to 30 June 2016 |
|---|---|---|
| Profit before tax | **1,576,142** | (165,844) |
| Income tax expenses calculated at applicable tax rates | **395,233** | 338,676 |
| Effect of tax incentives | **(63,499)** | (46,248) |
| Expenses not deductible for tax purposes | **20,714** | 32,243 |
| Other income not subject to tax | **(90,621)** | (74,525) |
| Utilisation of previously unrecognised tax losses | **(5,941)** | (7,695) |
| Tax effect of unrecognised tax losses | **112,902** | 38,339 |
| Deductible temporary differences for which no deferred tax asset was recognised in the period | **142,126** | 95,650 |
| Effect of tax rate change on deferred tax | **(735)** | – |
| Tax refund for income tax annual filing | **(546)** | (1,124) |
| Income tax expenses | **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 to 30 June 2016 |
|---|---|---|
| Consolidated profit attributable to ordinary shareholders and other equity holders of the Company | **796,898** | (378,034) |
| Influence of the issuing of perpetual bond | **(35,908)** | (51,900) |
| Consolidated profit (adjusted) attributable to ordinary shareholders of the Company | **760,990** | (429,934) |
| Weighted average number of ordinary shares outstanding ('000) | **2,979,059** | 2,978,120 |
| Basic earnings per share (RMB/share) | **0.2554** | (0.1444) |
| Including: Going concern basic earnings per share | **0.2554** | (0.1444) |

# 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 potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding:

| | For the Period from 1 January to 30 June 2017 | For the Period from 1 January to 30 June 2016 |
|---|---|---|
| Consolidated net profit attributable to ordinary shareholders and other equity holders of the Company | **796,898** | (378,034) |
| Influence of the issuing of perpetual bond | **(35,908)** | (51,900) |
| Effect of subsidiaries' share option program | **(1,371)** | - |
| Consolidated profit (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) |

( ) [illegible] ( )

| | For the Period from 1 January to 30 June 2017 | For the Period from 1 January to 30 June 2016 |
|---|---|---|
| Weighted average number of ordinary shares outstanding ('000) | **2,979,059** | 2,978,120 |
| Effect of share option ('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 was authorised to grant 60,000,000 shares (2.01% of the total issued shares 2,980,352,786) to the senior management and the staff. Refer to Note IX for details.

(All am n in RMB'000 nle he i e a ed)

## 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 | F he Pe i d f m 1 Jan a 30 J ne 2016 |
|---|---|---|
| Ca h aid f ac i ing min i in e e | **81,616** | 22,272 |
| Ca h aid f b ing e en e | **–** | 98,104 |
| T al | **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 | F he Pe i d f m 1 Jan a 30 J ne 2016 |
|---|---|---|
| Ne fi | **1,066,509** | (541,160) |
| Add: P i i n f a e im ai men | **234,437** | 1,267,501 |
| De ecia i n f fi ed a e | **916,498** | 1,056,717 |
| Am i a i n f in angible a e | **175,734** | 121,062 |
| Am i a i n f in e men e ie and l ng- e m e aid e en e | **60,679** | 64,902 |
| L e n di al f fi ed a e , in angible a e and he l ng- e m a e | **(13,739)** | 3,332 |
| (Gain) /l e n change in fai al e | **32,626** | (137,104) |
| Financial c | **404,604** | 217,788 |
| In e men inc me | **10,628** | 87,328 |
| Sha e-ba ed a men e en e | **9,583** | 19,889 |
| Inc ea e in defe ed a a e | **(19,246)** | 59,293 |
| Inc ea e in defe ed a liabili ie | **30,470** | 1,491,247 |
| (Inc ea e)/dec ea e in in en ie | **922,591** | 644,176 |
| Dec ea e in e a ing ecei able | **(6,337,636)** | (5,172,278) |
| Inc ea e/(dec ea e) in e a ing a able | **1,838,046** | 1,751,039 |
| Ne ca h fl f m e a ing ac i i ie | **(668,216)** | 933,732 |

# Notes to the Financial Statements

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

## IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 65. Information to cash flow statement (Continued)

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

( ) [illegible]

| | For the Period from 1 January to 30 June 2017 | For the Period from 1 January to 30 June 2016 |
|---|---|---|
| Cash and cash equivalents at the end of the period | **5,940,423** | 4,310,559 |
| Less: cash and cash equivalents at the beginning of the year | **6,338,667** | 3,259,123 |
| Net increase/(decrease) in cash and cash equivalents | **(398,244)** | 1,051,436 |

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

| | For the Period from 1 January to 30 June 2017 | For the Period from 1 January to 30 June 2016 |
|---|---|---|
| I. Information on acquisition of subsidiaries and other business units: | | |
| Cash and cash equivalents paid for acquisitions | **5,000** | 965,028 |
| Less: Cash and cash equivalents held by subsidiaries and other business units on acquisition date | **–** | 200,451 |
| Net cash paid/(received) for the acquisitions | **5,000** | 764,577 |

### (3) Cash and cash equivalents

| | For the Period from 1 January to 30 June 2017 | For the Period from 1 January to 30 June 2016 |
|---|---|---|
| I. Cash | | |
| Including: Cash on hand | **155,947** | 3,420 |
| Cash at bank that can be readily drawn on demand | **4,686,435** | 4,074,994 |
| Other monetary funds that can be readily drawn on demand | **77,875** | 232,145 |
| II. Redemptory monetary capital for sale by Finance Company | **1,020,166** | – |
| III. Cash and cash equivalents at the end of the period | **5,940,423** | 4,310,559 |

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

## 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 funds: | | | |
| USD | 120,552 | 6.7744 | 816,665 |
| HKD | 289,640 | 0.8679 | 251,384 |
| AUD | 15,237 | 5.2099 | 79,381 |
| THB | 12,960 | 5.0155 | 65,000 |
| GBP | 16,912 | 8.8144 | 149,070 |
| EUR | 198,198 | 7.7496 | 1,535,952 |
| JPY | 403,637 | 0.0605 | 24,414 |
| Others | | | 138,215 |
| | | | 3,060,081 |
| Accounts receivable: | | | |
| USD | 1,830,416 | 6.7744 | 12,399,969 |
| HKD | 38,799 | 0.8679 | 33,674 |
| JPY | 439,547 | 0.0605 | 26,586 |
| AUD | 8,411 | 5.2099 | 43,820 |
| EUR | 102,610 | 7.7496 | 795,188 |
| Others | | | 722,795 |
| | | | 14,022,032 |
| Other receivables: | | | |
| 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: | | | |
| USD | 1,495,164 | 6.7744 | 10,128,838 |
| GBP | 27,827 | 8.8144 | 245,276 |
| Others | | | 22,092 |
| | | | 10,396,206 |

# Notes to the Financial Statements

For the period from 1 January to 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)

### 66. Monetary items denominated in foreign currency (Continued)

| | 30 June 2017 | | |
|---|---|---|---|
| | Functional currency (in thousands) | Exchange Rate | in RMB |
| Short-term borrowings | | | |
| 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 payables | | | |
| 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 payables | | | |
| USD | 29,264 | 6.7744 | 198,246 |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## V. CHANGES IN THE SCOPE OF CONSOLIDATION

### 1. Business combinations involving enterprises not under common control

The e i n ignifican b ine c mbina i n in l ing en e i e n nde c mm n c n l f he c en e i d.

### 2. Disposal of subsidiaries

The e i n l f c n l f b idia ie b di al f e i in e e f he c en e i d.

## VI. EQUITY IN OTHER ENTITIES

### 1. Equity in subsidiaries

All b idia ie f he G e e e abli hed ac i ed h gh c mbina i n n nde c mm n c n l. The e i n ac i i i n f b idia ie h gh c mbina i n nde c mm n c n l.

A a 30 J ne 2017, he n mbe f c m anie incl ded in he c e f c n lida i n added 621. E ce f he im an b idia ie li ed a bel , he n mbe f he b idia ie held b he G a 360, i h aid-in ca i al am n ing 758,912,000.O he b idia ie mainl incl ded h e engaged in man fac ing e ice i i n, hich ha e ela i el mall cale f e a i n and he aid-in ca i al a bel 20 milli n USD3 milli n. O he b idia ie al incl ded h e in e men h lding c m anie i h n e a ing ac i i ie egi e ed in H ng K ng, B i i h Vi gin I land he e ea c n ie .

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

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

( )

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) Direct | Shareholding percentage (%) Indirect |
|---|---|---|---|---|---|---|---|---|
| 1 | Shen hen S he n CIMC C n aine Man fac e C ., L d. (SCIMC) | B ine en i | Shen hen, G angd ng | | | | | |

# Notes to the Financial Statements



F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

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

*( ) . . . ( . )*

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) Direct | Indirect |
|---|---|---|---|---|---|---|---|---|
| 9 | Yang h R n ang L gi ic E i men C ., L d. (YZRYL) | B ine en i | Yang h , Jiang | Yang h , Jiang | Man fac e, e ai and ale f c n aine | USD20,000,000 | . | 100.00% |
| 10 | Shanghai CIMC Yang han L gi ic E i men C ., L d. (SHYSLE) | B ine en i | Shanghai | Shanghai | Man fac e and ale f c n aine a ell a ele an echnical ad i | USD29,480,000 | . | 100.00% |
| 11 | Shanghai CIMC Reefe C n aine C ., L d. (SCRC) | B ine en i | Shanghai | Shanghai | Man fac e and ale f ef ige a i n and hea e e a i n de ice f eefe c n aine , ef ige a ca and Hea ; P e e a i n ca | USD31,000,000 | 72.00% | 20.00% |
| 12 | Nan ng CIMC S ecial T an a i n E i men Man fac e C ., L d. (NTCIMCS) | B ine en i | Nan ng, Jiang | Nan ng, Jiang | Man fac e, ale and e ai f a i gh, ank a ell a a i ecial ing and an ing e i men and a | USD10,000,000 | . | 71.00% |
| 13 | Xinh CIMC S ecial T an a i n E i men C ., L d. (XHCIMCS) | B ine en i | Jiangmen, G angd ng | Jiangmen, G angd ng | Man fac e and ale f a i c n aine , emi-fini hed c n aine d c and ele an c m nen d c and ele an c m nen and main enance e ice | USD65,499,000 | 19.01% | 80.99% |
| 14 | Nan ng CIMC Tank E i men C ., L d (NTCIMCT) | B ine en i | Nan ng, Jiang | Nan ng, Jiang | Man fac e and ale f a i c n aine , emi-fini hed c n aine d c and ele an c m nen d c and ele an c m nen and main enance e ice | USD35,000,000 | . | 70.79% |
| 15 | Dalian CIMC Rail a E i men C ., L d (DLCIMCS) | B ine en i | Dalian, Lia ning | Dalian, Lia ning | De ign, man fac e and ale f a i ail a f eigh e i men d c | USD20,000,000 | 55.00% | 45.00% |
| 16 | Nan ng CIMC La ge- i ed Tank C ., L d. | B ine en i | Nan ng, Jiang | Nan ng, Jiang | De ign, d c i n and ale f ank and ele an a ; nde aking ank- ela ed gene al c n ac ing jec | USD47,700,000 | . | 70.79% |
| 17 | Shen hen CIMC S ecial Vehicle C ., L d. (CIMCSV) | B ine en i | Shen hen, G angd ng | Shen hen, G angd ng | De el men , d c i n and ale f a i ecial- e ehicle , a ell a ele an c m nen and a | RMB200,000,000 | . | 63.33% |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

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

*( ) , . . ( . )*

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) Direct | Indirect |
|---|---|---|---|---|---|---|---|---|
| 18 | Qingda CIMC S ecial Vehicle C ., L d. (QDSV) | Bu ine en i | Qingda , Shand ng | Qingda , Shand ng | De el men , duc i n and ale f a i u ecial-u e ehicle , efi ing aile e ie a ell a ele an c m nen and a | RMB62,880,000 | 44.34% | 35.25% |
| 19 | F han CIMC l gi ic e ui men C ., L d ( F han L gi ic ) | Bu ine en i | F han, Guangd ng | F han, Guangd ng | De ign, duc i n, ale and main enance f l gi ic and ling e ui men | RMB3,000,000 | . | 100.00% |
| 20 | Shanghai CIMC Vehicle L gi ic E ui men C ., L d. (SHL) | Bu ine en i | Shanghai | Shanghai | De el men , c n uc i n, e a i n lea ing, ale f a eh u ing and au ilia facili ie | RMB90,204,100 | . | 63.33% |
| 21 | Shen hen CIMC W d C ., L d. ( CIMC W d ) | Bu ine en i | Shen hen, Guangd ng | Shen hen, Guangd ng | P duc i n and ale f fl f c n aine and ela ed duc ; ele an e ice | RMB30,000,000 | 12.00% | 88.00% |
| 22 | CIMC Vehicle (Lia ning) C ., L d. (LNVS) | Bu ine en i | Yingk u, Lia ning | Yingk u, Lia ning | De el men and duc i n f a i u ecial-u e ehicle a ell a c m nen and a ; ele an e ice | RMB60,000,000 | . | 63.33% |
| 23 | Tianjin P CIMC Zhenhua L gi ic C ., L d. ( Tianjin P CIMC ) | Bu ine en i | Tianjin | Tianjin | In e na i nal and d me ic f eigh agenc | RMB100,000,000 | . | 61.50% |
| 24 | CIMC -SHAC (Xi'An) S ecial Vehicle C ., L d. (XASV) | Bu ine en i | Xi'an, Shan i | Xi'an, Shaan i | De el men and duc i n f a i u aile , ecial-u e ehicle a ell a c m nen and a ; fe i nal e ice | RMB50,000,000 | . | 47.50% |
| 25 | Gan u CIMC Huajun Vehicle C ., L d. (GSHJ) | Bu ine en i | Bai in, Gan u | Bai in, Gan u | Refi ing f ecial ehicle , manufac u e f aile and fi ing a ell a au m bile fi ing ; ale f ele an ma e ial | RMB25,000,000 | . | 63.33% |

(All am un in RMB'000 unle he i e a ed)

# 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 |
|---|---|---|---|---|---|---|---|---|
| 26 | Xinhui CIMC C m i e Ma e ial Manufac u e C ., LTD (XHCM) | Bu ine en i | Jiangmen, Guangd ng | Jiangmen, Guangd ng | P duc i n, de el men , ce ing and ale f a i u c m i e la e duc uch a la ic, la ic all | RMB129,000,000 | - | 63.33% |
| 27 | Qingda CIMC Ec -E ui men C ., L d. (QDHB) | Bu ine en i | Qingda , Shand ng | Qingda , Shand ng | De el men , manufac u e, ale and e ice f ga bage ea men uck and he c m nen and a | RMB137,930,000 | - | 63.33% |
| 28 | Shanghai CIMC S ecial Vehicle C ., L d. (SHCIMCV) | Bu ine en i | Shanghai | Shanghai | De el men and duc i n f b aile , b ca a ell a ele an mechanical duc | RMB10,000,000 | - | 63.33% |
| 29 | CIMC Financing and Lea ing C ., L d. (CIMCVL) | Bu ine en i | Shen hen, Guangd ng | Shen hen, Guangd ng | Finance lea e bu ine ; di al and main enance f e idual alue f lea ed e ; ad i and a an f lea ing an ac i n | USD70,000,000 | 75.00% | 25.00% |
| 30 | Qingda Ref ige a i n T an E ui men C ., L d. (QDRV) | Bu ine en i | Qingda , Shand ng | Qingda , Shand ng | Manufac u e and ale f a i u ef ige a uck, in ula ed uck, he an e ui men and a e a | USD29,405,000 | - | 76.44% |
| 31 | Nan ng CIMC Tank E ui men C ., L d. (NTCY) | Bu ine en i | Nan ng, Jiang u | Nan ng, Jiang u | P duc i n f a i u e ui a i n ank ca , ecial e ui a i n ugh, ank and a | RMB69,945,600 | - | 70.79% |
| 32 | Shen hen CIMC . Tianda Ai S u L d. (TAS) | Bu ine en i | Shen hen, Guangd ng | Shen hen, Guangd ng | P duc i n and e a i n f a i u ai - u e elec mechanical e ui men duc | USD13,500,000 | - | 54.70% |
| 33 | Xinhui CIMC W d C ., L d. (XHCIMCW) | Bu ine en i | Jiangmen, Guangd ng | Jiangmen, Guangd ng | P duc i n and ale f c n aine - u e d fl and ele an duc f a i u ecifica i n ; iding ele an echnical ad i e ice | USD15,500,000 | - | 100.00% |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 | Shareholding percentage (%) Indirect |
|---|---|---|---|---|---|---|---|---|
| 34 | Inne M ng lia H l nbui CIMC W d C ., L d. (NMGW) | Bu ine en i | Inne M ng lia | Inne M ng lia | P duc i n and ale f a i u c n aine d fl and d duc f an e ui men | RMB259,520,000 | . | 100.00% |
| 35 | Jia ing CIMC W d C ., L d. (JXW) | Bu ine en i | Jia ing, Zhejiang | Jia ing, Zhejiang | P duc i n and ale f c n aine d fl , d duc f an e ui men and he d duc | USD5,000,000 | . | 100.00% |
| 36 | Shen hen S u he n CIMC C n aine Se ice C ., L d. (SCIMCL) | Bu ine en i | Shen hen, Guangd ng | Shen hen, Guangd ng | Engaged in c n aine an hi men , ck iling, de anning, anning, main enance | USD5,000,000 | . | 100.00% |
| 37 | Ningb CIMC C n aine Se ice C ., L d. (NBCIMCL) | Bu ine en i | Ningb , Zhejiang | Ningb , Zhejiang | G d affic; g d ackage, ing, e amina i n and l gi ic ad i e ice | RMB30,000,000 | . | 100.00% |
| 38 | CIMC Shenfa De el men C ., L d. (CIMC SD) | Bu ine en i | Shanghai | Shanghai | In e men , c n uc i n and e a i n f inf a uc u e; eal e a e de el men and e a i n | RMB204,123,000 | 98.53% | 1.47% |
| 39 | CIMC Vehicle (Xinjiang) C ., L d. (SJ4S) | Bu ine en i | U um i, Xinjiang | U um i, Xinjiang | P duc i n and ale f mechanical e ui men a ell a ele an echnical de el men | RMB80,000,000 | . | 63.33% |
| 40 | CIMC Vehicle (G u ) C ., L d. (HI) | Bu ine en i | Shen hen, Guangd ng | Shen hen, Guangd ng | De el men , duc i n and ale f a i u high- ech and high- e f mance ecial ehicle and aile e ie | USD212,225,100 | 44.33% | 19.00% |
| 41 | Qingda CIMC S ecial Reefe C ., L d. (QDCSR) | Bu ine en i | Qingda , Shand ng | Qingda , Shand ng | Manufac u e f a i u c n aine , emi-fini hed c n aine duc and ele an c m nen and a | USD39,184,100 | . | 100.00% |
| 42 | Tianjin CIMC L gi ic E ui men C ., L d. (TJCIMCLE) | Bu ine en i | Tianjin | Tianjin | De ign, manufac u e, ale, main enance and ele an echnical ad i f l gi ic e ui men and ele an c m nen and a | USD10,000,000 | . | 83.50% |

(All am un in RMB'000 unle he i e a ed)

## 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 |
|---|---|---|---|---|---|---|---|---|
| 43 | Dalian CIMC L gi ic E ui men C ., L d. (DLL) | Bu ine en i | Dalian, Lia ning | Dalian, Lia ning | De ign, manufac u e, ale, main enance and ele an echnical ad i f in e na i nal ade, en e ade, l gi ic e ui men and e u e e el | USD14,000,000 | . | 100.00% |
| 44 | Ch ng ing CIMC L gi ic E ui men C ., L d. (CQLE) | Bu ine en i | Ch ng ing | Ch ng ing | De ign, manufac u e, lea e, main enance f c n aine , ecial c n aine , he l gi ic e ui men and ele an c m nen and a | USD8,000,000 | 75.00% | 25.00% |
| 45 | Dalian CIMC Hea L gi ic E ui men C ., L d.(DLZH) | Bu ine en i | Dalian, Lia ning | Dalian, Lia ning | In e na i nal ade, en e ade; de ign, manufac u e, ale, and ele an echnical ad i f e u e e el; | USD45,170,000 | 62.70% | 37.30% |
| 46 | Shen hen CIMC In elligen Techn l g C ., L d. ( CIMC Tech ) | Bu ine en i | Shen hen, Guangd ng | Shen hen, Guangd ng | De ign, de el men , ale, u ga e f elec n duc i n f a e and em | RMB66,388,889 | 62.96% | 9.04% |
| 47 | CIMC Taicang ef ige a i n e ui men l gi ic C ., L d. (TCCRC) | Bu ine en i | Taicang, Jiang u | Taicang, Jiang u | Re ea ch and de el men , duc i n and ale f eefe c n aine and ecial c n aine | RMB450,000,000 | . | 100.00% |
| 48 | Hunan CIMC Bamb Indu De el men C ., L d. (HNW) | Bu ine en i | Suining, Hunan | Suining, Hunan | Manufac u ing and ale f bamb and d duc | RMB28,000,000 | . | 100.00% |
| 49 | CIMC Jid ng (Qinhuangda ) Vehicle Manufac u e C ., L d (QHDV) | Bu ine en i | Qinhuangda , Hebei | Qinhuangda , Hebei | Sale f ca and ca c m nen and a | RMB70,000,000 | . | 47.50% |
| 50 | Shen hen S u h CIMC L gi ic C ., LTD ( S u h L gi ic ) | Bu ine en i | Shen hen, Guangd ng | Shen hen, Guangd ng | De ign an e ea ch f ene g and chemical & f d e ui men Techn l g c n ac an fe , e c. | RMB80,000,000 | . | 100% |

# Notes to the Financial Statements

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

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) Direct | Shareholding percentage (%) Indirect |
|---|---|---|---|---|---|---|---|---|
| 51 | CIMC Management and Training (Shenzhen) Co., Ltd. ("CIMC Training") | Business | Shenzhen, Guangdong | Shenzhen, Guangdong | Lac i i ieTJ1hTd71 Tm7( )]TJ0 Tc 0 T ine gani .01 T 9.4acad1.8c(ShenTj0.0 emi e c mmeine ci01 c nfeine ence(Shee hibi C | | | |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) Direct | Shareholding percentage (%) Indirect |
|---|---|---|---|---|---|---|---|---|
| 60 | Chengdu CIMC Indu ial Pa k In e men and De el men C ., L d. ( Chengdu Indu ial Pa k ) | Bu ine en i | Chengdu, Sichuan | Chengdu, Sichuan | C n uc i n, managemen and lea e f age and ele an facili ie ; ale f ehicle and acce ie | RMB60,000,000 | . | 63.33% |
| 61 | CIMC Finance C m an ( Finance C m an ) | Bu ine en i | Shen hen, Guangd ng | Shen hen, Guangd ng | P iding financial [illegible] | [illegible] | [illegible] | [illegible] |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janŭa and ended 30 Jŭne 2017
(All am ŭn in RMB'000 ŭnle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

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

*( ) , . . ( . )*

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Direct | Indirect |
| 69 | CIMC C n aine H lding C ., L d. ( C n aine H lding ) | Bŭ ine en i | Shen hen, Gŭangd ng | Shen hen, Gŭangd ng | E ŭi in e men and managemen and ela ed in e men bŭ ine | RMB2,736,915,400 | 100.00% | . |
| 70 | Chengdŭ CIMC L gi ic E ŭi men C ., L d. ( Chengdŭ L gi ic E ŭi men ) | Bŭ ine en i | Chengdŭ, Sichŭan | Chengdŭ, Sichŭan | Chemical li ŭid ank ŭck and emi- aile | RMB15,000,000 | . | 63.33% |
| 71 | Shan i CIMC Vehicle Indŭ Ga den ( Shan i Vehicle Ga den ) | Bŭ ine en i | Xian ang, Shan i | Xian ang, Shan i | P dŭc i n and ale f a i ŭ ecial ehicle | RMB80,000,000 | . | 63.33% |
| 72 | CIMC H lding (B.V.I.) Limi ed ( CIMC BVI ) | Bŭ ine en i | Jiangmen, Gŭangd ng | Jiangmen, Gŭangd ng | E ŭi in e men , e in e men and in e men managemen | RMB150,000,000 | . | 100.00% |
| 73 | CIMC m dŭla bŭilding de ign & De el men C . L d. ( M dŭla de ign ) | Bŭ ine en i | Jiangmen, Gŭangd ng | Jiangmen, Gŭangd ng | De ign m dŭla bŭilding and dec a i n | RMB50,000,000 | . | 87.40% |
| 74 | CIMC C ld Chain Re ea ch In i ŭ e C ., L d. ( C ld Chain Re ea ch ) | Bŭ ine en i | Qingda , Shand ng | Qingda , Shand ng | S anda d hi ing f ef ige a ed c n aine and ecial ef ige a ed c n aine | RMB50,000,000 | . | 100.00% |
| 75 | CIMC C ld Chain In e men C . L d. ( C ld Chain In e men ) | Bŭ ine en i | Qingda , Shand ng | Qingda , Shand ng | P e and jec in e men | RMB979,000,000 | . | 100.00% |
| 76 | Shen ang CIMC Indŭ ial Pa k In e men and De el men C ., L d. ( Shen ang Vehicle Ga den ) | Bŭ ine en i | Shen ang, Lia ning | Shen ang, Lia ning | In e men managemen , a e ŭ ee managemen | RMB50,000,000 | . | 63.33% |
| 77 | Shen hen Tianda CIMC L gi ic S em Enginee ing C L d ( Tianda L gi ic ) | Bŭ ine en i | Shen hen, Gŭangd ng | Shen hen, Gŭangd ng | Aŭ ma ic l gi ic em enginee ing, eal- ime l gi ic managemen em | RMB60,000,000 | . | 54.70% |

# Notes to the Financial Statements



F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) Direct | Shareholding percentage (%) Indirect |
|---|---|---|---|---|---|---|---|---|
| 78 | D ngg an Cimc Inn a i n Ind ial Pa k De el men C ., L d. ( D ngg an inn a i n a k ) | B ine en i | D ngg an, G angd ng | | | | | |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 | Shareholding percentage (%) Indirect |
|---|---|---|---|---|---|---|---|---|
| 87 | Qingda CIMC Inn a i n Ind ial Pa k De el men C . L d. ( Qingda C ea i e Ind Pa k ) | B ine en i | Qingda , Shand ng | Qingda , Shand ng | De el men and managemen f eal e a e and e ; ad i e ice f eal e a e and in e men | RMB10,000,000 | . | 82.00% |
| 88 | Anh i Uni ed Feicai Vehicle C ., L d. ( Uni ed Feicai ) | B ine en i | X ancheng, Anh i | X ancheng, Anh i | P d c i n and ale f a i ecial- e ehicle and enginee ing machine | RMB158,000,000 | . | 66.24% |
| 89 | Zhengh a (Tianjin) C n aine Se ice C ., L d. ( Zhengh a C n aine Se ice ) | B ine en i | Tianjin | Tianjin | D me ic and in e na i nal f eigh an agen , and ele an ad i e ice | RMB85,761,300 | . | 75.00% |
| 90 | K n han CIMC A ma ic L gi ic e i men C ., L d. ( K n han CIMC ) | B ine en i | K n han, Jiang | K n han, Jiang | A ma ic l gi ic em, and ai ca g handling em | RMB80,000,000 | . | 54.70% |
| 91 | CIMC Tianda(L ng an) In e men De el men C ., L d. | B ine en i | L ng an, F jian | L ng an, F jian | The a king l in e men , a e managemen and eal e a e de el men b ine | RMB20,000,000 | . | 32.82% |
| 92 | Albe Ziegle GmbH (Beijing) Sale C ., L d. ( Ziegle ) | B ine en i | Beijing | Beijing | Fi e ck , e c e ehicle and ele an acce ie , machine e i men im -e b ine and ele an agen b ine | EUR1,500,000 | . | 60.00% |
| 93 | Shen hen CIMC Y an ang Valle In elligen Techn l g C ., LTD ( Shen hen Y an ang alle ) | B ine en i | Shen hen, G angd ng | Shen hen, G angd ng | A ma ic iden ifica i n d c , adi f e enc iden ifica i n em and d c and ele an ad i b ine | RMB10,000,000 | . | 54.72% |
| 94 | Shen hen CIMC Elec ici C mme ce and L gi ic Techn l g C ., LTD | B ine en i | Shen hen, G angd ng | Shen hen, G angd ng | The de el men f elec ic c mme ce la f m and d me ic ade | RMB137,844,600 | . | 50.78% |
| 95 | Nan ng CIMC Sanc m C genic E i men C ., L d ( Sanc m Nan ng ) | B ine en i | Nan ng, Jiang | Nan ng, Jiang | Man fac e and ale f c genic e i men and chemical me all g e i men , e c. | RMB20,000,000 | . | 70.73% |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

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

*( ) , , , ( , )*

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) Direct | Indirect |
|---|---|---|---|---|---|---|---|---|
| 96 | D ngguan CIMC S ecial Vehicle C ., L d. ( D ngguan CIMC S ecial Vehicle ) | Bu ine en i | D ngguan, Guangd ng | D ngguan, Guangd ng | De el men , duc i n and ale f a i u ecial-u e ehicle , efi ing ehicle , ecial ehicle , aile e ie | RMB200,000,000 | . | 63.33% |
| 97 | Guangd ng CIMC Vehicle Indu Ga den ( Guand ng Vehicle Indu Ga den ) | Bu ine en i | D ngguan, Guangd ng | D ngguan, Guangd ng | P jec in e men , eal e a e de el men , en al and ale f h u e and i e | RMB30,000,000 | 100% | . |
| 98 | Zhenhua (Tianjin) u l chain managemen c ., LTD ( Zhenhua u l chain managemen ) | Bu ine en i | Tianjin | Tianjin | Wa eh u e e ice; L gi ic Di ibu i n and l ading, unl ading, handling e ice | RMB79,475,000 | . | 75.00% |
| 99 | CIMC Techn l g C ., LTD ( Jiangmen CIMC echn l g ) | Bu ine en i | Jiangmen, Guangd ng | Jiangmen, Guangd ng | In elligen e u men echn l g de el men Indu ial in e men | RMB50,000,000 | . | 100.00% |
| 100 | Shen hen CIMC Vehicle Pa k In e men Managemen C ., L d. ( Shen hen Vehicle Pa k ) | Bu ine en i | Shen hen, Guangd ng | Shen hen, Guangd ng | In e men managemen , a e fiducia managemen | RMB152,500,000 | . | 63.33% |
| 101 | CIMC M de n L gi ic De el men C ., L d. ( M de n L gi ic ) | Bu ine en i | Tianjin | Tianjin | In e na i nal and d me ic f eigh an agen , gene al and CIQ affai | RMB1,049,226,700 | 100.00% | . |
| 102 | D ngguan S u he n CIMC L gi ic E ui men Manufac u ing C ., L d. ( D ngguan S u he n CIMC ) | Bu ine en i | D ngguan, Guangd ng | D ngguan, Guangd ng | Manufac u e and e ai c n aine and c n aine acking age e a i n | RMB600,000,000 | . | 100.00% |
| 103 | Ningb CIMC C n aine Manufac u e C ., L d. ( Ningb C n aine Manufac u e ) | Bu ine en i | Ningb | Ningb | Manufac u e, duc i n and ale f c n aine | RMB500,000,000 | . | 100.00% |
| 104 | Shen hen CIMC Peng Feng Ven u e In e men C ., LTD ( Peng Feng Ven u e In e men ) | Bu ine en i | Shen hen | Shen hen | E ui in e men | RMB50,000,000 | . | 100.00% |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua a and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

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

*( ) , , , ( , )*

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) Direct | Indirect |
|---|---|---|---|---|---|---|---|---|
| 105 | Shen hen Th ee HuaZhu Yue in e men C ., LTD ( Shen hen Th ee HuaZhu Yue ) | Bu ine en i | Shen hen | Shen hen | In e men h lding | RMB30,000,000 | . | 66.24% |
| 106 | Guangd ng Hui Zh ng Da La e e ui men c ., LTD ( Guangd ng La e E ui men ) | Bu ine en i | Jiangmen | Jiangmen | Manufac u e f la e e ui men | RMB31,800,000 | 19.01% | 80.99% |
| 107 | Yang h u CIMC H ng u Real E a e C ., L d. ( Yang h u H ng u Real E a e ) | Bu ine en i | Yang h u | Yang h u | Real e a e de el men ; ale and lea e f e ie in e men in e ie | RMB25,000,000 | . | 82.00% |
| 108 | Yang h u CIMC Da u Real E a e C ., L d. ( Yang h u Da u Real E a e ) | Bu ine en i | Yang h u | Yang h u | Real e a e de el men ; ale and lea e f e ie | RMB25,000,000 | . | 82.00% |
| 109 | Yang h u CIMC Hua u H el In e men C ., L d. ( Yang h u Hua u H el ) | Bu ine en i | Yang h u | Yang h u | F d and be e age e ice, c a e managemen ; ad i and in e men managemen | RMB35,000,000 | . | 82.00% |
| 110 | Taicang CIMC S ecial L gi ic E ui men C . L d. (Taicang S ecial E ui men ) | Bu ine en i | Taicang, jiang u | Taicang, jiang u | P duc i n and manufac u e f ecial c n aine e ui men | USD20,000,000 | 50.00% | 50.00% |
| 111 | Zheng h u C n an Embelli h Ene g C ., LTD ( Zheng h u C n an Ene g ) | Bu ine en i | Zheng h u | Zheng h u | A e managemen | RMB43,000,000 | . | 66.00% |
| 112 | CIMC En ic In e men H lding (Shen hen) L d. ( En ic Shen hen in e men h lding ) | Bu ine en i | Shen hen | Shen hen | In e men h lding | USD80,000,000 | . | 70.73% |
| 113 | Zhangjiagang CIMC Sanc um C genic E ui men Machine C ., L d. ( Sanc um C genic ) | Bu ine en i | Zhangjiagang | Zhangjiagang | Manufac u e, ce and ale f c genic e ui men , e leum chemical e ui men men al duc and ele an a ; ela ed ad i e ice | RMB30,000,000 | . | 63.66% |

# 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)

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

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 |
| 123 | G angd ng CIMC b ilding c n c i n C . L d | B ine en i | G angd ng | G angd ng | M d le l | RMB50,000,000 | . | 100.00% |
| 124 | CIMC Kai ng L gi ic De el men C . L d. ( Kai ng L gi ic ) | B ine en i | Nanjing, Jiang | Nanjing, Jiang | L gi ic Se ice | RMB80,000,000 | . | 51.00% |
| 125 | KaiT ng L gi ic C ., L d | B ine en i | Nanjing, Jiang | Nanjing, Jiang | L gi ic Se ice | RMB20,000,000 | . | 51.00% |
| 126 | En ic (Jiang ) Ene g E i men | B ine en i | Jiang , S h | Jiang , S h | Man fac ing and e l i ing Ene g E i men a ell a c n l ing e ice ; elf-managemen agenc f im and e f g d and echn l gie | RMB30,000,000 | . | 70.73% |

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

(1)

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 | Shareholding percentage (%) Indirect |
|---|---|---|---|---|---|---|---|---|
| 137 | Cha m Ra H lding Limi ed ( Cha m Ra ) | B ine en i | H ng K ng, China | H ng K ng, China | In e men h lding | HKD10,000 | . | 70.73% |
| 138 | Cha m Bea En e i e Limi ed ( Cha m Bea ) | B ine en i | B i i h Vi gin I land | B i i h Vi gin I land | In e men h lding | USD50,000 | . | 63.33% |
| 139 | Sha Vi i n H lding Limi ed ( Sha Vi i n ) | B ine en i | H ng K ng, China | H ng K ng, China | In e men h lding | HKD1 | . | 100.00% |
| 140 | S nd Winne H lding Limi ed ( S nd Winne ) | B ine en i | B i i h Vi gin I land | B i i h Vi gin I land | In e men h lding | USD50,000 | . | 70.73% |
| 141 | G Ra id Limi ed ( G Ra id ) | B ine en i | H ng K ng, China | H ng K ng, China | In e men h lding | HKD1 | . | 100.00% |
| 142 | P e lead H lding L d. ( P e lead ) | B ine en i | B i i h Vi gin I land | B i i h Vi gin I land | In e men h lding | USD10 | . | 100.00% |
| 143 | C e a ie Vela U.A. | B ine en i | H lland | H lland | In e men h lding | EUR75,000,000 | . | 70.73% |
| 144 | Vela H lding B.V. | B ine en i | H lland | H lland | In e men h lding | EUR90,000 | . | 70.73% |
| 145 | CIMC Financial Lea ing (HK) C L d. | B ine en i | H ng K ng, China | H ng K ng, China | Financial Lea ing | HKD500,000 | . | 100.00% |
| 146 | CIMC Off h e H lding Limi ed ( CIMC Off h e ) | B ine en i | H ng K ng, China | H ng K ng, China | In e men h lding | HKD2,234,855,000 | . | 100.00% |
| 147 | C e a ie CIMC U.A. ( COOP ) | B ine en i | H lland | H lland | In e men h lding | EUR25,500,000 | 99.00% | 1.00% |
| 148 | N h Sea Rig H lding ( NSR ) | B ine en i | B i i h Vi gin I land | B i i h Vi gin I land | Financial lea ing jec c m an | USD6,000 | . | 91.50% |

(All am un in RMB'000 unle he i e a ed)

## 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 |
|---|---|---|---|---|---|---|---|---|
| 149 | H ng K ng CIMC Tianda Ai Su Ld. ( TAS H ng K ng ) | Bu ine en i | H ng K ng, China | H ng K ng, China | In e men h lding | HKD1,000,000 | . | 54.70% |
| 150 | CIMC De el men (Au alia) P Ld ( De el men Au alia ) | Bu ine en i | Au alia | Au alia | In e men h lding | AUD8,000,000 | . | 100.00% |
| 151 | Beac n h lding G u Ld ( Beac n h lding ) | Bu ine en i | B i i h Vi gin I land | B i i h Vi gin I land | Financial lea ing jec c m an | USD4,900 | . | 100.00% |
| 152 | Lihua L gi ic C m an Limi ed ( Lihua ) | Bu ine en i | H ng K ng, China | H ng K ng, China | L gi ic | USD4,850,000 | . | 75.00% |
| 153 | Beac n Pacific G u Ld. ( Beac n Pacific ) | Bu ine en i | B i i h Vi gin I land | B i i h Vi gin I land | Financial Lea ing jec c m an | USD42,500,000 | . | 100.00% |
| 154 | CIMC H lding Au alia P Ld ( H lding Au ) | Bu ine en i | Au alia | Au alia | In e men h lding | AUD8,724,000 | . | 63.33% |
| 155 | CIMC T aile P land SP Z ( T aile P land SP Z ) | Bu ine en i | P land | P land | In e men h lding | EUR3,000,000 | . | 63.33% |
| 156 | CIMC FORTUNE HOLDINGS LIMITED ( F une H lding ) | Bu ine en i | H ng K ng | H ng K ng | Financial Se ice | USD2,000,000 | 100.00% | . |
| 157 | CIMC MBS H ng K ng Limi ed ( MBS(HK) ) | Bu ine en i | H ng K ng | H ng K ng | In e men h lding | HKD50,000 | . | 100.00% |
| 158 | CIMC M dula Building S me (Au alia) P Ld ( MBS AU ) | Bu ine en i | Au alia | Au alia | M dule u l | AUD500,000 | . | 100.00% |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 ) | B ine en i | A alia | A alia | In e men h lding | AUD10 | . | 100.00% |
| 160 | GLOBAL PLUS PTY LTD ( GLOBAL ) | B ine en i | A alia | A alia | In e men h lding | AUD1 | . | 100.00% |
| 161 | HARVEST AVENUE PTY LTD ( HARVEST ) | B ine en i | A alia | A alia | In e men h lding | AUD1 | . | 100.00% |
| 162 | CIMC In elligen Techn l g (H ng K ng) C ., L d | B ine en i | H ng K ng | H ng K ng | R&D e minal in elligen e i men ; P ide IOT e ice | HKD10,000 | . | 68.00% |
| 163 | Ad en e E l e Limi ed ( Ad en e ) | B ine en i | H ng K ng | H ng K ng | In e men h lding | HKD1 | . | 100.00% |
| 164 | Glam Ea Limi ed ( Glam ) | B ine en i | H ng K ng | H ng K ng | In e men h lding | HKD1 | . | 100.00% |
| 165 | Inn a e Alliance Limi ed ( Inn a e ) | B ine en i | H ng K ng | H ng K ng | In e men h lding | HKD1 | . | 100.00% |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 | Lu ang CIMC Lingu Au m bile CO., LTD. (LYV) | Bu ine en i | Lu ang, Henan | Lu ang, Henan | P duc i n and ale f a enge ca , ank ca ; machining; e a i n f im and e bu ine | RMB122,745,700 | . | 45.26% |
| 2 | Wuhu CIMC RuiJiang Au m bile CO LTD (WHVS) | Bu ine en i | Wuhu, Anhui | Wuhu, Anhui | De el men , duc i n and ale f a i u ecial ehicle , dina mechanical duc and me al uc u e a | RMB161,786,100 | . | 45.76% |
| 3 | Liang han D ng ue Vehicle C ., L d. (LSDYV) | Bu ine en i | Liang han, Shand ng | Liang han, Shand ng | P duc i n and ale f mi ing uck, ecial ehicle and c m nen and a | RMB90,000,000 | . | 44.39% |
| 4 | Qingda CIMC C n aine Manufac u e C ., L d (QDCC) | Bu ine en i | Qingda , Shand ng | Qingda , Shand ng | Manufac u e and e ai f c n aine , ce ing and manufac u e f a i u mechanical a , uc u e and e ui men | USD27,840,000 | . | 100.00% |
| 5 | Qingda CIMC Reefe C n aine Manufac u e C ., L d. (QDCRC) | Bu ine en i | Qingda , Shand ng | Qingda , Shand ng | Manufac u e and ale f ef ige a i n and hea e e a i n de ice f eefe c n aine , ef ige a ca and hea e e a i n ca ; iding main enance e ice | USD86,846,680 | . | 100.00% |
| 6 | Tianjin CIMC N h Ocean C n aine C ., L d. (TJCIMC) | Bu ine en i | Tianjin | Tianjin | Manufac u e and ale f c n aine , ehicle and hi Af e - ale e ice f c n aine | USD15,469,300 | 47.50% | 52.50% |
| 7 | Shanghai CIMC Ba ell Indu ie C . L d (SBWI) | Bu ine en i | Shanghai | Shanghai | Manufac u e and ale f c n aine a ell a ele an | USD28,500,000 | . | 94.74% |
| 8 | CIMC Vehicle (G u ) (Shand ng) C . L d. (KGR) | Bu ine en i | Zhang iu, Shand ng | Zhang iu, Shand ng | De el men and manufac u e f ecial ca and he e ie duc | USD18,930,100 | . | 55.10% |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

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

*( ) , , ( , )*

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) Direct | Indirect |
|---|---|---|---|---|---|---|---|---|
| 17 | Shijia huang En ic Ga E ui men C ., L d. ( Shijia huang En ic ) | Bu ine en i | Shijia huang, Hebei | Shijia huang, Hebei | Manufac u ing e u e e el | USD32,000,000 | . | 70.73% |
| 18 | En ic (Lang fang) Ene g E ui men in eg a i n C ., L d. ( Langfang En ic ) | Bu ine en i | Langfang, Hebei | Langfang, Hebei | Manufac u ing and e l i ing Ene g E ui men in eg a i n | HKD115,000,000 | . | 70.73% |
| 19 | En ic (Beijing) Ene g Techn l g C ., L d. ( Beijing En ic ) | Bu ine en i | Beijing | Beijing | Manufac u ing and e l i ing Ene g E ui men in eg a i n | HKD40,000,000 | . | 70.73% |
| 20 | CIMC En ic (Jingmen) Ene g E ui men | Bu ine en i | Jingmen, Hubei | Jingmen, Hubei | Sale f chemical and ga machine ie and e ui men a ell a af e ale e ice ; e ea ch and de el men f ene g c n e a i n echni ue | HKD50,000,000 | . | 70.73% |
| 21 | Jingmen H ng u S ecial Ai c af manufac u ing C ., L d ( Jingmen H ng u ) | Bu ine en i | Jingmen, Hubei | Jingmen, Hubei | De el men and ale f fligh ehicle manufac u ing echni ue , de ign, duc i n and ale f eciali ed m ehicle ank and e u e e el | RMB100,000,000 | . | 56.58% |
| 22 | Ninggu CIMC W d C ., L d. (NGCIMCW) | Bu ine en i | Ninggu , Anhui | Ninggu , Anhui | P duc i n and ale f l d fl dec a i e fl and ela ed bamb and d duc ; d u cha e f duc i n | RMB9,884,600 | . | 60.00% |
| 23 | Yan ai CIMC Raffle ff h e L d. (YCRO) | Bu ine en i | Yan ai, Shand ng | Yan ai, Shand ng | C n uc i n f d ck; De igna i n, duc i n f hi ; duc i n f e ui men f e u e and ff h e il la f m | RMB2,291,190,000 | . | 97.89% |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

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

*( ) , . . ( . )*

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) Direct | Shareholding percentage (%) Indirect |
|---|---|---|---|---|---|---|---|---|
| 24 | Yan ai CIMC Raffle hi C ., L d (YCRS) | Bu ine en i | Yan ai, Shand ng | Yan ai, Shand ng | C n uc i n f hi a ell a c m nen ; ale f c n aine and ff h e il la f m channel and eel duc i n | RMB125,980,000 | . | 83.47% |
| 25 | Hai ang CIMC Raffle ff h e L d. (HCRO) | Bu ine en i | Hai ang, Shand ng | Hai ang, Shand ng | C n uc i n f d ck; De igna i n, duc i n f hi ; duc i n f e ui men f e u e and ff h e il la f m | RMB200,000,000 | . | 97.89% |
| 26 | L ngk u CIMC Raffle ff h e enginee ing C ., L d (LCRO) | Bu ine en i | L ngk u, Shand ng | L ngk u, Shand ng | C n uc i n f ff h e jec and u lemen | RMB290,000,000 | . | 97.89% |
| 27 | Shand ng Ma e S ecial Vehicle Manufac u ing C ., L d (SDMV) | Bu ine en i | Jining, Shand ng | Jining, Shand ng | Manufac u e and ale f mi ing uck, ecial ehicle and c m nen and a | RMB66,000,000 | . | 44.39% |
| 28 | Xinfa Ai E ui men L d. ( Xinfa Ai ) | Bu ine en i | Beijing | Beijing | Manufac u e and ale f ai hu le bu e | RMB25,000,000 | . | 38.29% |
| 29 | Yangjiang Shangd ng Fu i Real E a e C ., L d. (YJFR) | Bu ine en i | Yangjiang, Guangd ng | Yangjiang, Guangd ng | Real e a e de el men and e a i n lanning and c n ul ing, ale f c n uc i n ma e ial and inne h u e dec a i n | RMB10,000,000 | . | 49.20% |
| 30 | Nanjing Yang i Pe chemical De ign & Enginee ing C ., L d. ( Yang i Pe chemical ) | Bu ine en i | Nanjing, Jiang u | Nanjing, Jiang u | P jec ela ed e chemical indu | RMB88,000,000 | . | 70.73% |

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Direct | Indirect |
| 31 | Zhenhua Logistics Group Co., Ltd. (Zhenhua Group) | Business entity | Tianjin | Tianjin | | | | |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

| | 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 ., L d. ( Zhenh a D ngjiang (Tianjin) ) | B ine en i | Tianjin | Tianjin | C mm n and ecial f eigh an | RMB50,000,000 | . | 75.00% |
| 41 | Tianjin Zhenh a In e na i nal T ade B nded Wa eh ing ( Tianjin Zhenh a T ade B nded ) | B ine en i | Tianjin | Tianjin | Ca g an agenc e ice | RMB5,628,800 | . | 75.00% |
| 42 | B igan ine Se ice (Shen hen) C ., L d. ( Shen hen B igan ine ) | B ine en i | Shen hen, G angd ng | Shen hen, G angd ng | P ide a c n aine and hi e ai e ice and ela ed echnical | HKD7,500,000 | . | 70.00% |
| 43 | B igan ine Se ice (Shanghai) C ., L d. ( Shanghai B igan ine ) | B ine en i | Shanghai | Shanghai | C n aine hi and i a , mechanical e ai , main enance e ice | USD513,000 | . | 70.00% |
| 44 | Tianjin f ee ade ne Kaichang 3. 75.00% | | | | | | | |

# Notes to the Financial Statements



F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 |
|---|---|---|---|---|---|---|---|---|
| 48 | RuiJi L gi ic (Wuhu) C ., L d ( WHRJL ) | Bu ine en i | Wuhu, Anhui | Wuhu, Anhui | Sale and agenc f a i u kind f hea uck ecial-u e ehicle , enginee ing machine | RMB20,492,100 | - | 83.12% |
| 49 | C&C T uck C ., L d ( C&C T uck ) | Bu ine en i | Wuhu, Anhui | Wuhu, Anhui | Sale and agenc f a i u kind f hea uck ecial-u e ehicle , enginee ing machine | RMB1,100,000,000 | 70.06% | - |
| 50 | Anhui FeiCai (G u ) c ., LTD ( Anhui FeiCai (G u ) ) | Bu ine en i | Xuancheng, Anhui | Xuancheng, Anhui | Manufac u e and ale f ag icul u al ehicle ag icul u al machine and ele an acce ie | RMB158,000,000 | - | 70.06% |
| 51 | Lia ning Ha henleng Ga li uefac i n e ui men C ., L d ( Ha henleng ) | Bu ine en i | Lia ning | Lia ning | Na u al ga li uefac i n e ui men , CBM li uefac i n e ui men ; de ign, duc i n and ale f ele an au ilia e ui men | RMB50,000,000 | - | 42.47% |
| 52 | Sin -W link (Beijing) In e men C ., L d ( Sin -W link (Beijing) In e men ) | Bu ine en i | Beijing | Beijing | In e men managemen ; a e managemen ; In e men ad i ; c a e managemen | RMB35,000,000 | - | 50.00% |
| 53 | Sin -W link (Beijing) In e na i nal L gi ic C ., L d ( Sin -W link Beijing L gi ic ) | Bu ine en i | Beijing | Beijing | In e na i nal F eigh an agen , gene al ca g an | RMB30,000,000 | - | 50.00% |
| 54 | Qingda Leda Chemical C ., L d ( Qingda Leda Chemical ) | Bu ine en i | Qingda , Shand ng | Qingda , Shand ng | P duc i n and ale f ealan ; ce ing and ale f ubbe and la ic a a ell a a e-ba ed ain | RMB30,000,000 | - | 70.00% |
| 55 | KTl gi e C ., L d ( Zheng h u KTl gi e ) | Bu ine en i | Henan, Zheng h u | Henan, Zheng h u | De igning and manufac u ing au ma ic ing machine | RMB20,000,000 | - | 54.70% |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

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

( )

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Direct | Indirect |
| 56 | CIMC R lling S ck Au alia P L d. ( CIMC Au ) | Bu ine en i | Au alia | Au alia | Sale f ehicle | AUD50,000 | . | 63.33% |
| 57 | En ic Ene g E ui men H lding Limi ed ( En ic ) | Bu ine en i | Ca man I land | Ca man I land | In e men h lding | HKD1,936,838,008 HKD0.01 e ha e | . | 70.73% |
| 58 | Bu g Indu ie B.V. | Bu ine en i | H lland | H lland | In e men h lding | EUR841,267 | . | 100.00% |
| 59 | CIMC ENRIC Tank and P ce B.V. | Bu ine en i | H lland | H lland | In e men h lding | EUR20,000,000 | . | 70.73% |
| 60 | Ziemann H l ieka B.V. | Bu ine en i | H lland | H lland | Sale f ank e ui men | EUR136,200 | . | 70.73% |
| 61 | Ziemann H l ieka In e na i nal B.V. | Bu ine en i | H lland | H lland | P duc i n, a embl and ale f ank e ui men | EUR682,500 | . | 70.73% |
| 62 | P e i Gl bal Sdn. Bhd ( P e i Gl bal Sdn. Bhd ) | Bu ine en i | Mala ia | Mala ia | Sale e ice | MYR8,000,000 | . | 78.14% |
| 63 | N dk el B.V. | Bu ine en i | H lland | H lland | Sale f ank e ui men | EUR500,000 | . | 70.73% |
| 64 | Behee maa cha ij Bu g B.V. | Bu ine en i | H lland | H lland | In e men h lding | EUR123,155.95 | . | 100.00% |
| 65 | Bu g Ca e ie B.V. | Bu ine en i | H lland | H lland | P duc i n f ad an ehicle | EUR18,151,21 | . | 63.33% |
| 66 | E l i a iemaa cha ij In a g e B.V | Bu ine en i | H lland | H lland | T ade, financing and lea ing f ad an ehicle | EUR15,925 | . | 63.33% |
| 67 | H bu T en e B.V. | Bu ine en i | H lland | H lland | P duc i n and ale f il and c m nen and a | EUR45,378.02 | . | 100.00% |

(All amounts in RMB'000 unless otherwise stated)

# VI. EQUITY IN OTHER ENTITIES (CONTINUED)

## 1. Equity in subsidiaries (Continued)

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

[illegible]

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) Direct | Indirect |
|---|---|---|---|---|---|---|---|---|
| 68 | Burg Service B.V. | Business entity | Holland | Holland | Assembly and repair of road transport vehicle and tanker equipment | EUR150,000 | - | 70.73% |
| 69 | LAG Trailers N.V. | Business entity | Belgium | Belgium | Manufacturing trailers | EUR3,245,000 | - | 63.33% |
| 70 | Ziemann Holvrieka N.V. | Business entity | Belgium | Belgium | Production tank equipment | EUR991,600 | - | 70.79% |
| 71 | Immoburg N.V. Bree | Business entity | Belgium | Belgium | Production of road transport vehicle | EUR248,000 | - | 63.33% |
| 72 | Ziemann Holvrieka A/S | Business entity | Denmark | Denmark | Production tank equipment | DKK1,000,000 | - | 70.73% |
| 73 | Direct Chassis LLC ("DCEC") | Business entity | USA | USA | Manufacturing and sales of special vehicle | USD10,000,000 | - | 63.33% |
| 74 | CIMC TGE Gas Investment SA ("TGESA") | Business entity | Luxembourg | Luxembourg | Investment holding | EUR50,000 | - | 60.00% |
| 75 | TGE Gas Engineering GmbH ("TGE Gas") | Business entity | Germany | Germany | Provide EP+CS (Design, Purchase and Construction Supervision) the technical project service in LNG, LPG and storage and disposal of the | EUR1,000,000 | - | 60.00% |
| 76 | CIMC Raffles Offshore (Singapore) Limited ("Raffles") | Business entity | Singapore | Singapore | Production of various offshore oil and gas, including jack-up drilling platforms, semi-submersible drilling Platforms, FPSO, FSO | SGD594,416,915 and USD303,122,013 | - | 100.00% |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VI. EQUITY IN OTHER ENTITIES (CONTINUED)

### 1. Equity in subsidiaries (Continued)

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

*( ) ( )*

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) Direct | Shareholding percentage (%) Indirect |
|---|---|---|---|---|---|---|---|---|
| 77 | CIMC Raffle In e men Limi ed | Bu ine en i | H ng K ng, China | H ng K ng, China | In e men h lding | HKD2 | . | 100.00% |
| 78 | CIMC Raffle Lea ing P e. L d. | Bu ine en i | Singa e | Singa e | Lea ing f ma ine hi | SGD2 | . | 100.00% |
| 79 | Ca ian D ille P e. L d. | Bu ine en i | Singa e | Singa e | Lea ing f ma ine hi | USD30,000,000 | . | 100.00% |
| 80 | Techn d ne In e na i nal Limi ed ( Techn d ne ) | Bu ine en i | Uni ed Kingd m | Uni ed Kingd m | Re ea ch and de el men f ene g e ui men | GBP100 | . | 60.00% |
| 81 | Gadidae AB. | Bu ine en i | S eden | S eden | In e men h lding | SEK1,000,000 | . | 100.00% |
| 82 | Pe fec Vic In e men Limi ed ( Pe fec Vic ) | Bu ine en i | H ng K ng, China | H ng K ng, China | In e men h lding | USD1 | . | 100.00% |
| 83 | Ziemann In e na i nal GmbH ( Ziemann G u ) | Bu ine en i | Ge man | Ge man | De ign, duc i n and ale f bee fe men a i n machine | EUR16,000,000 | . | 70.73% |
| 84 | Albe Ziegle GmbH ( Ziegle ) | Bu ine en i | Ge man | Ge man | De igna i n f Ma ine enginee ing | EUR13,543,000 | . | 60.00% |
| 85 | Ba e Techn l g AB ( Ba e ) | Bu ine en i | S eden | S eden | De igna i n f Ma ine enginee ing | SEK1,000,000 | . | 90.00% |
| 86 | CIMC MBS LIMITED ( CML ) | Bu ine en i | Uni ed Kingd m | Uni ed Kingd m | M dule u l | GBP3,884,303 | . | 100.00% |
| 87 | Zhenhua l gi ic (H ng K ng) C ., L d. ( Zhenhua H ng K ng ) | Bu ine en i | H ng K ng, China | H ng K ng, China | L gi ic | USD6,600,000 | . | 75.00% |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VI.

| | Name | Category | Registration Place | Main Premises | Business scope | Share capital issued and information of bonds | Shareholding percentage (%) Direct | Indirect |
|---|---|---|---|---|---|---|---|---|
| 88 | CIMC A alia R ad T an E i men P L d ( CARTE ) | B ine en i | A alia | A alia | In e men h lding | AUD8,300,000 | . | 63.33% |
| 89 | B igan ine In e na i nal H lding Limi ed ( B igan ine In e na i nal H lding ) | B ine en i | H ng K ng, China | H ng K ng, China | In e men h lding | HKD10,000,000 | . | 70.00% |
| 90 | B igan ine Se ice Limi ed ( H ng K ng B igan ine Se ice ) | B ine en i | H ng K ng, China | H ng K ng, China | C n aine e ai and en a i n, c n aine ade | HKD5,000,000 | . | 70.00% |
| 91 | P e i Gl bal L d | B ine en i | Singa e | Singa e | In e men h lding | SGD322,947,152 | . | 78.14% |
| 92 | Ve b In e na i nal Limi ed ( VIL ) | B ine en i | Uni ed Kingd m | Uni ed Kingd m | In e men h lding | GBP1,108 | . | 100.00% |
| 93 | CIMC De el men Limi ed ( CDL ) | B ine en i | Uni ed Kingd m | Uni ed Kingd m | P jec al ackage | GBP1 | . | 100.00% |
| 94 | Ve b S em L d ( VSL ) | B ine en i | Uni ed Kingd m | Uni ed Kingd m | M d le l | GBP1 | . | 100.00% |
| 95 | B igg G Limi ed | B ine en i | Uni ed Kingd m | Uni ed Kingd m | Bee , di illa i n, ha mace ical, ea , bi f el and he ind ie enginee ing de ign and me ke e i men | GBP3,385,000 | . | 70.73% |
| 96 | Re lan Man fac ing Limi ed | B ine en i | Uni ed Kingd m | Uni ed Kingd m | P d c i n emi- aile | 692,041 dina . 1 ha e | . | 63.33% |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 | L gi ic u bu ine | N | . | 38.25% |
| Y&C Engine | Wuhu, Anhui | Wuhu, Anhui | Manufac u e and ale f hea -du engine and c m nen and a | Ye | . | 33.12% |
| Associates – | | | | | | |
| LiHua Ene g | Ba h u,Hebei | Ba h u,Hebei | Ga a eh u ing and an a i n bu ine | N | . | 15.58% |
| Shanghai Feng ang | Shanghai | Shanghai | Real e a e de el men | Ye | . | 40.00% |
| TSC | H u n(USA) | Ca man I land | Land and ea d illing la f m bu ine | Ye | . | 13.42% |
| Jiahua Shi ing | H ng K ng | H ng K ng | L gi ic u bu ine | N | . | 30.00% |
| China fi e afe | Chengdu | Ca man I land | Fi e e ui men | Ye | . | 30.00% |
| Sh u h ng In e men | Beijing | Beijing | In e men managemen | N | . | 45.00% |

The e u i men i ned ab e i mea u ed b e ui me h d.

(2) Excess deficit of major associates and joint ventures

The e i n e ce defici f a cia e j in en u e in he e i d.

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

The e i n e ui f he uc u ed b d n inclu ded in he c n lida i n ange f he c n lida ed financial a emen .

(All am n in RMB'000 nle he i e a ed)

## 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 addi i n he im an he j in en e and a cia e ha e been di cl ed in N e VI, he e f j in en e and a cia e a e a f ll :

| | Main place of business | Registered Address | The nature of the business | The group activity is strategic | Shareholding percentage – direct | Shareholding percentage – indirect |
|---|---|---|---|---|---|---|
| Joint ventures - | | | | | | |
| G ang i S he n L gi ic | Nanning | Nanning | L gi ic e ice | N | . | 50.00% |
| 'K'Line Zhenh a L gi ic | Tianjin | Tianjin | L gi ic e ice | N | . | 38.25% |
| Qingda Jiefeng B igan ine | Qingda | Qingda | C n aine main enance e ice | N | . | 35.00% |
| Shanghai Weide B igan ine | Shanghai | Shanghai | C n aine main enance e ice | N | . | 35.00% |
| Tianjin Jin hi B igan ine | Tianjin | Tianjin | C n aine main enance e ice | N | . | 35.00% |
| Associates - | | | | | | |
| X h W d | X h | X h | W d | N | . | 35.00% |
| R n Y Real E a e | Zhenjiang | Zhenjiang | Real e a e | N | . | 16.40% |
| Qingchen Bamb | F jian | F jian | Bamb d | N | . | 30.00% |
| Xin ang W d Ind | H ng K ng | H ng K ng | W d | N | . | 20.00% |
| Shanghai Shen i | Shanghai | Shanghai | A a | N | . | 15.83% |
| Zhejiang Xinl ng Bamb | Zhejiang | Zhejiang | Bamb d | N | . | 30.00% |
| Dalian Jil ng L gi ic | Dalian | Dalian | L gi ic e ice | N | . | 30.00% |
| Tianjin S nl n D ngjiang Animal H band | Tianjin | Tianjin | Animal h band | N | . | 39.22% |
| Xiamen CIMC | Xiamen | Xiamen | C n aine e ice | N | . | 45.00% |
| Ningb Beil n | Ningb | Ningb | C n aine e ice | N | . | 21.00% |

# Notes to the Financial Statements

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

## VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Information of other related parties

| Company name | Relationship with the Group |
|---|---|
| SUMITOMO CORPORATION | Minority shareholder of subsidiaries |
| Shanxi Heavy Duty Automobile | Minority shareholder of subsidiaries |
| Orient International | Subsidiary of significant shareholder |
| FML | Subsidiary of significant shareholder |
| Gasfin | Minority shareholder of subsidiaries |
| Asahi Trading Co., Ltd | Minority shareholder of subsidiaries |
| Shunde Fu i | Minority shareholder of subsidiaries |
| China Merchants Shekou Industrial Zone Holdings Co., Ltd. | Subsidiary of significant shareholder |
| Florens Container Corporation S.A. | Subsidiary of significant shareholder |
| China COSCO Shipping Corporation Limited | Significant Shareholder |
| Florens Container Services Ltd. | Subsidiary of significant shareholder |

Note: Significant shareholders represent shareholders holding more than 5% (inclusive) of the Company's shares.

(All amounts in RMB'000 unless otherwise stated)

## VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Related party transactions

The following transactions with related parties were conducted under normal commercial terms or relevant agreements.

### (1) Purchase of goods and receiving of services

| Name | Nature of the transaction | For the Period from 1 January to 30 June 2017 Amount | For the Period from 1 January to 30 June 2016 Amount |
|---|---|---|---|
| Y&C Engine | Purchase of goods | **309,000** | 140,744 |
| Shanxi Heavy Duty Automobile | Purchase of goods | **49,559** | 28,966 |
| Qingchen Bamboo | Purchase of goods | **8,259** | 2,943 |
| Asahi 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 |
| Other related parties | Purchase of goods | **1,758** | 2,526 |
| Sub-total | Purchase of goods | **370,825** | 198,887 |
| Other related parties | Receiving of services | **15,681** | 10,913 |

Emoluments of the directors, supervisors and senior management of the Company refer to VIII.5(4).

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

## 5. Related party transactions (Continued)

### (2) Sales of goods and rendering of services

| Name | Na e f he an ac i n | For the Period from 1 January to 30 June 2017 Amount | F he Pe i d f m 1 Jan a 30 J ne 2016 Am n |
|---|---|---|---|
| Shan i Hea D A m bile | Sale f g d | **93,174** | 38,242 |
| Fl en Ma i ime Limi ed | Sale f g d | **63,809** | 66,874 |
| SUMITOMO CORPORATION | Sale f g d | **59,136** | 99,554 |
| Fl en C n aine C a i n S.A. | Sale f g d | **25,676** | 52 |
| Fl en C n aine Se ice l d. | Sale f g d | **12,624** | . |
| O ien al In e na i nal C n aine | Sale f g d | **4,965** | . |
| NYK Zhenh a | Sale f g d | **228** | 984 |
| G ang i S he n L gi ic | Sale f g d | **–** | 4,516 |
| O he ela ed a ie | Sale f g d | **8,298** | 6,119 |
| S b- al | Sale f g d | **267,910** | 216,341 |
| O he ela ed a ie | Rende ing f e ice | **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 | | | | | |
| Ga fin In e men S.A. | 45,571 | 19 Se embe 2008 | Re a men da e n fi ed | 522 | Sha eh lde l an |
| Sh nde F i | 27,215 | 12 A il 2012 | Re a men da e n fi ed | . | L an f Sha eh lde e a i n |
| | 72,786 | | | | |
| Financing provided | | | | | |
| R n Y Real E a e | 503,568 | 25 Decembe 2007 | Re a men da e n fi ed | 6,690 | Sha eh lde l an |
| Shanghai Feng ang | 34,204 | 25 Decembe 2007 | Re a men da e n fi ed | . | Sha eh lde l an |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Related party transactions (Continued)

### (4) Other related party transactions

*( )* The C m an ad ed a ne ha e i n cheme ince 28 Se embe 2010 ( ee N e IX). De ail f une e ci ed ha e i n g an ed ke managemen e nnel A a 30 June 2017 a e a f ll :

| Name | Position | Number of granted share options (in'0000) |
|---|---|---|
| Mai B liang | P e iden , Chai man | 285 |
| Liu Xuebin | Vice Chai man | 99.7 |
| Wu Fa ei | Vice Chai man | 75 |
| Li Yinhui | Vice Chai man | 75 |
| Yu Ya | Vice Chai man | 65 |
| Zhang Ba ing | Vice Chai man | 75 |
| Ga Xiang | Vice Chai man | 37.5 |
| Yu Yu un | Sec e a f he B a d | 75 |
| Zeng Han | Gene al Manage f Finance De a men | 28.9 |
| T al | | 816.1 |

S me ke managemen e nnel e e n nl g an ed he ab e ha e i n f he C m an bu al e e g an ed ha e i n f En ic, he ub idia f he C m an . De ail f une e ci ed ha e i n g an ed ke managemen e nnel A a 30 June 2017 a e a f ll :

| Name | Position | Number of granted share options (in'0000) |
|---|---|---|
| Wu Fa ei | Vice Chai man | 50 |
| Yu Ya | Vice Chai man | 25 |
| Ga Xiang | Vice Chai man | 190 |
| Zeng Han | Gene al Manage f Finance De a men | 25 |
| Yu Yu un | Sec e a f he B a d | 129.8 |
| T al | | 419.8 |

N e: A a 27 Ma ch 2017, a ed b he fi Sha eh lde ' Gene al Mee ing in 2017, M . Jin Jianl ng, lef ffice due he e i a i n f he e m hile M . Zeng Han a a in ed a he gene al manage f finance de a men . A a 30 June 2017, M . Jin ill had 640,000 i n f he C m an and 1,400,000 i n f En ic une e ci ed.

F de ailed inf ma i n f fai alue f he g an ed ha e i n af e aid, lea e efe N e IX.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Related party transactions (Continued)

### (4) Other related party transactions (Continued)

( )

Di ec ' and ke managemen e nnel' em l men f he e i d ended 30 J ne 2017 a e a f ll :

| Name | | Remuneration | Salary and allowance | Pension | Bonus | Entry Bonus | Housing allowance | Others | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | Emoluments for other management service of the Company or subsidiaries | | | | | | | |
| Di ec | | | | | | | | | |
| Wang H ng | | - | - | - | - | - | - | - | - |
| Wang Y hang | | - | - | - | - | - | - | - | - |
| Mai B liang | | - | 1,350 | 42 | - | - | - | 223 | 1,615 |
| Wang Zhi ian | | - | - | - | - | - | - | - | - |
| Li Ch ng | | - | - | - | - | - | - | - | - |
| Pan Cheng ei | | 100 | - | - | - | - | - | - | 100 |
| Wang G i n | | 100 | - | - | - | - | - | - | 100 |
| Pan Zheng i | | 100 | - | - | - | - | - | - | 100 |
| T al | | 300 | 1,350 | 42 | - | - | - | 223 | 1,915 |
| S e i | | | | | | | | | |
| Xi ng B | | - | 86 | 21 | - | - | - | 6 | 113 |
| Lin Li | N e (i) | - | - | - | - | - | - | - | - |
| Zhang Ming en | | - | - | - | - | - | - | - | - |
| L Sheng h | N e (i) | - | - | - | - | - | - | - | - |
| T al | | - | 86 | 21 | - | - | - | 6 | 113 |
| O he Seni E ec i e | | | | | | | | | |
| W Fa ei | | - | 661 | 55 | - | - | - | 16 | 732 |
| Li Yinh i | | - | 401 | 54 | - | - | - | 16 | 471 |
| Li X ebin | | - | 688 | 55 | - | - | - | 16 | 759 |
| Zhang Ba ing | | - | 661 | - | - | - | - | - | 661 |
| Y Ya | | - | 375 | - | - | - | - | - | 375 |
| Ga Xiang | | - | 718 | 45 | - | - | - | 11 | 774 |
| Jin Jianl ng | N e (ii) | - | 330 | - | - | - | - | - | 330 |
| Zeng Han | N e (ii) | - | 170 | 22 | - | - | - | 8 | 200 |
| Yang R ng | | - | 568 | 48 | - | - | - | 16 | 632 |
| Y Y n | | - | 660 | 42 | - | - | - | 16 | 718 |
| S b- al | | - | 5,232 | 321 | - | - | - | 99 | 5,652 |
| T al | | 300 | 6,668 | 384 | - | - | - | 328 | 7,680 |

N e (i): A a 20 Decembe 2016, a ed b 2016 fi e a dina gene al mee ing, M . Lin Li e igned d e j b al e a i n hile M . L Sheng h a a in ed a he e i n behalf f ha eh lde f he c m an ' eigh h b a d f e i .

N e (ii): A ed b he fi mee ing in 2017 f he eigh h b a d f di ec , M . Jin Jianl ng, lef ffice d e he e i a i n f he e m hile M . Zeng Han a a in ed a he gene al manage f finance de a men .

The fi e indi id al h ecei ed he highe a e incl ded af e aid f m 1 Jan a 30 J ne 2017.

## VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Related party transactions (Continued)

#### (4) Other related party transactions (Continued)

*( )*

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

## 5. Related party transactions (Continued)

### (4) Other related party transactions (Continued)

( ) ( )

N e (i): A a 31 Ma 2016, a ed b Sha eh lde ' Gene al Mee ing in 2015, M . Zhang Liang, M . Wu Shu i ng and M . Li Keju n lef he ffice due he e i a i n f he e m f ffice.

N e (ii): A a 31 Ma 2016, a ed b Sha eh lde ' Gene al Mee ing in 2015, M . Wang Yu hang a ec mmended b he b a d f di ec a he ice chai man f he eigh h b a d f di ec and n n-e ecu i e di ec , M . Liu Ch ng a a in ed a he n n-e ecu i e di ec f he eigh h b a d f di ec and M . Pan Zheng i a a in ed a an inde enden n n-e ecu i e di ec f he eigh h b a d f di ec .

N e (iii): A a 31 Ma 2016, a ed b ha eh lde ' gene al mee ing in 2015, M . Wang Zhi ian and M . He Jiale a e i ed a a u e i , M . Wang Zhi ian a ec mmended b he b a d f di ec a he n n-e ecu i e di ec f he eigh h b a d f di ec hile M . Lin Lu u and M . Zhang Ming en a ec mmended b he b a d f u e i a he u e i n behalf f ha eh lde f he eigh h b a d f u e i .

N e (i ): A ed b he ec nd mee ing in 2016 f he e en h b a d f di ec , M . Zeng Beihua lef c m an and M . Yang R ng a a in ed a he gene al manage if ea u de a men .

The fi e indi idual h ecei ed he highe a e inclu ded af e aid e i d f m 1 Janua 30 June 2016.

O he benefi mainl c n i f h u ing fund , en i n , medical in u ance, e c.

( )

F he e i d f m 1 Janua 30 June in 2017, he e a n c m en a i n f di ec i h e mina ed a in men f m he C m an and he ub idia ie . (F he e i d f m 1 Janua 30 June in 2016: Nil).

( )

F he e i d f m 1 Janua 30 June 2017, he e a n c n ide a i n aid hi d a ie f e ice f di ec (F he e i d f m 1 Janua 30 June 2016: Nil).

( ) , -

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

( ) ,

F he e i d f m 1 Janua 30 June 2017, he C m an did n en e in an ag eemen ha ela ed he bu ine f he G u , in hich he di ec ha e ignifican in e e in an ac i n , a angemen and c n ac di ec l indi ec l (F he e i d f m 1 Janua 30 June 2016: Nil).

# VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

## 6. Receivables due from and payables due to related parties

Refe N e IV.4 f de ail f acc n ecei able.

Refe N e IV.5 f de ail f he ecei able .

Refe N e IV.6 f de ail f ad ance lie .

Refe N e IV.9 f de ail f c en i n f n n-c en a e .

Refe N e IV.12 f de ail f l ng- e m ecei able .

Refe N e IV.22 f de ail f he n n-c en a e .

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

Refe N e IV.34 f de ail f he a able .

Refe N e IV.29 f ad ance f m c me .

## 7. Commitments in relation to related parties

A a 30 J ne 2017, he e a e n c mmi men in ela i n ela ed a ie c n ac ed f b n e nece a be ec gni ed n he balance hee b he G .

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## IX. SHARE-BASED PAYMENTS

### 1. Information about share-based payments

| | |
|---|---|
| T al e ui in umen g an ed du ing he ea | The al numbe f ha e i n g an ed b he C m an and En ic a 0 hi e i d. |
| T al e ui in umen e e ci ed du ing he ea | The numbe f e e ci ed ha e i n g an ed b he C m an and En ic e e 1,776,000 and 1,676,000 e ec i el hi e i d. |
| T al e ui in umen f fei ed du ing he ea | The C m an ha n ineffec i e b le e e ui in umen and he numbe f ha e i n f fei ed in En ic a 294,000 hi e i d. |
| The e e ci e ice f u anding ha e i n a he end f he ea and e idual life f he ha e i n c n ac | 1. E ui - e led ha e i n g an ed b En ic in 2009,2011 and 2014: HKD4, HKD2.48 and HKD11.24 e ha e e ec i el , he e idual life f c n ac i 2.30, 4.32 and 6.93 ea e ec i el ;<br><br>2. E ui - e led ha e i n g an ed b he C m an in 2010 and 2011: RMB10.49 (af e adju men ) and RMB16.02 e ha e e ec i el (af e adju men ), he e idual life f c n ac i b h 3.24 ea . |
| The ice f he u anding e ui in umen a he end f he ea and e idual life f ele an c n ac | Nil |

E en e ec gni ed f he e i d a i ing f m ha e-ba ed a men a e a f ll

| | **For the Period from 1 January to 30 June 2017** | F he Pe i d f m 1 Janua 30 June 2016 |
|---|---|---|
| E ui - e led ha e-ba ed a men | **9,583** | 19,889 |

## IX. SHARE-BASED PAYMENTS (CONTINUED)

### 2. Information on equity-settled share-based payment

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

En ic, a b idia f he C m an , ca ied a ha e i n lan ( he Plan I ), hich a a ed b he ha eh lde ' mee ing n 11 N embe 2009. Acc ding he Plan, he ke managemen e nnel and he em l ee in En ic e e g an ed ha e i n f En ic a nil c n ide a i n b c ibe f ha e f En ic. The i n a e 50% e e ci able af e ne ea f m he da e f g an and a e hen 100% e e ci able af e ea f m he da e f g an . Each i n gi e he h lde he igh b c ibe f ne dina ha e in En ic. The al n mbe f ha e i n g an ed a 43,750,000, i h he e e ci e ice f HKD4 e ha e.

En ic ca ied an he ha e i n lan ( he Plan II ), hich a a ed b he ha eh lde ' mee ing n 28 Oc be 2011. Acc ding Plan II, he b a d f di ec f he C m an a a h i ed g an ha e i n he ke managemen e nnel and he em l ee f En ic a nil c n ide a i n b c ibe f ha e f En ic. The i n a e 40% e e ci able af e ne ea f m he da e f g an and, 70% e e ci able af e 2 ea f m he da e f g an , and hen 100% e e ci able af e 3 ea f m he da e f g an . Each i n gi e he h lde he igh b c ibe f ne dina ha e in En ic. The al n mbe f ha e i n g an ed a 38,200,000, i h e e ci e ice f HKD2.48 e ha e.

En ic, a b idia f he C m an , ca ied a ha e i n lan ( he Plan III ), hich a a ed b he ha eh lde ' mee ing n 5 J ne 2014. Acc ding he Plan, he ke managemen e nnel and he em l ee in En ic e e g an ed ha e i n f En ic a nil c n ide a i n b c ibe f ha e f En ic. The i n a e 40% e e ci able af e ea f m he da e f g an , 70% e e ci able af e h ee ea f m he da e f g an and 100% e e ci able af e f ea f m he da e f g an . Each i n gi e he h lde he igh b c ibe f ne dina ha e in En ic. The al n mbe f ha e i n g an ed a 38,420,000, i h he e e ci e ice f HKD11.24 e ha e.

M emen f ha e i n f En ic:

| | 30 June 2017 '000 | 31 Decembe 2016 '000 |
|---|---|---|
| Beginning balance | **83,572** | 86,599 |
| G an ed in c en e i d | **–** | - |
| E e ci ed in c en e i d | **(1,676)** | (1,211) |
| Cancelled in c en e i d | **(162)** | (1,776) |
| F fei ed in c en e i d | **(132)** | (40) |
| Ending balance | **81,602** | 83,572 |

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan□a and ended 30 J□ne 2017
(All am □n in RMB'000 □nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 ha e i n cheme ( he Scheme ) a a ed in he ha eh lde ' mee ing f he C m an held n 28 Se embe 2010. Acc ding he Scheme, he b a d f di ec f he C m an a a□h i ed g an ha e i n he ke managemen e nnel and he em l ee □b c ibe f he ha e f he C m an . The effec i e e i d f he Scheme i en ea f m he fi g an da e f ha e i n . The i n a e e e ci able in e i d . The i n a e 25% e e ci able f m he fi an ac i n da e af e 24 m n h ince he g an da e he la an ac i n da e af e 48 m n h ince g an da e. The emaining 75% a e e e ci able f m he fi an ac i n da e af e 48 m n h ince g an da e he la an ac i n da e f he Scheme. Each i n gi e he h lde he igh □b c ibe f ne dina ha e in he C m an . In addi i n, he h lde m□ im□l ane □ l a i fac all he c ndi i n a f ll :

(a) The h lde h □ld a he e i □ ea ' e al□a i n.

(b) The inc ea e f ne fi a ib□ able dina ha eh lde f he C m an af e ded□c ing n n ec□ ing fi l h □ld n be l e han he 6% and he a e age e □ n n ne a e af e ded□c ing n n- ec□ ing fi l h □ld n be l e han 10% f he e i □ ea f he e e ci e da e.

(c) D□ ing he ai ing e i d, he ne fi a ib□ able dina ha eh lde f he C m an and he ne fi a ib□ able dina ha eh lde f he C m an af e ded□c ing n n- ec□ ing fi l h □ld n be l e han he a e age fig□ e f he h ee fi cal ea bef e he g an da nega i e.

The al n□mbe f ha e i n g an ed a 60,000,000, 54,000,000 am ng hich e e f he ini ial g an i h e e ci e ice f 12.39 e ha e hile he emaining 6,000,000 i n e e f e e a i n.

The C m an di ib□ ed a ca h di idend f 0.35 e ha e, 0.46 e ha e, 0.23 e ha e, 0.27, 0.31 e ha e, 0.22 e ha e and 0.06 e ha e a a 31 Ma 2011, 21 J□ne 2012, 28 J□ne 2013, 27 J□ne 2014, 29 J□l 2015, 20 J□l 2016 and 20 J□l 2017 e ec i el dina ha eh lde . In acc dance i h he Scheme, □ n he im lemen a i n f he ann□al di idend di ib□ i n lan f 2010, 2011, 2012, 2013, 2014, 2015 and 2016, he B a d f Di ec adj□ ed he e e ci e ice f he af emen i ned 54,000,000 ha e i n g an ed n 28 Se embe 2010. Af e he adj□ men , he e e ci e ice i 10.49 e ha e.

Acc ding he e l□ i n a ed b he ha eh lde ' mee ing n 22 Se embe 2011, he af emen i ned 6,000,000 ha e i n f e e a i n in he Scheme n 28 Se embe 2010 e e g an ed i h e e ci e ice f 17.57 e ha e. Wi h he im lemen a i n f ann□al di idend di ib□ i n lan f 2011, 2012, 2013, 2014,2015 and 2016 dina ha eh lde i h ca h di idend f 0.46, 0.23, 0.27, 0.31,0.22 and 0.06 e ec i el , he e e ci e ice f he e e ed ha e i n a adj□ ed 16.02 e ha e.

# 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)

M emen f ha e i n f he C m an :

| | 30 June 2017 '000 | 31 Decembe 2016 '000 |
|---|---|---|
| Beginning balance | **25,229** | 25,986 |
| E e ci ed in c en e i d | **(1,776)** | (757) |
| Cancelled in c en e i d | **–** | . |
| F fei ed in c en e i d | **–** | . |
| Ending balance | **23,453** | 25,229 |

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

A each balance hee da e d ing he e ing e i d, he C m an make he be e ima i n acc ding he la e inf ma i n f he n mbe f em l ee h a e g an ed e and e i e he n mbe f e i in men e ec ed e . On e ing da e, he e ima e hall be e al he n mbe f e i in men ha l ima el e ed.

The e a n ignifican diffe ence f e ima i n be een c en e i d and la ea .

| | |
|---|---|
| A a 30 J ne 2017, Acc m la ed am n ec gni ed in ca i al e e e f e i - e led ha e-ba ed a men | **414,679** |
| T al e en e ec gni ed f e i - e led ha e-ba ed a men f c en e i d | |
| Incl ding: | |
| . a ib ed he C m an | **–** |
| . a ib ed En ic | **9,583** |
| | **9,583** |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## X. CONTINGENCIES

### 1. Contingent liabilities

CIMC Raffle , a ub idia f he C m an en e ed in e el c n uc i n c n ac and e el lea ing c n ac i h ele an u cha e , hich in l e e m f c m en a i n f deli e nemen and e mina i n. The managemen f Raffle e ec ed he i k f deli e nemen i high hich ill incu he c m en a i n, he ef e he managemen decided acc ue a i i n am un ed USD3,650,000 (e ui alen RMB24,729,000) (31 Decembe 2016:USD3,650,000 (e ui alen RMB25,320,000)) in acc dance i h b h he dail c m en a i n am un i en in he c n ac and he e ec ed ned da i h highe chance. Al , CIMC Raffle en e ed in he e m f he a an ag eemen i h he ne in he c n uc i n f he d illing la f m. A a 30 June 2017, he balance f he emium ledged f he deli e f he jec a USD3,694,000 (e ui alen RMB25,027,000) (31 Decembe 2016: USD5,964,000 (e ui alen RMB38,150,000)).

YZTH, a ub idia f he C m an ided gua an ee he m gage l an b hich me f i clien b ugh i mi e uck , bu me f he l an e a men ha e been e due e e el , he managemen eam e ec ed he e i ibili f YZTH e a he l an f he clien , he ef e he decided acc ue a i i n am un ed 9,272,000 (31 Decembe 2016: 19,778,000).

### 2. Guarantees provided for external parties

CIMC Raffle , a ub idia f he G u , ided he gua an ee f he e el lea ing f i clien . A a 30 June 2017, he am un gua an eed b Raffle a ab u 334,250,000 (31 Decembe 2016: 382,000,000).

CIMC Vehicle (G u ), a ub idia f he G u , igned c n ac i h HuiShang Bank, China Me chan Bank, Bank f C mmunica i n , China Guangfa Bank, Indu ial Bank, Indu ial and C mme cial Bank f China, Zh ngYuan Bank and e e nal Finance C m an , u uan hich ele an bank ided gua an ee in e ec f banking facili ie g an ed he di ibu and cu me f CIMC Vehicle (G u ) and i ub idia ie a i ing f m u cha e f ehicle duc . A a 30 June 2017, he agg ega e am un f c edi facili ie in e ec f hich CIMC Vehicle (G u ) and i ub idia ie ided gua an ee he di ibu and cu me a 786,333,000 (31 Decembe 2016: 1,031,416,000).

ShenYang Vehicle Ga den and Shann i Vehicle Ga den, ub idia ie f he G u , igned e l an gua an ee c n ac and c e a ed in m gage facili i h China C n uc i n bank and Qindu Ru al C mme cial bank e ec i el ide e i dical gua an ee f cu me ' e l an f m he bank . A a 30 June 2017, cu me ' e l an gua an eed b ShenYang Vehicle Ga den and Shann i Vehicle Ga den, a 8,295,000 (31 Decembe 2016: Nil).

Yang h u Da u Real E a e,CIMC Ha Yu,YJFR and D ngguan Inn a i n Pa k, ub idia ie f he G u , ided gua an ee u cha e f c mm di h me b he a f ecu ed l an . The am un f gua an ee ided b he G u a 714,347,000 a a 30 June 2017 (31 Decembe 2016: 733,443,000).

C&C T uck and i ub idia ie igned c n ac i h e e nal bank , u uan hich ele an bank ided gua an ee in e ec f banking facili ie g an ed he di ibu and cu me f C&C T uck and i ub idia ie a i ing f m u cha e f ehicle duc . A a 30 June 2017, he agg ega e am un f c edi facili ie in e ec f hich C&C T uck and i ub idia ie ided gua an ee he di ibu and cu me a 314,477,000 (31 Decembe 2016: 386,879,000).

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## X. CONTINGENCIES (CONTINUED)

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

The G u d e n ec gni e bill a able le e f c edi i ued a de i . C e nding in en ie , ad ance u lie and n e a able a e ec gni ed a he ea lie f he da e f deli e f g d and he ma u i da e f he bill i ued. A a 30 June 2017, he G u had bill i ued bu n acc un ed f RMB330,227,000 and u anding le e f c edi RMB88,443,000, alling RMB418,670,000 (31 Decembe 2016: RMB1,143,013,000).

A a 30 June 2017, he C m an had u anding balance f gua an ee f i ub idia ie RMB915,000,000 and USD20,000,000 (e ui alen RMB135,501,000) e ec i el , aling RMB1,050,501,000.

A a 30 June 2017, CMIC Raffle had u anding balance f gua an ee i ued b ele an bank alling USD53,753,000 (e ui alen RMB364,183,000), f hich he balance f ad ance a men gua an ee , and uali gua an ee e e USD32,000,000 (e ui alen RMB216,802,000), USD21,753,000 (e ui alen RMB147,381,000) e ec i el (31 Decembe 2016: RMB905,730,000).

A a 30 June 2017, CIMC En ic had u anding balance f gua an ee i ued b ele an bank alling RMB698,752,000 f hich he balance f e f mance and ad ance a men gua an ee e e RMB342,096,000, he balance f ad ance e a men gua an ee e e RMB356,656,000 (31 Decembe 2016: RMB779,018,000,).

A a 30 June 2017, TLC, he ub idia f he g u , had u anding balance f gua an ee i ued b ele an bank alling USD115,000 (e ui alen RMB799, 000). (31 Decembe 2016: RMB2, 844,000).

A a 30 June 2017, QDCRC, he ub idia f he G u , had u anding balance f e f mance gua an ee i ued b ele an bank alling RMB32,537,000 (31 Decembe 2016: RMB10,478,000).

A a 30 June 2017, TAS had u anding balance f gua an ee i ued b ele an bank alling 684,748,000, f hich he balance f e f mance gua an ee , uali gua an ee , bid gua an ee , a men gua an ee e e RMB375,133,000, RMB20,540,000, RMB32,669,000 and RMB256,406,000 e ec i el (31 Decembe 2016: RMB682,818,000).

A a 30 June 2017, CIMC Finance C m an , he ub idia f he G u , had u anding balance f gua an ee f he ub idia f he G u , f hich he balance f e f mance gua an ee , uali gua an ee , ma gin gua an ee and a men gua an ee e e RMB23,493,000, RMB1,593,000, RMB5,600,000 and RMB9,000,000 e ec i el , aling RMB39,916,000 (31 Decembe 2016: RMB28,396,000).

A a 30 June 2017, Zhenhua L gi ic G u , he ub idia f he G u , had u anding balance f e f mance gua an ee i ued b ele an bank alling RMB12,970,000 (31 Decembe 2016: RMB42,125,000).

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## X. CONTINGENCIES (CONTINUED)

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

A a 30 June 2017, QDHFL, he ub idia f he G u , had u anding balance f e f mance gua an ee i ued b ele an bank alling RMB83,000 (31 Decembe 2016: Nil).

A a 30 June 2017, LYV, he ub idia f he G u , had u anding balance f e f mance gua an ee i ued b ele an bank alling RMB1,702,000 (31 Decembe 2016: Nil).

A a 30 June 2017, ZZCIMC, he ub idia f he G u , had u anding balance f e f mance gua an ee i ued b ele an bank alling RMB18,392,000 (31 Decembe 2016: Nil).

A a 30 June 2017, YanTai Tie h ngba , he ub idia f he G u , had u anding balance f e f mance gua an ee i ued b ele an bank a RMB255,000 and USD868,000 ( all e ui alen RMB6,136,000). (31 Decembe 2016:Nil).

A a 30 June 2017, QDCSR, he ub idia f he G u , had u anding balance f e f mance gua an ee i ued b ele an bank alling RMB3,200,000 (31 Decembe 2016: Nil).

A a 30 June 2017, QDCC, he ub idia f he G u , had u anding balance f e f mance gua an ee i ued b ele an bank aling RMB59,734,000 (31 Decembe 2016: Nil).

A a 30 June 2017, Ziegle , he ub idia f he G u , had u anding balance f e f mance gua an ee i ued b ele an bank aling EUR1,295,000 (e ui alen RMB10,039,000). (31 Decembe 2016: Nil).

A a 30 June 2017, Ve bu , he ub idia f he G u , had u anding balance f e f mance gua an ee i ued b ele an bank aling GBP 5,947,000 (e ui alen RMB52,395,0000).(31 Decembe 2016: Nil).

### 4. Significant pending litigations

CIMC Raffle , a ub idia f he C m an en e ed in d illing la f m c n uc i n c n ac , and he la f m had been deli e ed he u cha e in 2015. The u cha e belie ed ha he deli e able cann fulfill he echnical e ui emen i en in he c n uc i n c n ac , hence he a ked Raffle a hem c m en a i n am un ed USD2,000,000. A a he e da e, he final e ul f he li iga i n ha n been eached. The managemen eam f Raffle e ec ed he e i high i k a he c m en a i n, hence he decided acc ue a i i n alued USD2,000,000 (e ui alen RMB13,550,000) a 30 June 2017 (31 Decembe 2016: RMB13,874,000).

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan▯a and ended 30 J▯ne 2017
(All am ▯n in RMB'000 ▯nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## XII. EVENTS AFTER THE BALANCE SHEET DATE

1. On 5 J▯l 2017, EIHL (Shen hen) en e ed in he ele an ag eemen i h SOE and SOE Bank ▯ c and Li ▯ida i n Team (南通太平洋破產清算組) e ▯ cha e he maj a e f SOE h ▯gh ac ▯i ing he en i e e ▯i in e e in SOE. On 4 A▯g▯ 2017, he SOE Re ▯c ▯ ing Plan a a ed a he c edi ' mee ing f SOE and a ed b he c ▯ . On 16 A▯g▯ 2017, SOE ha bec me an indi ec h ll - ned ▯b idia f CIMC En ic and an indi ec n n- h ll - ned ▯b idia f he G ▯ . SOE ha enamed a 南通中集太平洋海洋工程有限公司 (Nan ng CIMC Sin Pacific Off h e & Enginee ing C ., L d.). F ele an inf ma i n, lea e efe he ann ▯ncemen da ed 6 J▯l 2017, 4 A▯g▯ 2017 and 16 A▯g▯ 2017 di cl ed in China Sec▯ i ie J ▯ nal, Shanghai Sec▯ i ie Ne , Sec▯ i ie Time , Cninf eb i e ( .cninf . c m.cn), he C m an ' eb i e ( .cimc.c m) (N ice N .: [CIMC]2017-036, [CIMC]2017-047 and [CIMC]2017-054) and he eb i e f he H ng K ng S ck E change ( .hke ne .hk).

2. On 17 J▯l 2017, CIMC Sk ace Real E a e and CGRE en e ed in a ca i al inc ea e ag eemen , ▯ ▯an hich CGRE injec ed an am ▯n f RMB926,322,300 in he ca i al f CIMC Sk ace Real E a e and held a 25% f i e ▯i af e he c m le i n hile he C m an held 61.5% e ▯i in e e in CIMC Sk ace Real E a e h ▯gh CIMC Shenfa. F ele an inf ma i n, lea e efe he ann ▯ncemen da ed 17 J▯l 2017 di cl ed in China Sec▯ i ie J ▯ nal, Shanghai Sec▯ i ie Ne , Sec▯ i ie Time , Cninf eb i e ( .cninf . c m.cn), he C m an ' eb i e ( .cimc.c m) (N ice N .: [CIMC] 2017-040) and he eb i e f he H ng Kc m.cn), .hke ne

## XIII. SEGMENT REPORTING

In acc dance i h he G □ ' in e nal gani a i n □c □ e, managemen e □i emen and in e nal e ing ce , nine e able egmen a e iden ified b he G □ incl□ding: C n aine , R ad an a i n ehicle , Ene g and chemi & f d e □i men , Off h e b□ ine , Ai facili ie , L gi ic e ice , Finance, P e de el men and Hea □ck . Each e able egmen i an inde enden b□ ine egmen iding diffe en d□c and e ice . Inde enden managemen i a lied indi id□al b□ ine egmen a diffe en echnical and ma ke a eg a e ad ed. The G □ e ie he financial inf ma i n f indi id□al egmen eg□la l de e mine e □ ce all ca i n and e f mance a e men .

### 1. Segment profits, losses, assets and liabilities

In de a e he egmen e f mance and e □ ce all ca i n, he G □ ' managemen e ie egmen e en□e, e en e , a e and liabili ie f each egmen eg□la l . The e a a i n ba i f □ch inf ma i n i de ailed a f ll :

Segmen a e incl□de angible a e , in angible a e , he l ng- e m a e and acc □n ecei able, e c, b□ e cl□de defe ed a a e and he □n-all ca ed head □a e a e . Segmen liabili ie incl□de a able , bank l an , i i n, ecial a able and he liabili ie , hile defe ed a liabili ie a e e cl□de.

Segmen fi e e en e en□e (incl□ding e e nal e en□e and in e - egmen e en□e), ff e ing egmen e en e , de ecia i n and am i a i n, im ai men l e , in e e e en e and inc me a ib□ able indi id□al egmen . T an ac i n c nd□c ed am ng egmen a e □nde n mal n- ela ed a an ac i n c mme cial e m .

# Notes to the Financial Statements

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

## XIII. SEGMENT REPORTING (CONTINUED)

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

Information to be disclosed on each of the Group's reportable segments (including management's periodically reviewed information and disclosures required by accounting standards) that the Group uses in measuring segment's profit/(loss), assets and liabilities is set out as follows:

| Item | Containers For the Period from 1 January to 30 June 2017 | Road transportation vehicles For the Period from 1 January to 30 June 2017 | Energy and chemistry & food equipment For the Period from 1 January to 30 June 2017 | Offshore business For the Period from 1 January to 30 June 2017 | Airport facilities For the Period from 1 January to 30 June 2017 | Logistic services For the Period from 1 January to 30 June 2017 | Finance For the Period from 1 January to 30 June 2017 | Property development For the Period from 1 January to 30 June 2017 | Heavy trucks For the Period from 1 January to 30 June 2017 | Others For the Period from 1 January to 30 June 2017 | Elimination between segments For the Period from 1 January to 30 June 2017 | Total For the Period from 1 January to 30 June 2017 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| External transactions | 9,887,481 | 9,626,148 | 4,981,930 | 537,143 | 1,180,919 | 3,737,122 | 1,148,040 | 268,459 | 1,250,276 | 769,634 | - | 33,387,152 |
| Inter-segment transactions | 161,574 | 93,453 | 78,581 | 677,366 | - | 14,080 | - | 29,205 | 32,925 | 624,543 | (1,711,727) | - |
| Cost of sales from main operations | 8,044,284 | 7,907,269 | 4,100,021 | 1,325,117 | 932,468 | 3,351,524 | 498,703 | 161,286 | 1,199,321 | 1,159,432 | (1,767,808) | 26,911,617 |
| Investment income/(losses) in joint ventures and associates | (739) | 1,185 | (1,225) | - | - | (2,787) | 2,592 | - | 6,149 | (2,637) | - | 2,538 |
| Impairment loss for the year | 13,753 | 37,921 | 117,644 | (290) | 545 | 1,821 | 62,000 | (141) | (43) | 1,652 | (425) | 234,437 |
| Depreciation and amortisation expenses | 191,681 | 139,505 | 218,251 | 270,460 | 33,707 | 48,507 | 94,243 | 5,604 | 68,783 | 82,170 | - | 1,152,911 |
| Interest income | 59,361 | 34,139 | 25,883 | 31,978 | 1,104 | 7,530 | 109,934 | 8,802 | 1,530 | 674,061 | (836,661) | 117,661 |
| Interest expenses | 38,065 | 52,448 | 56,079 | 249,726 | 6,036 | 15,047 | 65,219 | 5,628 | 38,641 | 690,237 | (694,861) | 522,265 |
| Segment operating profit/(loss) | 904,024 | 716,090 | 115,972 | (549,219) | 1,912 | 89,396 | 551,309 | 73,097 | (43,117) | (385,962) | 102,640 | 1,576,142 |
| Income tax expenses | 222,922 | 148,074 | 63,709 | 1,202 | 6,085 | 32,056 | 35,212 | 8,062 | (303) | 6,584 | (13,970) | 509,633 |
| Net profit/(loss) | 681,102 | 568,016 | 52,263 | (550,421) | (4,173) | 57,340 | 516,097 | 65,035 | (42,814) | (392,546) | 116,610 | 1,066,509 |
| Segment total assets | 18,705,203 | 15,766,465 | 13,731,880 | 33,175,397 | 3,894,988 | 4,212,124 | 36,093,645 | 3,248,466 | 4,287,682 | 40,611,475 | (44,228,471) | 129,498,854 |
| Segment total liabilities | 10,242,842 | 8,147,509 | 9,127,079 | 31,811,543 | 2,416,166 | 2,714,511 | 28,524,362 | 1,616,268 | 3,872,629 | 44,880,485 | (53,726,423) | 89,626,971 |
| Supplementary information: | - | - | - | - | - | - | - | - | - | - | - | - |
| Segment expenditure/(income) other than depreciation and amortisation | 121,423 | 82,465 | 128,878 | (60,348) | 4,745 | 7,411 | 58,820 | (141) | 213 | 129,992 | (178,406) | 295,052 |
| Long-term equity investment in joint ventures and associates | 29,470 | 122,966 | 9,162 | 33,289 | 533,598 | 493,166 | 402,522 | 104,191 | 202,304 | 318,762 | - | 2,249,430 |
| Segment expenditure arising from addition of non-current assets | 162,230 | 106,945 | 304,593 | 113,416 | 61,185 | 46,283 | 252,235 | 18,152 | 24,105 | 178,622 | 1,020,953 | 2,288,719 |

(All am n in RMB'000 nle he i e a ed)

## XIII. SEGMENT REPORTING (CONTINUED)

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

Inf ma i n be di cl ed n each f he G ' e able egmen (incl ding managemen ' e i dicall e ie ed inf ma i n and di cl e e i ed b acc n ing anda d) ha he G e in mea ing egmen ' fi /(l ), a e and liabili ie i e a f ll : (C n in ed)

| I em | C n aine | R ad an ain ehicle | Ene g and chemi & f d e i men | Off h e b ine | Ai facili ie | L gi ic e ice | Finance | P e de el men | Hea ck | O he | Elimina i n be een egmen | Unall ca ed i em | T al |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | F he Pe i d f m 1 Jan a 30 J ne 2016 | F he Pe i d f m 1 Jan a 30 J ne 2016 | F he Pe i d f m 1 Jan a 30 J ne 2016 | F he Pe i d f m 1 Jan a 30 J ne 2016 | F he Pe i d f m 1 Jan a 30 J ne 2016 | F he Pe i d f m 1 Jan a 30 J ne 2016 | F he Pe i d f m 1 Jan a 30 J ne 2016 | F he Pe i d f m 1 Jan a 30 J ne 2016 | F he Pe i d f m 1 Jan a 30 J ne 2016 | F he Pe i d f m 1 Jan a 30 J ne 2016 | F he Pe i d f m 1 Jan a 30 J ne 2016 | F he Pe i d f m 1 Jan a 30 J ne 2016 | F he Pe i d f m 1 Jan a 30 J ne 2016 |
| E e nal an ac i n | 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 |
| In e egmen an ac i n | 294,243 | 56,147 | 157,307 | 2,595,243 | . | 35,207 | . | . | 64,845 | 142,732 | (3,345,724) | . | . |
| C f ale f m main e a i n | 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 |
| In e men inc me/(l ) in j in en e and a cia e | (1,008) | 876 | . | . | . | 10,816 | 1,638 | 729 | 285 | 464 | . | . | 13,800 |
| Im ai men l f he ea | 2,777 | 5,957 | 1,243,256 | (74) | (5,611) | 3,003 | 18,193 | . | . | . | . | . | 1,267,501 |
| De ecia i n and am i a i n e en e | 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 |
| In e e inc me | 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 |
| In e e e en e | 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 |
| Segmen e a ing fi /(l ) | (111,321) | 481,392 | (946,223) | (3,315) | 19,751 | 108,555 | 490,441 | 60,771 | (96,906) | (14,346) | (56,312) | (98,331) | (165,844) |
| Inc me a e en e | 28,311 | 119,499 | 75,354 | 673 | 9,046 | 40,121 | 36,733 | 17,996 | (383) | 677 | . | 47,289 | 375,316 |
| Ne fi /(l ) | (139,632) | 361,893 | (1,021,577) | (3,988) | 10,705 | 68,434 | 453,708 | 42,775 | (96,523) | (15,023) | (56,312) | (145,620) | (541,160) |
| Segmen al a e | 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 |
| Segmen al liabili ie | 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 |
| S lemen a inf ma i n: | . | | | | | | | | | | | | |
| . Segmen e endi e /(inc me) he han de ecia i n and am i a i n | (14,050) | 7,947 | 1,225,737 | 2,716 | 1,699 | 2,313 | 30,740 | . | (318) | 39,767 | . | (187,384) | 1,109,167 |
| . L ng- e m e i in e men f j in en e and a cia e | 54,358 | 78,521 | 4,678 | . | . | 532,944 | 192,774 | 100,217 | 194,566 | 842,949 | . | . | 2,001,007 |
| . Segmen e endi e ai ing f m addi i n f n-c en a e | 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 started from 1 January and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Translation for Reference Only)

## XIII. SEGMENT REPORTING (CONTINUED)

### 2. Geographic information

The following table sets out information about the geographical information of the Group's revenue from external customers and the Group's non-current assets (excluding financial assets and deferred tax assets, same for the below). The geographical location of customers are based on the location at which the services were provided or the goods were delivered. The geographical location of the specified non-current assets are based on the physical location of the asset (for fixed assets), the location of the business to which they are allocated (for intangible assets and goodwill), the location of operations of the associates 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 (exclusive of 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 risks from its use of financial instruments in the normal course of the Group's operations, which mainly include:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk

This note presents information about the Group's exposure to each of the above risks and their sources, the Group's objectives, policies and processes of measuring and managing risks and etc.

The Group aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The internal audit department of the Group undertakes both regular and ad-hoc reviews of risk management controls and procedures.

# Notes to the Financial Statements



## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 1. Credit risk

C edi i k i he i k ha ne a a financial in □men ill ca□ e a financial l f he he a b failing di cha ge an bliga i n. The G □ ' c edi i k i ima il a ib□ able ca h a bank, ecei able , deb in e men and de i a i e financial in □men en e ed in f hedging □ e and e c. E □ e he e c edi i k a e m ni ed b managemen n an ng ing ba i .

The ca h a bank f he G □ i mainl held i h ell-kn n financial in i □ i n . Managemen d e n f e ee an ignifican c edi i k f m he e de i and d e n e ec ha he e financial in i □ i n ma defa□l and ca□ e l e he G □ .

In e ec f ecei able , he i k managemen c mmi ee f he G □ ha e abli hed a c edi lic □nde hich indi id□al c edi e al□a i n a e e f med n all c□ me de e mine he c edi limi and e m a licable he c□ me . The e e al□a i n f c□ n he e e nal a ing f he c□ me and hei bank c edi ec d he e a ailable and e i □ a men ec d (if a ailable). Recei able a e d□e i hin f m 30 90 da f m he da e f billing. N mall , he G □ d e n b ain c lla e al f m c□ me , b□ ea ne e a men m ne i e □e ed me ime d□e he c□ me ' i □a i n.

The managemen eam f he G □ had made he lan f financial lea ing ecei able i k managemen , ba ed n he e ea ch n i n ind□ ie , he c edi a ing f c □n e a ie and he kn ledge f he c □n e a ie ' b□ ine e and financial anding . If he defa□l f c n ac cc□ , he managemen eam f he G □ ma a k f e □ ning, i hd a ing elling lea ed e , de ending n he a licablene in indi id□al ca e . If he dela f e a men cc□ , he managemen eam kee he igh c llec he defa□l in e e ba ed n he am □n f e d□e e a men and defa□l in e e a e, □n il he e d□e a men ill ha e been aid. In addi i n, he managemen eam ma a k f he de i hich can be aid f he m ne ed b he lea ee, de ending n indi id□al ca e . When he G □ a e e he c edi i k, i a eg i manage, e ic and c n l he e-c ncen a i n f he c edi i k, e eciall , eg□la l a e ing lea ee' abili make he e a men .

Ba ed n he indica □ch a a e c ndi i n and fi f eca f he a cia e and j in en □ e , he G □ ide f□nd hem and c n in□ □ l m ni he jec g e and b□ ine c ndi i n, en □ e he ec e abili f f□nd.

In addi i n, he ecei able f he G □ ha a e nei he e d□e n im ai ed mainl d□e f m a ide ange f c□ me f h m he e a n ecen hi f defa□l .

The G □ ' e □ e c edi i k i infl□enced mainl b he indi id□al cha ac e i ic and ind□ ie f each c□ me a he han c □n a ea in hich he c□ me e a e. And he ef e ignifican c ncen a i n f c edi i k a i e ima il hen he G □ ha ignifican e □ e indi id□al c□ me . A he balance hee da e, he G □ and he C m an had a ce ain c ncen a i n f c edi i k, a 29.12% (2016: 30.89%) f he al acc □n ecei able and he ecei able e e d□e f m he fi e la ge c□ me f he G □ .

In e men a e n mall made nl li □id ec□ i ie □ ed n a ec gni ed ck e change(e ce f in e men f l ng- e m a egic □ e ). Be ide , he c edi a ing f c □n e a h □ld be he ame ab e he G □ . F an ac i n in l ing de i a i e financial in □men , c □n e a ie h □ld ha e □nd c edi a ing and i h h m he G □ ha a igned ne ing ISDA ag eemen (In e na i nal S a De i a i e A cia i n). Gi en hei high c edi a ing , managemen d e n e ec an in e men c □n e a fail mee i bliga i n .

The ma im□m e □ e c edi i k i e e en ed b he ca ing am □n f each financial a e , incl□ding de i a i e financial in □men , a in he balance hee . E ce f he financial g□a an ee gi en b he G □ a e □ in N e X, he G □ and he C m an d n ide an he g□a an ee hich □ld e e he G □ he C m an c edi i k. The ma im□m e □ e c edi i k in e ec f he e financial g□a an ee a he balance hee da e i di cl ed in N e X.

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 2. Liquidity risk

Li uidi i k i he i k ha an en e i e ma enc un e deficienc f fund in mee ing bliga i n a cia ed i h financial liabili ie . The C m an i e n ible f he ca h managemen , including h e m in e men f ca h u lu e and he ai ing f l an c e e ec ed ca h demand , f indi idual ub idia ie ubjec a al b he C m an ' b a d hen he b ing e ceed ce ain ede e mined le el f au h i . The G u ' lic i egula l m ni i h - e m and l ng- e m li uidi e ui emen and i c m liance i h lending c enan , en u e ha i main ain ufficien e e e f ca h and eadil eali able ma ke able ecu i ie .

The f ll ing able h he emaining c n ac ual ma u i ie a he balance hee da e f he G u ' financial a e and financial liabili ie , hich a e ba ed n c n ac ual undi c un ed ca h fl (including in e e a men c m u ed u ing c n ac ual a e if fl a ing, ba ed n e ailing in e e a e a 30 June) and he ea lie da e he G u can be e ui ed a :

| | 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 | | | | | | |
| Ca h a bank and n hand | 5,737,102 | – | – | – | 5,737,102 | 5,737,102 |
| Financial a e a fai alue h ugh fi l | 187,117 | – | 249,034 | – | 436,151 | 436,151 |
| Acc un ecei able and he ecei able | 28,068,602 | – | – | – | 28,068,602 | 28,068,602 |
| Cu en i n f n-cu en a e | 5,713,273 | – | – | – | 5,713,273 | 4,118,028 |
| A ailable-f - ale financial a e | 20,000 | – | 36,405 | 411,970 | 468,375 | 461,762 |
| In e e ecei able | 8,580 | – | – | – | 8,580 | 8,580 |
| Di idend ecei able | 42,055 | – | – | – | 42,055 | 42,055 |
| L ng- e m ecei able | – | 2,306,274 | 6,769,078 | 12,501,833 | 21,577,185 | 13,499,327 |
| Sub- al | 39,776,729 | 2,306,274 | 7,054,517 | 12,913,803 | 62,051,323 | 52,371,607 |
| Financial liabilities | | | | | | |
| Financial liabili ie a fai alue h ugh fi l | 134,772 | – | 57,718 | – | 192,490 | 192,490 |
| Sh - e m b ing | 17,945,748 | – | – | – | 17,945,748 | 17,945,748 |
| N e a able | 1,253,175 | – | – | – | 1,253,175 | 1,253,175 |
| Deben u e a able | 189,000 | 189,000 | 8,175,500 | – | 8,553,500 | 7,986,500 |
| Acc un a able and he a able | 17,472,557 | – | – | – | 17,472,557 | 17,472,557 |
| In e e a able | 533,428 | – | – | – | 533,428 | 533,428 |
| Di idend a able | 253,412 | – | – | – | 253,412 | 253,412 |
| Cu en i n f n-cu en liabili ie | 5,015,501 | – | – | – | 5,015,501 | 5,015,501 |
| O he cu en liabili ie | 2,583,959 | – | – | – | 2,583,959 | 2,612,280 |
| L ng- e m b ing | 735,724 | 4,954,569 | 16,058,290 | 2,812,230 | 24,560,813 | 23,665,089 |
| L ng- e m a able | – | 251,518 | 243,530 | 19,263 | 514,311 | 504,909 |
| O he n n-cu en liabili | 314,210 | 314,210 | 314,210 | 1,685,812 | 2,628,442 | 2,037,458 |
| Sub- al | 46,431,486 | 5,709,297 | 24,849,248 | 4,517,305 | 81,507,336 | 79,472,547 |
| Ne al | (6,654,757) | (3,403,023) | (17,794,731) | 8,396,498 | (19,456,013) | (27,100,940) |

A a 30 June 2017, he G u ha g c mmi men f m main financial in i u i n ide en ugh e e e fund , in de a i f h - e m and l ng- e m demand f king ca i al.

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 2. Liquidity risk (Continued)

| | 31 Decembe 2016 | | | | | |
|---|---|---|---|---|---|---|
| | Undi c un ed c n ac ual ca h fl | | | | | |
| | Wi hin 1 ea n demand | 1 2 ea | 2 5 ea | O e 5 ea | T al | Ca ing am un a balance hee da e |
| **Financial assets** | | | | | | |
| Ca h a bank and n hand | 6,325,998 | – | – | – | 6,325,998 | 6,325,998 |
| Financial a e a fai alue h ugh fi l | 141,160 | – | 325,187 | – | 466,347 | 466,347 |
| Acc un ecei able and he ecei able | 24,619,828 | – | – | – | 24,619,828 | 24,619,828 |
| Cu en i n f n n-cu en a e | 5,513,253 | – | – | – | 5,513,253 | 3,941,689 |
| A ailable-f - ale financial a e | – | – | 36,803 | 412,240 | 449,043 | 442,726 |
| In e e ecei able | 9,250 | – | – | – | 9,250 | 9,250 |
| Di idend ecei able | 41,959 | – | – | – | 41,959 | 41,959 |
| L ng- e m ecei able | – | 3,997,923 | 5,268,322 | 12,907,684 | 22,173,929 | 13,220,242 |
| Sub- al | 36,651,448 | 3,997,923 | 5,630,312 | 13,319,924 | 59,599,607 | 49,068,039 |
| **Financial liabilities** | | | | | | |
| Financial liabili ie a fai alue h ugh fi l | 199,225 | – | 3,816 | – | 203,041 | 203,041 |
| Sh - e m b ing | 15,729,787 | – | – | – | 15,729,787 | 15,729,787 |
| N e a able | 1,551,582 | – | – | – | 1,551,582 | 1,551,582 |
| Deben u e a able | 189,000 | 189,000 | 8,175,500 | – | 8,553,500 | 7,986,500 |
| Acc un a able and he a able | 15,315,024 | – | – | – | 15,315,024 | 15,315,024 |
| In e e a able | 303,375 | – | – | – | 303,375 | 303,375 |
| Di idend a able | 16,746 | – | – | – | 16,746 | 16,746 |
| Cu en i n f n n-cu en liabili ie | 3,667,872 | – | – | – | 3,667,872 | 3,667,872 |
| O he cu en liabili ie | 1,666,966 | – | – | – | 1,666,966 | 1,687,762 |
| L ng- e m b ing | 1,056,608 | 10,819,611 | 16,387,132 | 3,464,214 | 31,727,565 | 27,023,222 |
| L ng- e m a able | – | 520,988 | 4,767 | 23,220 | 548,975 | 529,372 |
| O he n n-cu en liabili | 314,210 | 314,210 | 314,210 | 1,685,812 | 2,628,442 | 2,037,458 |
| Sub- al | 40,010,395 | 11,843,809 | 24,885,425 | 5,173,246 | 81,912,875 | 76,051,741 |
| Ne al | (3,358,947) | (7,845,886) | (19,255,113) | 8,146,678 | (22,313,268) | (26,983,702) |

Bank and he b ing a e anal ed b e a men e m a f ll :

| | **30 June 2017** | | 31 Decembe 2016 | |
|---|---|---|---|---|
| | **Bank borrowings** | **Other borrowings** | Bank b ing | O he b ing |
| Wi hin 1 ea | **23,546,054** | **–** | 19,255,497 | – |
| 1 2 ea | **4,773,878** | **–** | 9,763,003 | – |
| 2 5 ea | **15,472,650** | **–** | 14,362,508 | – |
| e 5 ea | **2,709,669** | **–** | 2,897,711 | – |
| | **46,502,251** | **–** | 46,278,719 | – |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 3. Interest rate risk

Fi ed and fl a ing in e e -bea ing financial in umen e ed he G u in e e a e i k f fai alue and ca h fl , e ec i el . The in e e a e lic i en u e he e u e f in e e a e i k f b ing i i hin a ea nable c e. The G u had en e ed in in e e a e a c n ac , hich e e made ba ed n he cu encie f he b ing . Hence he G u e u a ia e fi ed and fl a ing in e e a e i k f li , mee he lic .

#### (1) As at 30 June 2017, the Group held the following interest-bearing financial instruments:

| | **30 June 2017** | | 31 Decembe 2016 | |
|---|---|---|---|---|
| | **Interest rate (%)** | **Amount** | In e e a e (%) | Am un |
| Fi ed a e in e e -bea ing financial in umen | | | | |
| Financial asset | | | | |
| . L ng- e m ecei able | **2.58%-17.53%** | **13,499,327** | 2.58%-17.53% | 13,220,242 |
| . Cu en i n f n-cu en a e | **2.58%-17.53%** | **4,118,028** | 2.58%-17.53% | 3,941,689 |
| Financial liabilities | | | | |
| . Sh - e m b ing | **1.30%~6.09%** | **8,103,587** | 0.65%-16.41% | 6,280,953 |
| . Deben u e a able | **3.07%-3.89%** | **7,986,500** | 3.07%-3.89% | 7,986,500 |
| . Cu en i n f n-cu en liabili ie | **2.38%~3.35%** | **995,408** | 2.65%-2.90% | 800,000 |
| . L ng- e m b ing | **1.20%~6.37%** | **1,936,946** | 1.45%-6.37% | 1,043,007 |
| . O he cu en liabili ie | **0.01%-1.00%** | **2,583,959** | 0.01%-1.00% | 1,666,966 |
| . O he n n-cu en liabili ie | **4.99%-12.00%** | **2,037,458** | 4.99%-12.00% | 2,037,458 |
| T al | | **(6,026,503)** | | (2,652,953) |

| | **30 June 2017** | | 31 Decembe 2016 | |
|---|---|---|---|---|
| | **Interest rate (%)** | **Amount** | In e e a e (%) | Am un |
| Fl a ing a e in e e -bea ing financial in umen | | | | |
| Financial asset | | | | |
| . Ca h a bank and n hand | **0.30%-2.75%** | **5,737,102** | 0.30%-2.75% | 6,325,998 |
| Financial liabilities | | | | |
| . Cu en i n f l ng- e m b ing | **3M Libor+165bps~ 3MLibor+240bps** | **3,896,006** | 1.15%+1M Lib 3M Lib +240b | 2,725,710 |
| . L ng- e m b ing | **1.15%+1M Libor~ 6M Libor+195bps** | **21,728,143** | 1.15%+1M Lib 6M Lib +310b | 25,980,215 |
| . Sh - e m b ing | **1M Libor+150bps~ 6M Libor+70bps** | **9,842,161** | 1M Lib +180b 6M Lib +230b | 9,448,834 |
| . L ng- e m a able | **8.02%~12.86%** | **504,909** | 8.02% 12.86% | 529,372 |
| . Cu en i n f l ng- e m a able | **8.02%~12.86%** | **124,087** | 8.02% 12.86% | 138,312 |
| T al | | **(30,358,204)** | | (32,496,445) |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 3. Interest rate risk (Continued)

### (2) Sensitivity analysis

A a 30 June 2017, i i e ima ed ha a gene al inc ea e/dec ea e f 25 ba i in (31 Decembe 2016: 25 ba i in ) in in e e a e , i h all he a iable held c n an , uld inc ea e/dec ea e he G u ' ne fi b 56,922,000 and e ui b 56,922,000 (2016: 60,931,000 and 60,931,000, e ec i el ).

The en i i i anal i ab e indica e he in an ane u change in he ne fi and e ui ha uld a i e a uming ha he change in in e e a e had ccu ed a he balance hee da e and had been a lied e-mea u e h e financial in umen held b he G u hich e e he G u fai alue in e e a e i k a he balance hee da e. In e ec f he e u e ca h fl in e e a e i k a i ing f m fl a ing a e n n-de i a i e in umen held b he G u a he balance hee da e, he im ac n he ne fi and e ui i e ima ed a an annuali ed im ac n in e e e en e inc me f uch a change in in e e a e . The anal i a e f med n he ame ba i f he e i u ea .

### 4. Foreign exchange risk

The maj cu enc ecei ed b he G u i USD and he maj cu enc aid u i RMB. In de a id he i k e ul ing f m he fluc ua i n f he e change a e f RMB, in e ec f acc un ecei able and a able den mina ed in f eign cu encie , he G u en u e ha i ne e u e i ke an acce able le el b bu ing elling f eign cu encie a a e hen nece a add e h - e m imbalance .

(1) Be ide he e u e cu enc i k a i ing f m financial a e a fai alue h ugh fi l and financial liabili ie a fai alue h ugh fi l di cl ed in N e IV.2 and IV.26, he G u ' e u e a a 30 June cu enc i k a i ing f m ec gni ed a e liabili ie den mina ed in f eign cu encie i f ll . F e en a i n u e , he am un f he e u e a e h n in RMB, an la ed u ing he a e a he balance hee da e. Diffe ence e ul ing f m he an la i n f he financial a emen den mina ed in f eign cu enc a e e cluded.

| | 30 June 2017 | | | | 31 Decembe 2016 | | | |
|---|---|---|---|---|---|---|---|---|
| | USD | EUR | HKD | JPY | USD | EUR | HKD | JPY |
| Ca h a bank and n hand | 677,567 | 1,513,464 | 32,959 | 24,414 | 823,367 | 1,169,615 | 40,023 | 44,700 |
| Recei able | 7,480,210 | 165,053 | 18,293 | 26,586 | 3,612,395 | 254,069 | 18,353 | 82,916 |
| Sh - e m b ing | (6,949,798) | (623,954) | - | - | (5,759,019) | (61,487) | - | (7,169) |
| L ng- e m b ing | (12,385,960) | - | (215,244) | - | (14,736,500) | - | (132,386) | - |
| Pa able | (487,959) | (113,654) | (614) | - | (1,023,302) | (118,003) | (30,414) | - |
| Cu en i n f n n-cu en liabili ie | (13,549) | - | - | - | (2,710,684) | - | - | - |
| G balance hee e u e | (11,679,489) | 940,909 | (164,606) | 51,000 | (19,793,743) | 1,244,194 | (104,424) | 120,447 |

# Notes to the Financial Statements

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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** | F he Pe i d f m 1 Janua 30 June 2016 | **30 June 2017** | 31 Decembe 2016 |
| USD | **6.8871** | 6.5359 | **6.7744** | 6.6312 |
| EUR | **7.4349** | 7.2993 | **7.7496** | 7.3750 |
| HKD | **0.8857** | 0.8418 | **0.8679** | 0.8547 |
| JPY | **0.0616** | 0.0590 | **0.0605** | 0.0645 |

(3) Sensitivity analysis

A uming all he i k a iable emained c n an , 2.80%, 2.80%, 2.70% and 1.90% eakening f he RMB again he USD, EUR, HKD and JPY e ec i el a 30 June 2017 (2.80%, 2.80%, 2.70% and 1.90% eng hening f he RMB again he USD, EUR, HKD, and JPY e ec i el a 31 Decembe 2016) uld ha e inc ea ed (dec ea ed) e ui and ne fi b he am un h n bel ; h e effec i in RMB and an la ed u ing he a e a he balance hee da e:

| | **Equity** | **Net profit** |
|---|---|---|
| 30 June 2017 | | |
| USD | **(245,269)** | **(245,269)** |
| EUR | **19,759** | **19,759** |
| HKD | **(3,333)** | **(3,333)** |
| JPY | **727** | **727** |
| T al | **(228,116)** | **(228,116)** |
| 31 Decembe 2016 | | |
| USD | (415,669) | (415,669) |
| EUR | 26,128 | 26,128 |
| HKD | (2,115) | (2,115) |
| JPY | 1,716 | 1,716 |
| T al | (389,940) | (389,940) |

2.80%, 2.80%, 2.70% and 1.90% eng hening f he RMB again USD, EUR, HKD and JPY e ec i el a 30 June 2017 (2.80%, 2.80%, 2.70% and 1.90% eakening f he RMB again he USD, EUR, HKD, and JPY e ec i el a 31 Decembe 2016) uld ha e had he e ual bu i e effec n he am un h n ab e, n he ba i ha all he a iable emain c n an .

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 4. Foreign exchange risk (Continued)

#### (3) Sensitivity analysis (Continued)

The en i i i anal i ab e a me ha he change in f eign e change a e had been a lied e-mea e h e financial in men held b he G hich e e he G f eign c enc i k a he balance hee da e, he anal i e cl de diffe ence ha ld e l f m he an la i n f he financial a emen den mina ed in f eign c enc . The anal i i e f med n he ame ba i f he e i ea .

The ab e en i i e anal i d e n incl de e e c enc i k a i ing f m f eign f e c n ac , Ja ane e Yen e change i n and a c n ac f in e e a e di cl ed in N e IV.2 and IV.26 ab financial a e a fai al e h gh fi l and financial liabili ie a fai al e h gh fi l , b he change in e change a e ma ha e effec n ha eh lde ' e i and ne fi .

### 5. Other price risks

O he ice i k a e ck ice i k. A a 30 J ne 2017, he G held 40,414,000 adable ha e f Qingda P In e na i nal C ., L d., 2,996,500 adable ha e f Sin an Shi ing Limi ed, e c.

A a 30 J ne 2017, i i e ima ed ha a gene al inc ea e/dec ea e f he c m ehen i e inde f ha e 5.00% (31 Decembe 2016: 5.00%), i h all he a iable held c n an , ld inc ea e/dec ea e he G ' ha eh lde ' e i b 9,158,000 (31 Decembe 2016: 6,651,000).

The en i i i anal i ab e a i e a ming ha he change in he c m ehen i e inde f ha e cc ed a he balance hee da e in he ea nable ange and had been a lied emea e all h e in e men in ec i ie held b he G . The en i i i anal i i al ba ed n an he a m i n, namel , he fai al e f he in e men in ec i ie held b he G i ele an c m i e inde f ck ma ke , and a ailable-f - ale ec i ie in e men ha ame i k fac a ading ec i ie in e men , and all he a iable held c n an . 20.00% change in he c m ehen i e inde f ha e i a ea nable e ec a i n f he G f he e i d f m he balance da e he ne balance hee da e.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 6. Fair value estimates

The le el in he fai al e hie a ch i hin hich he fai al e mea emen i ca eg i ed in i en i e i de e mined n he ba i f he l e le el in ha i ignifican he fai al e mea emen in i en i e :

Le el 1: Q ed ice ( nadj ed) in ac i e ma ke f iden ical a e liabili ie ;

Le el 2: In he han ed ice incl ded i hin le el 1 ha a e b e able f he a e liabili , ei he di ec l ( ha i , a ice ) indi ec l ( ha i , de i ed f m ice );

Le el 3: In f he a e liabili ha a e n ba ed n b e able ma ke da a ( ha i , n b e able in ).

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

The f ll ing able e en he G ' a e and liabili ie ha a e mea ed a fai al e in he ab e h ee le el A a 30 J ne 2017:

| Assets | N e | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Financial a e a fai al e h gh fi l | | | | | |
| In e men in e i in men held f ading | IV.2 | **180,357** | **–** | **–** | **180,357** |
| De i a i e financial a e | IV.2 | **–** | **251,402** | **–** | **251,402** |
| Hedging in men | IV.2 | **–** | **4,392** | **–** | **4,392** |
| A ailable-f - ale financial a e | IV.11 | **1,761** | **51,086** | **–** | **52,847** |
| Financial a e al | | **182,118** | **306,880** | **–** | **488,998** |
| Non-financial assets | | | | | |
| In e men e ie | IV.14 | **–** | **–** | **1,722,065** | **1,722,065** |
| T al | | **182,118** | **306,880** | **1,722,065** | **2,211,063** |

| Liabilities | N e | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| Financial liabilities at fair value through profit or loss | | | | | |
| Derivative financial liabilities | IV.26 | **–** | **(6,359)** | **–** | **(6,359)** |
| Hedging Instrument | IV.26 | **–** | **(186)** | **–** | **(186)** |
| Financial guarantee contracts | IV.26 | **–** | **–** | **(55,980)** | **(55,980)** |
| Contingent considerations | IV.26 | **–** | **–** | **(129,965)** | **(129,965)** |
| Total | | **–** | **(6,545)** | **(185,945)** | **(192,490)** |

(All am ūn in RMB'000 ūnle he i e a ed)

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 6. Fair value estimates (Continued)

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

The f ll ing able e en he G ū ' a e and liabili ie ha a e mea ū ed a fai alūe in he ab e h ee le el a a 31 Decembe 2016:

| A e | N e | Le el 1 | Le el 2 | Le el 3 | T al |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Financial a e a fai alūe h ūgh fi l | | | | | |
| In e men in e ūi in ūmen held f ading | IV.2 | 138,072 | . | . | 138,072 |
| De i a i e financial a e | IV.2 | . | 326,969 | . | 326,969 |
| Hedging in ūmen | IV.2 | . | 1,306 | . | 1,306 |
| A ailable-f - ale financial a e | IV.11 | 2,441 | 30,803 | . | 33,244 |
| Financial a e al | | 140,513 | 359,078 | . | 499,591 |
| **Non-financial assets** | | | | | |
| In e men e ie | IV.14 | . | . | 1,752,608 | 1,752,608 |
| T al | | 140,513 | 359,078 | 1,752,608 | 2,252,199 |

| Liabili ie | N e | Le el 1 | Le el 2 | Le el 3 | T al |
|---|---|---|---|---|---|
| Financial liabili ie a fai alūe h ūgh fi l | | | | | |
| De i a i e financial liabili ie | IV.26 | . | (15,838) | . | (15,838) |
| Hedging In ūmen | IV.26 | . | (4,244) | . | (4,244) |
| Financial gūa an ee c n ac | IV.26 | . | . | (57,419) | (57,419) |
| C n ingen c n ide a i n | IV.26 | . | . | (125,540) | (125,540) |
| T al | | . | (20,082) | (182,959) | (203,041) |

The G ū make he da e hen ma e ccū ed hich e ūl in ignifican an fe be een in ūmen in he h ee le el a he in f an fe . Dū ing he ea ended 31 Decembe 2016, he e e e n ignifican an fe be een in ūmen in Le el 1 and Le el 2 nei he n Le el 2 and Le el 3.

F aded in ac i e ma ke financial in ūmen , he g ū mea ū e i fai alūe a an ac i e ma ke ice; f n aded in ac i e ma ke financial in ūmen , he g ū ū e alūa i n echni ūe de e mine he fai alūe. Valūa i n m del mainl ū ed a e he di c ūn ed ca h fl m del and ma ke c m a able c m an m del e c. In ū alūe f he alūa i n echni ūe inclūde he i k f ee in e e a e, benchma k in e e a e, e change a e, c edi ead , li ūidi emiūm, EBITDA mūl i lie , he lack f li ūidi di c ūn e c.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 G ha a in ed alified al e c nd c al a i n f he fai al e f he in e men e ie . The me h d ed incl de inc me m del and c m del. The ke a m i n incl de en al g h a e , ca i ali a i n a e and ni ice .

The f ll ing able e en he m emen f he n n-financial a e in Le el 3:

| | Investment properties |
|---|---|
| 1 Jan a 2017 | **1,752,608** |
| P cha e | **–** |
| T an fe ed f m fi ed a e , in angible a e and c n c i n in g e | **1,287** |
| T an fe ed he he a e cla ified a held f ale | **–** |
| T al gain f he c en e i d | **–** |
| Gain ec gni ed in fi l | **–** |
| Gain /(l e ) ec gni ed in he c m ehen i e inc me | **–** |
| T an fe ed d ing he e i d | **(35,389)** |
| E change diffe ence a i ing f m an la ing f eign c encie | **3,559** |
| 30 J ne 2017 | **1,722,065** |
| 1 Jan a 2016 | 730,168 |
| P cha e | 78,176 |
| T an fe ed f m fi ed a e , in angible a e and c n c i n in g e | 310,039 |
| T an fe ed he he a e cla ified a held f ale | (26,401) |
| T al gain f he c en e i d | 660,626 |
| Gain ec gni ed in fi l | 75,792 |
| Gain /(l e ) ec gni ed in he c m ehen i e inc me | 584,834 |
| 31 Decembe 2016 | 1,752,608 |

Finance De a men f he G i e n ible f ca ing he al a i n f financial a e and financial

# Notes to the Financial Statements 

F he e i d a ed f m 1 Janua a and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 6. Fair value estimates (Continued)

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

The f ll ing able e en he inf ma i n f he a e mea ued a fai alue in Le el 3:

| | Fair value as at 30 June 2017 | Valua i n echni ue | Significan un b e able in u | | | |
|---|---|---|---|---|---|---|
| | | | Name | Sc e/ eigh ed a e age | Rela i n hi i h fai alue | Ob e able/ Un b e able |
| In e men e ie - C m le ed in e men e ie | **1,126,654** | | Ra e f e un/ca i ali a i n a e | 6%-8% | | |
| | | Inc me m del | M n hl en al (RMB/ ua e me e /m n h) | 7-95 | (a) | Un b e able |
| | | C m del | Budge ed c n uc i n c be incu ed (RMB/ ua e me e ) | 650-4,600 | | |
| | | | An ici a ed de el e ' fi ma gin | 9%-12% | (a) | Un b e able |
| Land u e igh | **595,411** | Di ec c m a i n | Ma ke ice (RMB/ ua e me e ) | 450-2200 | (a) | Un b e able |

(a) The ela i n hi f un b e able in u fai alue a e a f ll :

The highe f he a e f e un/ca i ali a i n a e, he l e f fai alue;

The highe f he e ec ed acanc a e, he l e f fai alue;

The highe f he m n hl en al, he highe f he fai alue;

The highe f he ma ke ice, he highe f he fai alue;

The highe f he budge ed c n uc i n c be incu ed, he l e f he fai alue;

The highe f he an ici a ed de el e ' fi ma gin, he l e f he fai alue.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 6. Fair value estimates (Continued)

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

| | Fai al e a a 31 Decembe 2016 | Val a i n echni e | Significan n b e able in (Name) | Sc e/ eigh ed a e age | Rela i n hi i h fai al e | Ob e able/ Un b e able |
|---|---|---|---|---|---|---|
| In e men e ie - | 1,139,285 | | Ra e f e n/ca i ali a i n a e | 6%-8% | | |
| C m le ed in e men | | Inc me m del | M n hl en al (RMB/ a e me e /m n h) | 7-95 | (a) | Un b e able |
| e | | C m del | B dge ed c n c i n c be inc ed | | | |
| | | | (RMB/ a e me e ) | 650-4,600 | | |
| | | | An ici a ed de el e' fi ma gin | 9%-12% | (a) | Un b e able |
| Land e igh | 613,323 | Di ec c m a i n | Ma ke ice (RMB/ a e me e ) | 450-2200 | (a) | Un b e able |

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

The n n-c en a e held f ale a e mea ed a he l e f he b k al e and he fai al e le he di al e en e . A a 30 J ne 2017, he G ' a e cla ified a a ailable f ale incl de in e men e ie f RMB26,401,000, fi ed a e f RMB92,269,000 and in angible a e f RMB85,177,000, mea ed a fai al e le di al e en e (N e IV.8). The The fai al e i e ima ed ba ed n he e en al e f e ima ed f e ca h fl (RMB26,401,000, RMB115,743,000 and RMB97,563,000), hich bel ng he hi d le el.

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

Financial a e and liabili ie in he g mea ed b he am i ed c me h d f incl ding: acc n ecei able, h - e m b ing , acc n a able, l ng- e m b ing , deben e a able , l ng- e m a able e c.

A a 30 J ne 2017, all financial in men a e ca ied a am n n ma e iall diffe en f m hei fai al e.

The e i an ac i e ma ke f b nd a able and fai al e i de e mined b he a i n in he ac i e ma ke , hich bel ng he fi le el. Fai al e f l ng- e m b ing , l ng- e m a able and deben e a able i h n ac i e ma ke i de e mined b he di c n ed f e ca h fl f he c n ac in acc dance i h in e e ha i c m a able and ffe he ame ca h fl nde he ame c ndi i n , hich bel ng he hi d le el.

## XIV. FINANCIAL RISK AND FAIR VALUES ESTIMATES (CONTINUED)

### 6. Fair value estimates (Continued)

### (4) Estimation and assumption of fair values

The f ll ing umma i e he maj me h d and a um i n u ed in e ima ing he fai alue f financial a e a fai alue h ugh fi l and financial liabili ie a fai alue h ugh fi l , a ailable-f - ale financial a e n he balance hee da e.

*( )*

Fai alue i ba ed n u ed ma ke ice a he balance hee da e f fai alue f financial a e a fai alue h ugh fi l and financial liabili ie a fai alue h ugh fi l (e cluding de i a i e ), and a ailable-f - ale financial a e if he e i an ac i e ma ke .

*( )*

The fai alue i e ima ed a he e en alue f he fu u e ca h fl , di c un ed a he ma ke in e e a e a he balance hee da e.

*( ) B*

The fai alue f b ing , deben u e a able, l ng- e m a able and he n-de i a i e financial liabili ie i e ima ed a he e en alue f fu u e ca h fl , di c un ed a he ma ke a e f in e e a he balance hee da e.

*( )*

The fai alue f f a d e change c n ac i ei he ba ed n hei li ed ma ke ice b di c un ing he c n ac ual f a d ice and dedu c ing he cu en a e. The fai alue f in e e a e a i ba ed n b ke u e . The u e a e e ed f ea nablene b di c un ing e ima ed fu u e ca h fl ba ed n he e m and ma u i f each c n ac and u ing ma ke in e e a e f a imila in e e a e in u men a he mea u emen da e.

*( )*

The fai alue f financial gua an ee i u ed i de e mined b efe ence fee cha ged in an a m' leng h an ac i n f imila e ice , hen uch inf ma i n i b ainable, i he i e e ima ed b efe ence in e e a e diffe en ial , b c m a ing he ac ual a e cha ged b lende hen he gua an ee i made a ailable i h he e ima ed a e ha he lende uld ha e cha ged, had he gua an ee n been a ailable, he e eliable e ima e f uch inf ma i n can be made.

# Notes to the Financial Statements

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

## XV. CAPITAL MANAGEMENT

The Group's objectives of managing capital are to safeguard the group's ability of sustainable development in order to provide return for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares as well as sell assets to reduce debts.

Total capital of the group is shareholders' equity shown in the consolidated balance sheet. The group is not subject to external mandatory capital requirements, and uses debt to asset ratio to monitor capital.

The Group monitors capital on the basis of Debt-to-Asset ratio. This ratio is calculated as total liabilities divided by total assets.

In 2017, the Group manages capital as to by controlling the Debt-to-Asset ratio not to exceed 70% (2016: not to exceed 70%). The Debt-to-Asset ratios as at 30 June 2017 and 31 December 2016 were 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-Asset Ratio | **69%** | 69% |

## XVI. NOTES TO THE HOLDING COMPANY'S FINANCIAL STATEMENTS

### 1. Cash at bank and on hand

| | **30 June 2017** | 31 December 2016 |
|---|---|---|
| Bank deposits | **2,292,935** | 2,647,574 |
| Other cash balance | **7,391** | 12,648 |
| | **2,300,326** | 2,660,222 |
| Including: cash abroad | **503** | 519 |

As at 30 June 2017, restricted 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, was RMB1,594,000,000 (31 December 2016: RMB942,000,000).

(All am n in RMB'000 nle he i e a ed)

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

### 2. Dividends receivable

| | **30 June 2017** | 31 Decembe 2016 |
|---|---|---|
| CIMC H ng K ng | **3,333,084** | 3,435,198 |
| SCIMC | **592,706** | 592,706 |
| SCIMCEL | **462,372** | 462,372 |
| SCRC | **216,000** | . |
| TJCIMCLE | **48,915** | 48,915 |
| SCIMCEL | **19,263** | 19,263 |
| M de n L gi ic | **29,146** | 29,146 |
| CIMC W d | **–** | 874 |
| CIMCVL | **–** | 149,577 |
| QDSV | **2,468** | 17,356 |
| Tianjin Kangde L gi ic E i men C ., L d | **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 Decembe 2016 |
|---|---|---|
| Am n d e f m ela ed a ie | **12,940,182** | 13,109,464 |
| De i and ma gin | **14,739** | 15,711 |
| O he | **18,233** | 10,821 |
| S b- al | **12,973,154** | 13,135,996 |
| Le : i i n f bad deb | **(4,580)** | (4,580) |
| T al | **12,968,574** | 13,131,416 |

# Notes to the Financial Statements

For the period started 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)

### (2) Other receivables are analysed by aging as follows:

| Aging | **30 June 2017** | 31 December 2016 |
|---|---|---|
| Within 1 year (Inclusive) | **9,525,395** | 9,642,304 |
| 1 to 2 years (Inclusive) | **1,528,555** | 1,530,022 |
| 2 to 3 years (Inclusive) | **587,541** | 574,631 |
| Over 3 years | **1,331,663** | 1,389,039 |
| 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 starting from the date when the receivable is recognised.

As at 30 June 2017 and 31 December 2016, the Company did not have overdue other receivables that were not impaired.

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

| | Note | **30 June 2017** | | | | 31 December 2016 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Ending balance** | | **Provision for doubtful debts** | | Ending balance | | Provision for doubtful debts | |
| | | **Amount** | **% of total balance** | **Amount** | **% of total balance** | Amount | % of total balance | Amount | % of total balance |
| Other receivables with amounts that are individually significant | (4) | **12,873,563** | **99.23%** | **–** | **–** | 13,066,919 | 99.47% | – | – |
| Other receivables with amounts 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% |

There were no collateral that the Company held for other receivables that were made impairment after assessed.

(All am un in RMB'000 unle he i e a ed)

## 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

A a 30 June 2017 and 31 Decembe 2016, he C m an ha n he ecei able i h am un ha a e indi idually ignifican and ha he ela ed i i n f d ub ful deb i ided n he indi idual ba i

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

A a 30 June 2017 and 31 Decembe 2016, he C m an ha n he ecei able i h am un ha a e n indi idually ignifican bu ha he ela ed i i n f bad deb i ided n he indi idual ba i .

#### (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 Decembe 2016 |
|---|---|---|

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

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

### 3. Other receivables (Continued)

#### (9) As at 30 June 2017, the five largest other receivables are analysed as follows:

| | Nature | Amount | Aging | % of total balance | Provision for doubtful debts |
|---|---|---|---|---|---|
| CIMC H ng K ng | f nd an fe , dail an fe | 3,612,395 | Wi hin 1 ea | 27.85% | . |
| C&C T ck | f nd an fe | 1,421,641 | Wi hin 1 ea , 1 2 ea , 2 3 ea | 10.96% | . |
| H ng in Be g | f nd an fe | 1,098,758 | Wi hin 1 ea | 8.47% | . |
| CIMCVL and i b idia ie | f nd an fe | 849,639 | Wi hin 1 ea | 6.55% | . |
| Tianjin H ng in Be g | f nd an fe | 591,447 | Wi hin 1 ea | 4.56% | . |
| | | 7,573,880 | | 58.39% | . |

The C m an ' fi e la ge he ecei able a a 31 Decembe 2016 am n ed 7,609,722,000 and acc n ing f 57.93% f he al he ecei able .

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

A a 30 J ne 2017, n am n d e f m ha eh lde h lding m e han 5% (incl ding 5%) f he ing igh f he C m an i incl ded in he ab e balance f he ecei able .

(All am n in RMB'000 nle he i e a ed)

## 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 |
|---|---|---|---|
| A cia e | A cia e | 255,255 | 1.97% |
| S b idia ie | S b idia ie | 12,684,927 | 97.78% |
| T al | | 12,940,182 | 99.75% |

#### (12) Other receivables derecognised due to transfer of financial assets

A a 30 J ne 2017, he e e n he ecei able de ec gni ed d e an fe f financial a e f he C m an (31 Decembe 2016: Nil).

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

The e e n ec i i ed he ecei able d ing hi ea (31 Decembe 2016: Nil).

### 4. Available-for-sale financial assets

| | **30 June 2017** | 31 Decembe 2016 |
|---|---|---|
| Mea ed a c | | |
| A ailable-f - ale e i in men [1] | **391,970** | 391,970 |
| Le : i i n f im ai men | **(3,065)** | (3,065) |
| | **388,905** | 388,905 |

# Notes to the Financial Statements

For the period started 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)

### 4. Available-for-sale financial assets (Continued)

#### (1) Related information analysis of available-for-sale financial assets is as follows:

Available-for-sale financial assets measured at cost:

| | 31 December 2016 | Increase in current period | Decrease in current period | **30 June 2017** | Shareholding (%) | Cash dividend declared |
|---|---|---|---|---|---|---|
| Available-for-sale equity investments | | | | | | |
| – Cost | | | | | | |
| – BOCM Schroder Solid Fund Management | 8,125 | – | – | **8,125** | 5.00% | – |
| – China Railway United Logistic | 380,780 | – | – | **380,780** | 10.00% | 4,000 |
| – Guangdong Samsung | 1,365 | – | – | **1,365** | 0.09% | – |
| – Beihai Yinjian | 1,700 | – | – | **1,700** | 1.01% | – |
| Sub-total | 391,970 | – | – | **391,970** | | 4,000 |
| Less: Provision for impairment | (3,065) | – | – | **(3,065)** | | – |
| Total | 388,905 | – | – | **388,905** | | 4,000 |

#### (2) Available-for-sale financial assets measured at cost held by the group are mainly unlisted equity investments with no active market price and their reasonable fair value estimates has large variation range; the probability determining the fair value estimate can not be reasonably determined so their fair value cannot be reliably measured. The group has no disposal of the investment plan.

### 5. Long-term equity investments

#### (1) Long-term equity investments are analysed by categories as follows:

| | **30 June 2017** | 31 December 2016 |
|---|---|---|
| Subsidiaries | **9,490,535** | 9,375,276 |
| Less: Provision for impairment | **–** | – |
| Total | **9,490,535** | 9,375,276 |

There is no restriction on sale of the long-term equity investments held by the Company.

(All am n in RMB'000 nle he i e a ed)

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

### 5. Long-term equity investments (Continued)

#### (2) Subsidiaries:

| In e ee | 31 Decembe 2016 | C en e i d m emen | **30 June 2017** | Sha e h lding (%) | V ing igh (%) | P i i n f im ai men | Im ai men ided in he c en e i d | Ca h di idend decla ed |
|---|---|---|---|---|---|---|---|---|
| Cost method – Investment in subsidiaries | | | | | | | | |
| SCIMC | 110,831 | . | **110,831** | 100% | 100% | . | . | . |
| XHCIMC | 36,500 | . | **36,500** | 100% | 100% | . | . | . |
| TJCIMC | 77,704 | . | **77,704** | 100% | 100% | . | . | . |
| DLCIMC | 48,764 | . | **48,764** | 100% | 100% | . | . | . |
| TCCIMC | 131,654 | (40,230) | **91,424** | 100% | 100% | . | . | 33,642 |
| CQVL | 39,499 | . | **39,499** | 100% | 100% | . | . | . |
| SCRC | 200,892 | . | **200,892** | 92% | 92% | . | . | 216,000 |
| XHCIMCS | 82,026 | . | **82,026** | 100% | 100% | . | . | . |
| CIMC H ng K ng | 1,690 | . | **1,690** | 100% | 100% | . | . | . |
| CIMC SD | 162,686 | . | **162,686** | 100% | 100% | . | . | . |
| HI | 606,912 | . | **606,912** | 80% | 80% | . | . | 98,789 |
| CIMC Tech | 41,526 | . | **41,526** | 100% | 100% | . | . | . |
| CIMCWD | 54,817 | . | **54,817** | 100% | 100% | . | . | . |
| CIMC T aining | 48,102 | . | **48,102** | 100% | 100% | . | . | . |
| DLZH | 182,136 | . | **182,136** | 100% | 100% | . | . | . |
| MEA | 111,703 | . | **111,703** | 100% | 100% | . | . | . |
| CIMC W d | 3,472 | . | **3,472** | 100% | 100% | . | . | . |

# Notes to the Financial Statements

For the period started 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)

### 5. Long-term equity investments (Continued)

### (2) Subsidiaries: (Continued)

| Investee | 31 December 2016 | Current period movement | **30 June 2017** | Share holding (%) | Voting rights (%) | Provision of impairment | Impairment provided in the current period | Cash dividend declared |
|---|---|---|---|---|---|---|---|---|
| SZ Investment Holding | 72,401 | – | **72,401** | 100% | 100% | – | – | – |
| Finance Company | 482,590 | – | **482,590** | 100% | 100% | – | – | – |
| CIMCVL | 422,363 | – | **422,363** | 100% | 100% | – | – | – |
| QDSV | 26,912 | – | **26,912** | 80% | 80% | – | – | – |
| SHOE | 40,000 | – | **40,000** | 100% | 100% | – | – | – |
| SZ Investment | 140,000 | – | **140,000** | 100% | 100% | – | – | – |
| SESKYC | 90,000 | – | **90,000** | 100% | 100% | – | – | – |
| DLCIMCS | 69,806 | – | **69,806** | 100% | 100% | – | – | – |
| Container Holding | 4,104,227 | – | **4,104,227** | 100% | 100% | – | – | – |
| COOP | 205,022 | – | **205,022** | 99% | 99% | – | – | – |
| CIMC Modern Logistic Development Co., Ltd. | 803,904 | – | **803,904** | 100% | 100% | – | – | – |
| C&C Truck | 898,977 | 81,616 | **980,593** | 70% | 70% | – | – | – |
| Offshore Holding | 35,000 | – | **35,000** | 100% | 100% | – | – | – |
| Overseas holding company | 13,160 | – | **13,160** | 100% | 100% | – | – | – |
| Guangdong Vehicle Park Investment Company | 30,000 | – | **30,000** | 100% | 100% | – | – | – |
| Taicang Special Equipment | – | 73,873 | **73,873** | 100% | 100% | – | – | – |
| Sub-total | 9,375,276 | 115,259 | **9,490,535** | | | – | – | 348,431 |

(All amounts in RMB'000 unless otherwise stated)

## 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 portion | | |
| - Interest rate swap contract | **–** | 65 |
| Non-current portion | | |
| - Interest rate swap contract | **1,738** | 3,296 |

### 8. Taxes payable

| | **30 June 2017** | 31 December 2016 |
|---|---|---|
| Income tax payable | **2,834** | 2,042 |
| Withholding individual income tax | **1,067** | 1,120 |
| Others | **123** | 484 |
| Total | **4,024** | 3,646 |

# Notes to the Financial Statements

For the period started 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)

### 9. Interest payable

| | **30 June 2017** | 31 December 2016 |
|---|---|---|
| Interest of corporate debentures | **218,242** | 70,249 |
| Interest of short-term borrowings with periodic payments of interest and return of principal at maturity | **5,957** | 3,522 |
| Interest of long-term borrowings with periodic payments of interest and return of principal at maturity | **1,365** | 1,984 |
| Total | **225,564** | 75,755 |

### 10. Other payable

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

| | **30 June 2017** | 31 December 2016 |
|---|---|---|
| Current accounts with subsidiaries | **2,162,672** | 2,948,279 |
| Equipment freight | **10,459** | 16,735 |
| Quality guarantee | **429** | 429 |
| Accrual | **–** | 7,592 |
| Others | **11,962** | 17,769 |
| Total | **2,185,522** | 2,990,804 |

#### (2) Significant other payables aged over one year

(All amounts in RMB'000 unless otherwise stated)

## 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 rates 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 please refer to Note IV.39.

# Notes to the Financial Statements

F he e i d a ed f m 1 Jan a and ended 30 J ne 2017
(All am n in RMB'000 nle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## 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 Decembe 2016 | |
|---|---|---|---|---|
| | **Deductible/ (taxable) Temporary differences** | **Deferred tax assets/ (liabilities)** | Ded c ible/ ( a able) Tem a diffe ence | Defe ed a a e / (liabili ie ) |
| Defe ed a a e : | | | | |
| Em l ee benefi a able | **196,808** | **49,202** | 205,760 | 51,440 |
| M emen f fai al e f financial a e a fai al e h gh fi l | **1,738** | **434** | 3,360 | 840 |
| S b- al | **198,546** | **49,636** | 209,120 | 52,280 |
| Off e ing am n | **–** | **–** | . | . |
| Offsetting balances | **198,546** | **49,636** | 209,120 | 52,280 |
| Incl ding: | | | | |
| Am n e ima ed e e e i hin 1 ea (incl i e) | | **49,636** | | 52,280 |

(All amounts in RMB'000 unless otherwise stated)

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

### 15. Capital surplus

| | 31 December 2016 | Increase in current period | Decrease in current period | **30 June 2017** |
|---|---|---|---|---|
| Share premium | 3,601,855 | 29,311 | - | **3,631,166** |
| Other capital surplus: | | | | |
| - Exchange reserve on foreign currency capital | 687 | - | - | **687** |
| - Donated non-cash assets reserve | 87 | - | - | **87** |
| - Equity-settled share-based payment | 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 current year | Decrease in current year | 31 December 2016 |
|---|---|---|---|---|
| Share premium | 3,589,082 | 12,773 | - | 3,601,855 |
| Other capital surplus: | | | | |
| - Exchange reserve on foreign currency capital | 687 | - | - | 687 |
| - Donated non-cash assets reserve | 87 | - | - | 87 |
| - Equity-settled share-based payment | 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 from 1 January to and ended 30 June 2017
(All amounts in RMB'000 unless otherwise stated)
(English Translation for Reference Only)

## XVI.

## 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 started 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)

### 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 losses | **396** | - |
| Losses on disposal of fixed assets | **586** | 1 |
| Others | **764** | 248 |
| Total | **1,746** | 249 |

### 23. Income tax expenses

| | **For the period from 1 January to 30 June 2017** | For the period from 1 January to 30 June 2016 |
|---|---|---|
| Change in deferred income tax | **2,644** | 27,968 |

The income tax based on the applicable profit tax rates is adjusted to income tax expenses based on the total profit of the consolidated income statements:

| | **For the period from 1 January to 30 June 2017** | For the period from 1 January to 30 June 2016 |
|---|---|---|
| Total profit before tax | **31,304** | 153,333 |
| Income tax expenses calculated at applicable tax rates | **7,826** | 38,333 |
| Expenses not deductible for tax purposes | **803** | 1,878 |
| The tax impact of the current loss of deferred income tax assets unconfirmed | **82,123** | 17,498 |
| Income not subject to tax | **(88,108)** | (29,741) |
| Income tax expenses | **2,644** | 27,968 |

(All am un in RMB'000 unle he i e a ed)

# 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 | F he e i d f m 1 Janua 30 June 2016 |
|---|---|---|
| Ne fi | **28,661** | 125,365 |
| De ecia i n f fi ed a e | **6,370** | 5,965 |
| Am i a i n f in angible a e | **129** | 129 |
| Am i a i n f l ng- e m e aid e en e | **5,517** | 2,113 |
| The decline in am i a i n c | **3,000** | . |
| Acc ued e en e inc ea ed | **(7,592)** | . |
| (P fi )/L e n di al f fi ed a e , in angible a e | **586** | (115) |
| P fi n change in fai alue | **(1,623)** | (1,985) |
| Financial e en e | **300,050** | 50,735 |
| In e men inc me | **(359,040)** | (118,963) |
| Dec ea e/(Inc ea e) in defe ed a a e | **2,644** | 27,968 |
| Dec ea e/(Inc ea e) in e a ing ecei able | **185,423** | (501,056) |
| Dec ea e/(Inc ea e) in e a ing a able | **(1,544,959)** | 44,642 |
| Ne ca h fl f m e a ing ac i i ie | **(1,380,835)** | (365,202) |

( )

| | For the period from 1 January to 30 June 2017 | F he e i d f m 1 Janua 30 June 2016 |
|---|---|---|
| Ca h and ca h e ui alen a he end f he ea | **699,840** | 330,140 |
| Le : ca h and ca h e ui alen a he beginning f he ea | **1,715,470** | 652,865 |
| Ne change f ca h and ca h e ui alen | **(1,015,630)** | (322,725) |

### (2) Composition of cash and cash equivalents

| | 30 June 2017 | 30 June 2016 |
|---|---|---|
| I. Ca h | | |
| Including: Ca h a bank ha can be li uida ed a an ime n demand | **698,935** | 320,261 |
| O he m ne a fund ha can be eadil d a n n demand | **905** | 9,879 |
| II. Ca h and ca h e ui alen a he end f he ea ha can be li uida ed a an ime n demand | **699,840** | 330,140 |

N e: Af e aid Ca h a bank and n hand e cluded e ic ed ca h.

# Supplementary Information

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

## I. STATEMENT OF NON-RECURRING PROFIT OR LOSS

| | **For the Period from 1 January to 30 June 2017** | For the Period from 1 January to 30 June 2016 |
|---|---|---|
| Profit/(loss) on disposal of non-current assets | **13,739** | (3,332) |
| Government grants recognized in profit or loss for the current period | **91,032** | 135,375 |
| Remeasurement of the fair value of equity interest in the acquiree held prior to the acquisition date recognised in investment income | **–** | . |
| Gains from changes in fair value arising from holding financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, and investment gains arising from disposal of financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and available-for-sale financial assets, except for the effective hedging activities related to the group's ordinary activities | **(20,332)** | 12,264 |
| Occupation income from non-financial business recognised in profit or loss for the current period | **–** | . |
| Net gains from disposal of subsidiaries | **(25,460)** | 23,712 |
| Reversal of accounts receivables provided for bad debts on an individual basis | **–** | . |
| Other non-operating income and expenses other than the above items | **38,201** | 21,101 |
| Other non recurring gains and loss items | **(105,549)** | . |
| Sub-total | **(8,369)** | 189,120 |
| Effect of income tax | **(30,200)** | (30,604) |
| Effect of minority interests (after tax) | **(29,616)** | (34,350) |
| Total | **(68,185)** | 124,166 |

Note: Above said non-recurring profit or loss are presented as amount before taxation.

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

Under the requirements in Explanatory Announcement No. 1 on information disclosure by companies offering securities to the public – non-recurring profit or loss [2008] from CSRC, non-recurring profit or loss refers to the gains or losses arising from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are extraordinary and not expected to occur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of an enterprise.

# Supplementary Information

F he e i d a ed f m 1 Janua and ended 30 June 2017
(All am un in RMB'000 unle he i e a ed)
(Engli h T an la i n f Refe ence Onl )

## II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In acc dance i h In e e i e P n uncemen n he P e a a i n f Inf ma i n Di cl u e f C m anie I uing Public Sha e N . 9 . Ea ning e ha e and e u n n ne a e (2010 e i ed) and ele an e ui emen f acc un ing anda d, he calcula i n f ea ning e ha e and e u n n ne a e f he C m an i li ed a f ll :

| | 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** | F he Pe i d f m 1 Janua 30 June 2016 | **For the Period from 1 January to 30 June 2017** | F he Pe i d f m 1 Janua 30 June 2016 | **For the Period from 1 January to 30 June 2017** | F he Pe i d f m 1 Janua 30 June 2016 |
| Ne fi a ibu able dina ha eh lde f he C m an | **2.76%** | (1.64%) | **0.2554** | (0.1444) | **0.2544** | (0.1444) |
| Ne fi a ibu able dina ha eh lde f he C m an af e deduc ing n- ecu ing fi l | **3.00%** | (2.11%) | **0.2783** | (0.1861) | **0.2772** | (0.1861) |

# Chapter X Documents Available for Inspection

I. The original copies of the interim report of the Company of 2017 signed by the Company's legal representative.

II. The original copies of the unaudited financial reports of the Company for the six months ended 30 June 2017 prepared under CASBE duly signed and under the seal of the legal representative of the Company, the person-in charge of accounting affairs, and accounting person-in-charge (General Manager of Financial Management Department).

III. The original copies of the documents and announcements of the Company published in the newspapers stipulated by the China Securities Regulatory Commission during the Reporting Period.

IV. The English and Chinese versions of the 2017 interim reports of the Company published on the website of the Hong Kong Stock Exchange.

Wang Hong

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

September 2017

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**Driving new value Moving the world**

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