**CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD.**
**中國國際海運集裝箱（集團）股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(A Share Stock Code: 000039)**
**(H Share Stock Code: 2039)**

# RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015 (SUMMARY OF THE 2015 INTERIM REPORT)

## 1 IMPORTANT NOTICE

**1.1** The Board of Directors (the "**Board**") of China International Marine Containers (Group) Co., Ltd. (the "**Company**" or "**CIMC**"), the Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant that there are no material omissions from, or misrepresentation or misleading statements contained in this announcement, and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this summary of the interim report of the Group for the six months ended 30 June 2015 (the "**2015 Interim Report**"). This results announcement (the "**Announcement**") is extracted from the 2015 Interim Report and is published on the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.cimc.com). The full version of the 2015 Interim Report will be posted on the above websites in due course.

**1.2** The Announcement has been approved at the 13th meeting of the seventh session of the Board in 2015 (the "**Meeting**"). All Directors warrant, and there is no dissenting opinion as to, the truthfulness, accuracy and completeness of the Announcement. All of the eight Directors of the Company have attended the Meeting.

**1.3** The financial statements of the Company and its subsidiaries (the "**Group**") have been prepared in accordance with China Accounting Standards for Business Enterprises ("**CASBE**"). The interim financial statements and notes (the "**Interim Financial Report**") of the Group for the six months ended 30 June 2015 prepared in accordance with CASBE have not been audited. The reporting period (the "**Reporting Period**" or the "**current period**") refers to the six months starting from 1 January 2015 and ending on 30 June 2015.

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

**1.5** Mr. Li Jianhong, Chairman of the Board, Mr. Mai Boliang, President of the Company, and Mr. Jin Jianlong, General Manager of the Financial Management Department of the Company, warrant the truthfulness and completeness of the Interim Financial Report in the Announcement.

1.6 The Board does not propose to declare the interim dividend for the period ended 30 June 2015 (the same period of 2014: Nil) at the Meeting.

1.7 In the Announcement, A share(s) refers to the domestic ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Shenzhen Stock Exchange and traded in RMB, and H share(s) refers to the overseas-listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and traded in Hong Kong dollars.

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

## 2 BASIC INFORMATION OF THE COMPANY

### 2.1 Basic Information

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

### 2.2 Contact Persons and Means of Communication

| | **Yu Yuqun**<br>Secretary to the Board, Company Secretary | **Wang Xinjiu**<br>Representative of Securities Affairs | **Shen Yang**<br>Assistant Company Secretary |
|---|---|---|---|
| Telephone: | (86 755) 2669 1130 | (86 755) 2680 2706 | (852) 2232 7318 |
| Facsimile: | (86 755) 2682 6579 | (86 755) 2681 3950 | (852) 2805 1835 |
| Email Address: | shareholder@cimc.com | | |

| | |
|---|---|
| Contact Address in mainland China: | CIMC R&D Centre, 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong, PRC (Postal code: 518067) |
| Contact Address in Hong Kong: | 3101-2 Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong |

## 2.3 Other Basic Information

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

# 3 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

## 3.1 Key Accounting Data Prepared in Accordance with CASBE

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

*Unit: RMB thousand*

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

*Unit: RMB thousand*

| | **As at the end of the Reporting Period (30 June 2015) (unaudited)** | As at the end of previous year (31 December 2014) (audited) | Changes from the end of previous year to the end of the Reporting Period (%) |
|---|---|---|---|
| Total current assets | **47,540,126** | 45,172,177 | 5.24% |
| Total non-current assets | **48,053,365** | 42,604,004 | 12.79% |
| Total assets | **95,593,491** | 87,776,181 | 8.91% |
| Total current liabilities | **51,085,383** | 43,340,077 | 17.87% |
| Total non-current liabilities | **14,277,238** | 17,153,989 | (16.77)% |
| Total liabilities | **65,362,621** | 60,494,066 | 8.05% |
| Shareholders' equity | **30,230,870** | 27,282,115 | 10.81% |
| Attributable to: | | | |
| Shareholders of the parent company | **25,096,672** | 22,290,314 | 12.59% |
| Minority interests | **5,134,198** | 4,991,801 | 2.85% |
| Share capital (thousand shares) | **2,687,085** | 2,672,629 | 0.54% |

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

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

## 3.2 Key Financial Indicators

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

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

### 3.3 Non-recurring Profit or Loss Items and Amounts

*Unit: RMB thousand*

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

*Note:* Aforesaid non-recurring profit or loss was presented at amount before taxation.

***Basis for preparation of statement of non-recurring profit or loss***

Under the requirements in Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-Recurring Profit or Loss [2008] from China Securities Regulatory Commission (the "**CSRC**"), non-recurring profit or loss refers to those 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 recur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of an enterprise.

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

☐ Applicable √ Not applicable

## 4 SHAREHOLDINGS

### 4.1 Number of Shareholders

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

Based on the public information available to the Company and as far as the Directors were aware, the minimum public float of the Company as at 30 June 2015 satisfied the requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Hong Kong Listing Rules**").

## 4.2 Disclosure of Shareholdings of the Substantial Shareholders and Other Persons under the Securities and Futures Ordinance (the "SFO") of Hong Kong

As far as the Directors were aware, as at 30 June 2015, the persons (other than a Director, Supervisor or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which are required to be recorded in the register of interests in shares and short positions required to be kept by the Company pursuant to Section 336 of the SFO of Hong Kong are as follows:

| Name of shareholder | Type of shares held | Number of shares *(shares)* | Capacity | Percentage of such shares in the same class of the issued share capital *(%)* | Percentage of total issued share capital *(%)* |
|---|---|---|---|---|---|
| China Merchants Group Limited ("**CM Group**")[1] | H Shares | 679,927,917 (L) | Interest of Corporation Controlled by the Substantial Shareholder | 47.53 | 25.30 |
| China Ocean Shipping (Group) Company ("**COSCO**")[2] | A Shares | 432,171,843 (L) | Interest of Corporation Controlled by the Substantial Shareholder | 34.39 | 16.08 |
| | H Shares | 173,642,143 (L) | Interest of Corporation Controlled by the Substantial Shareholder | 12.14 | 6.46 |
| Hony Capital Management Limited[3] | H Shares | 137,255,434 (L) | Interest of Corporation Controlled by the Substantial Shareholder | 9.60 | 5.11 |
| Templeton Asset Management Ltd. | H Shares | 114,137,686 (L) | Investment Manager | 7.98 | 4.25 |

(L) Long Position

*Note 1:* CM Group, through various subsidiaries, had an interest in the H shares of the Company, all the 679,927,917 H shares (long position) were held in the capacity as interest of corporation controlled by the substantial shareholder.

*Note 2:* COSCO, through various subsidiaries, had an interest in the A shares and H shares of the Company, all the 432,171,843 A shares (long position) and 173,642,143 H Shares (long position) were held in the capacity as interest of corporation controlled by the substantial shareholder.

*Note 3:* Hony Capital Management Limited, through various subsidiaries, had an interest in the H shares of the Company, all the 137,255,434 H shares (long position) were held in the capacity as interest of corporation controlled by the substantial shareholder.

As at 30 June 2015, as far as the Directors were aware, save as disclosed above, no other person (other than a Director, Supervisor or chief executive of the Company) had any interest or short position in the shares of the Company recorded in the register of interests in shares and short positions required to be kept by the Company pursuant to Section 336 of the SFO of Hong Kong.

## 4.3 Information on Substantial Shareholders, Controlling Shareholders and the De Facto Controller

### *4.3.1 Change of Controlling Shareholders during the Reporting Period*

There is no Controlling Shareholder of the Company, no change during the Reporting Period.

#### 4.3.2 *Change of the De Facto Controller during the Reporting Period*

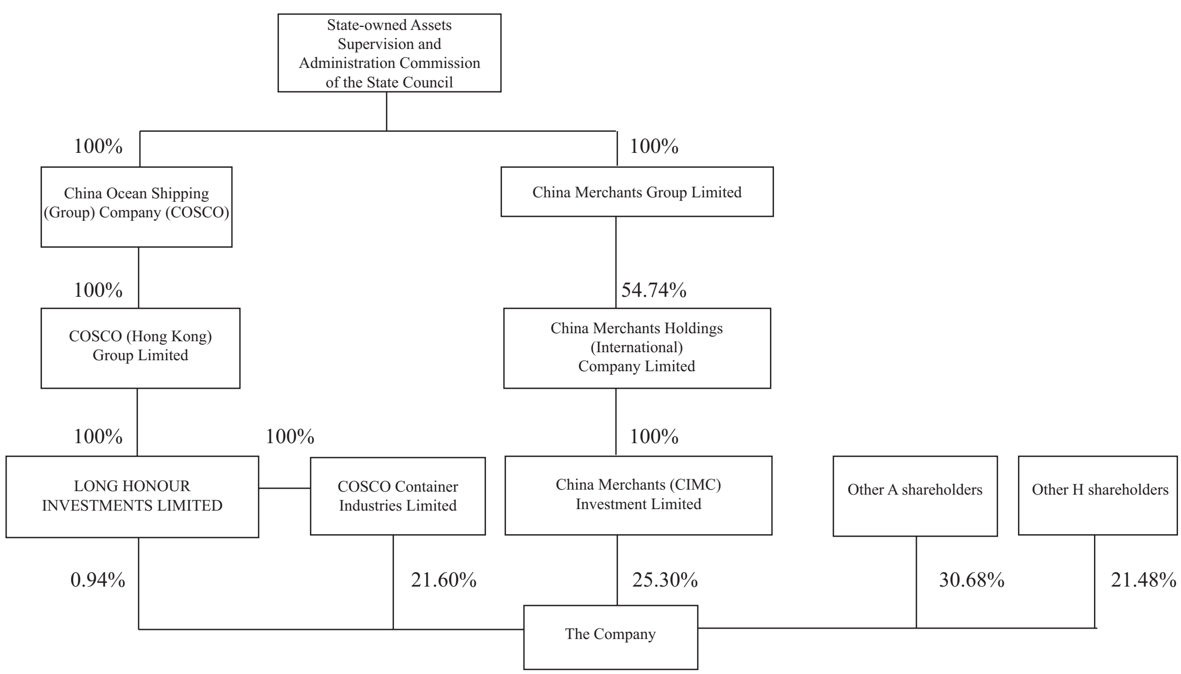
There is no de facto controller of the Company, no change during the Reporting Period.

#### 4.3.3 *Substantial Shareholders*

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

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

#### 4.3.4 *Shareholding Relationships between the Company and the Substantial Shareholders as at 30 June 2015*



## 5 MANAGEMENT DISCUSSION AND ANALYSIS

### 5.1 Overview of Operating Results during the Reporting Period

In the first half of 2015, the global economy maintained low growth, and its recovery was slow with differentiation. Affected by the factors such as low oil prices, strong U.S. dollars and the implementation of quantitative easing monetary policies by the European central bank, the U.S. economy achieved good growth; the economy in the Eurozone held stable; the economy in Japan rallied slightly amidst the recession, and the growth of emerging countries continued to slow down. The economy in China stepped into a "new normal" with restructuring. The real economy faced downside pressure. In the first half of this year, both the revenue and net profit of the Group rose as compared with the same period of previous year. Among its principal businesses, the profit of the container manufacturing business and the road transportation vehicle business increased significantly; the logistics service business maintained constant growth; the profit of the energy, chemical and liquid food equipment business and the offshore engineering business declined. During the Reporting Period, the Group's revenue amounted to RMB32,637.289 million (same period in 2014: RMB32,046.128 million), and its net profit attributable to shareholders of the parent company amounted to RMB1,518.195 million (same period in 2014: RMB1,035.029 million), representing a year-on-year increase of 1.84% and 46.68% respectively.

### 5.2 Review of Principal Businesses during the Reporting Period

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

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

***Container Manufacturing Business***

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

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

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

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

In the first half of this year, the Group finally won the anti-dumping and countervailing investigation case filed by the U.S. against its containers after one year's efforts. In May 2014, the U.S. Department of Commerce initiated anti-dumping and anti-subsidy investigations (**the** "**AD and CVD Investigations**") on 53-foot dry cargo containers (the "**53-foot Containers**") imported from China. Under the Group's active responding and multilateral efforts, the U.S. International Trade Commission concluded that the products exported to the U.S. from China have not resulted in significant retard or substantial damage on the establishment of the U.S. domestic industry in the final judgement of industrial damage of 53-foot Containers imported from China (including from the Group) on 19 May 2015. Accordingly, the U.S. Customs will not impose anti-dumping and countervailing duties on 53-foot Containers imported from China. The verdict of the U.S. International Trade Commission will be in favour of the normal sales of the Group's 53-foot Containers in the U.S. market. For more details, please refer to the announcement published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 20 May 2015, and the announcements disclosed in China Securities Journal, Shanghai Securities News, Securities Times, Cninfo website (www.cninfo.com.cn) and the Company's website (www.cimc.com) ([CIMC] 2015-033) on 21 May 2015. Furthermore, the Group (as a plaintiff) won the case of a seven-year's dispute over a patent infringement on the APC transport platform for its inland North American containers. Upholding the value of respecting the intellectual property rights and industry rules, the Group safeguarded its legal rights and interests, which was also beneficial to improve the industry environment and the sustainable development of the container industry.

***Road Transportation Vehicle Business***

In respect of the road transportation vehicle business, the Group has established different product lines for special vehicles consisting of 10 series and more than 1,000 models, including container semi-trailers, flatbed/staked-side semi-trailers, low-flatbed semi-trailers, vehicle loaded semi-trailers, stake trucks, van trucks, tank trucks, dump trucks, sanitation trucks and special vehicles. These products cover major domestic and international markets.

In the first half of 2015, under the pressure from the national energy restructuring and the environmental protection requirement, the demand of the domestic coal market remained low; the steel industry suffered from a serious overcapacity; and the growth rate of investments on fixed assets; such as real estate and infrastructure construction, slowed down. The domestic demand for special vehicles slumped with a drop of nearly 20% in the sales of logistics semi-trailers and a drop of nearly 70% in that of construction vehicles year on year. In respect of the overseas markets, in North America, the increased demand in the freight transport logistics spurred a substantial growth in the demand for special vehicles; in emerging markets, the demand was huge in spite of differentiated economies. With the launch of the "One Belt and One Road" project, the emerging market business of the road transportation vehicle business of the Group maintained a steady growth, and the expansion in key markets was in smooth progress.

During the Reporting Period, the Group's road transportation vehicle business achieved sales of 59,491 units (same period in 2014: 57,176 units), representing a year-on-year increase of 4.05%. It recorded revenue of RMB6,682.115 million (same period in 2014: RMB7,144.948 million, excluding the heavy truck business), representing a year-on-year decrease of 6.48%, and achieved net profit of RMB318.726 million (same period in 2014: RMB225.726 million, excluding the heavy truck business), representing a year on-year increase of 41.20%. The increase in net profit was mainly attributable to the increase in the operating gross profit margin as compared with the same period of previous year driven by the business growth in the North American market.

In the first half of this year, the Group's road transportation vehicle business continued promoting the global operation management steadily, strived to enhance the operational efficiency of assets of each business unit and the corporate profitability, and focused on the investment and development of the incremental business and the innovation business of each business unit.

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

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

***Energy, Chemical and Liquid Food Equipment Business***

The Group's subsidiary CIMC Enric Holdings Limited ("**CIMC Enric**") is principally engaged in design, development, manufacturing, engineering and sales of various transportation, storage and processing equipment widely used in three sectors, namely energy, chemical and liquid food, as well as provision of relevant technical and maintenance services. Its energy and chemical equipment products and services are supplied throughout China and are exported to Southeast Asia, Europe and North and South Americas; and from its production base in Europe, its liquid food equipment products and services are offered worldwide.

In the first half of 2015, the substantial fall in the international oil price narrowed the price advantage of natural gas as an alternative fuel, and as a result, the progress of "oil to gas" projects in China slowed down. Affected by the factors above, the market demand for natural gas equipment of the Group fell significantly. The demand for special tank containers increased, while the sales of standard tank containers declined. The orders and sales of liquid food equipment were steady, while affected by the depreciation of Euro, the settlement currency, against RMB, its turnover recorded a slight decrease.

During the Reporting Period, the energy, chemical and liquid food equipment business of the Group recorded revenue of RMB4,774.432 million (same period in 2014: RMB5,827.260 million), representing a year-on-year decrease of 18.07%. The net profit was RMB259.454 million (same period in 2014: RMB488.940 million), representing a year-on-year decrease of 46.94%. The revenue from the energy equipment business of CIMC Enric was RMB1,669.285 million (same period in 2014: RMB2,335.341 million), representing a year-on-year decrease of 28.52%; the revenue from the chemical equipment business was RMB1,515.438 million (same period in 2014: RMB1,658.419 million (restated)), representing a year-on-year decrease of 8.62%; and the revenue from the liquid food equipment business was RMB978.326 million (same period in 2014: RMB1,026.593 million (restated)), representing a year-on-year decrease of 4.70%.

Under the unfavourable market environment, CIMC Enric kept providing its customers with quality products and services, and by virtue of its advanced R&D capability, conducted the R&D of new products and projects to expand business opportunities and satisfy the demands of its customers.

In the first half of this year, the energy equipment segment of CIMC Enric has succeeded in several R&D projects including LNG tanks with a capacity of 30,000 $m^3$, LNG gas stations in compliance with the American standards, CNG high pressure cylinder trailers, high pressure hydrogen storage cylinders and large-scale process compressors, of which some new products have been launched to market. In addition, the R&D project of LNG water application equipment was in progress and will be continued in the second half of this year. At the same time, CIMC Enric actively carried out the R&D of equipment for different energies (such as fuel tanks for nuclear energy and wellhead gas equipment) and various LPG equipment which could satisfy the demands of international markets. The chemical segment of CIMC Enric has completed the R&D of different types of tank containers including 20 feet ISO tank containers (gross weight: 39 tonnes) and mobile underpan tank containers with transition structures, and was planning to launch more types of special and high-end tank containers in the domestic and international markets. The liquid food equipment segment of CIMC Enric was committed to the R&D of the turnkey system for brewery as requested. By virtue of the advanced brewing technology of Ziemann and the low production costs in China, it also emphasised the development of brewing equipment specially designed for the Chinese market. The liquid food equipment segment of CIMC Enric has become a solution provider of comprehensive turnkey projects for beer makers and other liquid food manufacturers upon integrating some of the assets acquired from Ziemann Group and will further expand its business into the high-end product (such as pharmaceutical products and biochemical products) markets.

***Offshore Engineering Business***

The Group is one of the leading contractors of high-end offshore engineering equipment in China and has been participating in the competition of the international market of offshore engineering business all the time. The Group's offshore engineering business is mainly operated by CIMC Raffles Offshore (Singapore) Limited ("**CIMC Raffles**") and its subsidiaries. Our main products include jack-up drilling platforms, semi-submersible drilling platforms, and auxiliary vessels for offshore engineering projects.

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

During the Reporting Period, the offshore engineering business of the Group recorded sales revenue of RMB5,043.275 million (same period in 2014: RMB5,665.789 million), representing a year-on-year decrease of 10.99%. Besides, the Group achieved net profit of RMB18.658 million (same period in 2014: RMB49.467 million), representing a year-on-year decrease of 62.28%. The decrease in revenue and net profit was mainly due to the decrease in business volume of the offshore engineering segment as the offshore engineering market, affected by the sharp fall of the international oil price since September previous year, entered into a stage of adjustment.

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

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

***Logistics Service Business***

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

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

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

In the first half of this year, the business lines proactively expanded new businesses underpinned by strengthening internal integration and reinforcing existing businesses to create a CIMC logistics ecosystem: (1) In respect of the container services business: including the ship loan business for containers and the full-life cycle business for containers. In the first half of this year, such business line strengthened internal integration. Meanwhile, following the national strategy of the "Yangtze River Economic Belt", it carried out the route operations along the coasts and the rivers, and developed the cross-border logistics service capability based on the Yangtze River water transportation, water-railway collaborated transportation, and river-railway collaborated transportation; under the concept of "Internet plus", it actively explored the transformation of its business model, and aimed to create a cloud platform of business services through relying on the Group's strength and customer resources. (2) In respect of the integrated logistics business: it took advantage of the port logistics resources, focused on the industries with large scales and broad development prospects, such as feed and fruit markets, improved the entire industry chain with the integration of international procurement, logistics, finance, equipment, distribution processing and sales, and finally achieved profits for multiple-segments. It provided customised and professional logistics services for agricultural products and expanded the logistics products in the domestic field for fast moving consumer goods. Based on the Tianjin free trade zone, it carried out the cross-border e-commerce business. (3) In respect of the project logistics business: by taking advantage of the core resources on semi-submersible vessels, it continued to follow up the modular transportation project of liquefied natural gas of YAMAL, the largest natural gas project in the world; by capitalising on the superior advantage of Zhenhua Logistics Group Co., Ltd., it developed the strategic distribution along the African countries under the "One Belt and One Road" strategy; it acquired Sino-Worlink (Beijing) International Logistics Co., Ltd. to enhance the capacity in railway transportation and to expand business opportunities in the fast passage on the Eurasian continental bridge. (4) In respect of the supply chain logistics business: on the basis of the overall business model of "manufacture + service + finance", it developed the logistics value-added services. It followed the favourable national policies of development of e-commerce, foreign trade and free trade zones, expanded customers and overseas logistics networks, and explored the overseas direct mails, overseas bonded warehouses, platform operations, cross-border e-commerce flow full supervision and other cross-border e-commerce business models. (5) In respect of the equipment logistics business: it carried out the pallet manufacturing and leasing business, and consolidated the advantages in standardised pallet manufacturing areas. It also explored the railway logistics equipment demand space. It took advantages of integrated logistics solutions of "manufacture + service", and developed exports of the parts and components of commercial vehicles and automobiles to the Middle East, Southeast Asia and other regions. Furthermore, it innovated the business model and created "industrial e-commerce", and explored the logistics and equipment services business under the e-commerce mode of automotive parts and consumer goods to build up comprehensive, professional and standardised logistics equipment and service platforms.

***Heavy Truck Business***

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

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

In the first half of this year, by adjusting marketing functions, enriching marketing teams and using the Internet, WeChat and other means of communication, C&C Trucks increased marketing efforts, launched new U and V series products grandly, carried out more than 20 product promotion conferences, upgraded services and started provision of "smooth • fast experience" services. In the meanwhile, it made great efforts to exert the synergistic effect of the Group, develop organisational customers and strengthen expansion of international markets. During the Reporting Period, C&C Trucks completed sales of 2,162 units, and its invoiced amount was 1,561 units. Its sales revenue was RMB396.090 million and the net loss of RMB138.793 million was recorded. The loss was mainly attributable to the substantial decrease in sales and revenue as compared with the same period of last under the background of a sluggish domestic economy and the overall decrease in sales of the heavy truck industry.

***Airport Facilities Equipment Business***

The Group's airport facilities business is mainly operated by Pteris Global Ltd. ("**Pteris**"), Shenzhen CIMC-Tianda Airport Support Co., Ltd. ("**CIMC Tianda**"), Albert Ziegler Gmbh ("**Ziegler**") and its subsidiaries. The Group also integrates and achieves synergy with its subsidiary China Fire Safety Enterprise Group Limited ("**CFSE**") over the advantages of resources. The principal business mainly includes boarding bridges, automated logistics systems and ground support equipment ("**GSE**", including shuttle buses and lifting platform vehicles etc.), as well as fire trucks and other rescue vehicles and related services.

In the first half of 2015, the growth of the domestic infrastructure investment slowed down, and hence the demand for new airport equipment was reduced. However, the replacement demand for the existing equipment remained helpful to maintain steady business growth of the Group. The steady urbanisation process in China was conducive to the further development of the Group's fire and rescue vehicle business. Under the "new normal" of the Chinese economy, various businesses of the airport segment would likely experience intensified competitions, whilst the industries such as fire vehicles, automated logistics systems, and three-dimensional parking spaces would also suffer accelerated reshuffle. The Group's airport facilities business could obtain the new development room by capturing the opportunities from market changes.

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

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

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

***Real Estate Development Business***

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

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

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

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

*Financial Business*

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

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

In the first half of 2015, CIMC Financial Leasing Company strived to achieve role transformation in respect of early involvement and joint participation in industrial projects on the basis of deepening the connotation of integration of industry and finance, so as to provide the one-stop system solution of "equipment + finance" featuring with characteristics of CIMC for customers. Through diversified financial services, CIMC Financial Leasing Company expanded sales of the Group's products and improved its bargaining power, therefore helping the Group to upgrade the business models and improve the overall competitiveness. CIMC Financial Leasing Company paid high concerns to the orderly progress and implementation of the Group's strategic industries and projects while vigorously promoting the sustained growth of the vehicle, energy and other fundamental businesses. In terms of the shipping finance business, Ten CMA 9200TEU container ships were delivered successfully and were put into operation, while three MSC 8800TEU container ships were delivered successfully, marking successful achievements in the integration of internal and external resources of CIMC and the innovation of the vessels contracting business model. As for the offshore engineering finance business, two SSCV semi-submersible drilling rigs maintained an average operating efficiency of more than 90%, ranking top in the platforms leased by Petrobras. The semi-submersible drilling platform project under construction was in an orderly progress in accordance with the plan. As in the modular construction finance business, the Holiday Inn Express project of CIMC Financial Leasing Company located at the Excel Exhibition Centre in East London has been successfully completed and opened for operation. The student apartment project in Newcastle, U.K. has been successfully signed and put into construction. The Group's first self-invested modular hotel project – Hampton Inn by Hilton, Bristol Airport has finished the first phase of preparation and kicked off the second phase of construction.

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

## 5.3 Analysis on the Key Financial Data in the Reporting Period

***Revenue and profit attributable to shareholders of the parent company***

During the Reporting Period, the Group recorded revenue of RMB32,637.289 million (same period in 2014: RMB32,046.128 million) and profit attributable to shareholders of the parent company of RMB1,518.195 million (same period in 2014: RMB1,035.029 million), representing a year-on-year increase of 1.84% and 46.68%, respectively. For details, please refer to "5.2 Review of Principal Businesses during the Reporting Period" under "5 Management Discussion and Analysis" and note 6 of "10 Interim Financial Report" of the Announcement.

***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** | | | | | | |
| Containers | 12,478,632 | 10,492,465 | 15.92% | 8.46% | 6.06% | 1.90% |
| Road transportation vehicles | 6,682,115 | 5,450,520 | 18.43% | (6.48)% | (9.09)% | 2.34% |
| Energy, chemical and liquid food equipment | 4,774,432 | 3,936,992 | 17.54% | (18.07)% | (16.71)% | (1.34)% |
| Offshore engineering | 5,043,275 | 4,963,780 | 1.58% | (10.99)% | (5.41)% | (5.80)% |
| Airport facilities equipment | 883,084 | 726,250 | 17.76% | 17.63% | 13.78% | 2.78% |
| Logistic services | 4,267,810 | 3,926,775 | 7.99% | 24.61% | 33.43% | (6.08)% |
| Financial business | 825,057 | 263,627 | 68.05% | 13.12% | (52.01)% | 43.36% |
| Real estate | 238,713 | 140,211 | 41.26% | 7.99% | 31.30% | (10.43)% |
| Heavy trucks | 396,090 | 364,327 | 8.02% | – | – | – |
| Others | 692,692 | 461,811 | 33.33% | 167.95% | 404.62% | (31.27)% |
| Combined offset | (3,644,611) | (3,207,478) | – | – | – | – |
| Total | 32,637,289 | 27,519,280 | 15.68% | 1.84% | 2.42% | (0.48)% |
| **By product** | | | | | | |
| Containers | 12,478,632 | 10,492,465 | 15.92% | 8.46% | 6.06% | 1.90% |
| Road transportation vehicles | 6,682,115 | 5,450,520 | 18.43% | (6.48)% | (9.09)% | 2.34% |
| Energy, chemical and liquid food equipment | 4,774,432 | 3,936,992 | 17.54% | (18.07)% | (16.71)% | (1.34)% |
| Offshore engineering | 5,043,275 | 4,963,780 | 1.58% | (10.99)% | (5.41)% | (5.80)% |
| Airport facilities equipment | 883,084 | 726,250 | 17.76% | 17.63% | 13.78% | 2.78% |
| Logistic services | 4,267,810 | 3,926,775 | 7.99% | 24.61% | 33.43% | (6.08)% |
| Financial business | 825,057 | 263,627 | 68.05% | 13.12% | (52.01)% | 43.36% |
| Real estate | 238,713 | 140,211 | 41.26% | 7.99% | 31.30% | (10.43)% |
| Heavy trucks | 396,090 | 364,327 | 8.02% | – | – | – |
| Others | 692,692 | 461,811 | 33.33% | 167.95% | 404.62% | (31.27)% |
| Combined offset | (3,644,611) | (3,207,478) | – | – | – | – |
| Total | 32,637,289 | 27,519,280 | 15.68% | 1.84% | 2.42% | (0.48)% |

| | 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 region** | | | | | | |
| China | 12,516,030 | – | – | (2.14)% | – | – |
| Asia (excluding China) | 6,105,303 | – | – | 2.94% | – | – |
| America | 6,891,033 | – | – | 4.84% | – | – |
| Europe | 6,445,230 | – | – | 10.97% | – | – |
| Others | 679,693 | – | – | (28.03)% | – | – |
| Total | 32,637,289 | – | – | 1.84% | – | – |

***Segment Reporting***

For details of the segment reporting of the Group during the Reporting Period, please refer to note 10 of "10 Interim Financial Report" of the Announcement.

***Gross profit margin and profitability***

During the Reporting Period, the gross profit margin of the Group was 15.68%, a slight decrease of 0.48% as compared with 16.16% in the same period of previous year. Among the principal businesses, the gross profit margins of the container manufacturing business, road transportation vehicle business and airport facilities equipment business saw slight increases while the gross profit margins of the energy, chemical and liquid food equipment business, offshore engineering business and real estate business decreased due to their industrial adjustments. The gross profit margin of the financial business increased significantly, which was mainly attributable to the income from additional profit from assets for leasing vessels of CIMC Financial Leasing Company.

***Tax expense***

During the Reporting Period, the Group's income tax expense amounted to RMB425.068 million (same period in 2014: RMB(17.892) million), representing a year-on-year increase of 2,475.74%, mainly attributable to the reversal of withholding tax of the overseas enterprises which have been identified as Chinese resident enterprises for the previous period. For details, please refer to note 7 of "10 Interim Financial Report" of the Announcement.

***Technology development costs***

During the Reporting Period, the technology development costs of the Group were RMB235.006 million (same period in 2014: RMB222.954 million), representing a year-on-year growth of 5.41%.

*Profit attributable to minority shareholders*

During the Reporting Period, the Group's profit attributable to minority shareholders amounted to RMB134.215 million (same period in 2014: RMB251.090 million), representing a decrease of 46.55%, which was mainly due to a decrease in profitability of the enterprises in which the Group held minority equities during the Reporting Period as compared with that in the same period of previous year.

*Key financial data with year-on-year changes exceeding 30%*

*Unit: RMB thousand*

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

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

## 5.4 Review of Financial Resources Disclosed in accordance with the Hong Kong Listing Rules

***Liquidity and financial resources***

The Group's cash at bank and on hand primarily consist of cash and bank deposits. As at 30 June 2015, the Group's cash at bank and on hand amounted to RMB3,989.482 million (31 December 2014: RMB3,667.387 million), representing an increase of 8.78% as compared with the end of the previous year. The Group has always adopted prudent financial management policies and maintained sufficient and appropriate cash on hand to repay the bank loans falling due and ensure the business development.

During the Reporting Period, the Group recorded net cash flows from operating activities of RMB(625.453) million (same period in 2014: RMB(3,169.073) million), net cash flows from investing activities of RMB(4,915.427) million (same period in 2014: RMB(4,160.208) million) and net cash flows from financing activities of RMB6,180.113 million (same period in 2014: RMB5,887.153 million). At the end of the Reporting Period, the cash and cash equivalents held by the Group amounted to RMB3,380.034 million.

***Bank loans and other borrowings***

As at 30 June 2015, the Group's bank borrowings, debentures payable, other current liabilities (issuance of commercial papers) and other equity instruments in aggregate amounted to RMB39,969.584 million (31 December 2014: RMB33,310.268 million).

*Unit: RMB thousand*

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

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

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

The Group's issued bonds are mainly denominated in RMB, with the interest payments computed using fixed rates. As at 30 June 2015, the remaining fixed-rate bonds issued by the Group amounted to RMB4,455.972 million (31 December 2014: RMB6,455.080 million).

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

***Capital structure***

The Group's capital structure consists of equity interests attributable to shareholders and liabilities. As at 30 June 2015, the Group's equity interests attributable to shareholders amounted to RMB30,230.870 million (31 December 2014: RMB27,282.115 million), the total liabilities amounted to RMB65,362.621 million (31 December 2014: RMB60,494.066 million) and the total assets amounted to RMB95,593.491 million (31 December 2014: RMB87,776.181 million). The Group is committed to maintaining an appropriate combination of equity and debt, in order to maintain an effective capital structure and provide maximum returns for shareholders.

At the end of the Reporting Period, the Group's gearing ratio was 68.38% (31 December 2014: 68.92%), which remained relatively the same as compared with the same period of previous year. *(Note: calculation of the gearing ratio: based on the Group's total debts as at the respective dates divided by our total assets.)*

***Foreign exchange risk and relevant hedge***

The majority currency of the Group's business revenue is U.S. dollars, while most of its expenditure is made in Renminbi. As the exchange rates of Renminbi are affected by domestic and international economy and political situations, and the demand and supply of Renminbi, the Group is exposed to potential foreign exchange risk arising from the exchange rate fluctuation in RMB against other currencies, which may affect the Group's operating results and financial condition. The management of the Group has closely monitored its foreign exchange risk and taken appropriate measures to avoid foreign exchange risk.

As at 30 June 2015, the forward foreign exchange contracts of the Group mainly consisted of unsettled forward contracts denominated in U.S. dollars, the nominal value of which in aggregate amounted to approximately US$1.653 billion. The Group had other unsettled forward contracts denominated in Japanese Yen and Euro, the nominal value of which amounted to JPY1.282 billion and EUR8.880 million respectively. Pursuant to these forward contracts, the Group shall buy/sell U.S. dollars, Euro, Japanese Yen and other currencies, with contracted nominal value at agreed rates in exchange of RMB on the contract settlement dates. The forward foreign exchange contracts of the Group will be settled on a net basis by comparing the market rates on the settlement dates and the agreed rates. The settlement dates of the aforesaid forward contracts range from 1 July 2015 to 12 December 2016.

As at 30 June 2015, the Group had certain unsettled foreign exchange option contracts denominated in U.S. dollars. The nominal value of these contracts which will be matured from 1 July 2015 to 28 November 2016 amounts to approximately USD556 million. Depending on the market condition and the contract terms, the Group will decide to fulfil contractual obligations or exercise contractual rights on the settlement dates.

As at 30 June 2015, the Group had certain unsettled currency swap contracts which swapped Canadian dollars for U.S. dollars. The initial nominal value of these contracts which will be matured from 1 July 2019 to 1 September 2019 amounts to approximately CAD11.23 million. The Group will swap such Canadian dollars for U.S. dollars on the settlement dates pursuant to the contract terms.

***Interest rate risk***

The Group is exposed to the market interest rate change risk relating to its interest-bearing bank loans and other borrowings. To minimise the impact of interest rate risk, the Group entered into interest rate swap contracts with certain banks. As at 30 June 2015, the Group had certain unsettled interest rate swap contracts denominated in U.S. dollars. The initial nominal value of these contracts which will be matured from 28 April 2017 to 1 March 2020 amounts to approximately USD129 million. As at 30 June 2015, the interest rate swap contracts of the Group with fair values of RMB18.992 million were included in financial liabilities at fair value through profit or loss as derivative financial liabilities. Transaction costs on realisation have not been considered when calculating the fair values.

***Credit risk***

The Group's credit risk is primarily attributable to cash at bank and on hand, receivables and derivative financial instruments entered into for hedging purposes. Exposure to these credit risks are monitored by the management on an ongoing basis.

***Pledge of assets***

As at 30 June 2015, the restricted assets of the Group totally amounted to RMB983.724 million (31 December 2014: RMB998.522 million).

***Capital commitments***

As at 30 June 2015, the Group had capital commitments of approximately RMB671.010 million (31 December 2014: RMB696.316 million), which were mainly used for manufacturing vessels for sale or rent and performing outward investment contracts.

***Contingent liability***

As at 30 June 2015, the Group had contingent liabilities of RMB54.656 million (31 December 2014: RMB54.704 million), mainly representing the amount of the compensation for delivery postponement from contracted delivery date to future estimated actual delivery date that CIMC Raffles may need to assume under the vessel construction contracts and vessel leasing contracts entered into by CIMC Raffles and relevant purchasers. For details, please refer to note 13 of "10 Interim Financial Report" of the Announcement.

***Significant investments and major acquisitions and sales relating to subsidiaries and associated companies***

During the Reporting Period, the Group completed the acquisition of respective 50% shares of Sino-Worlink (Beijing) Investment Co., Ltd. and Sino-Worlink (Hong Kong) International Logistics Co., Ltd., at a total consideration of RMB105 million.

***Future plans for significant investments and expected source of funding***

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

### *Capital expenditure and financing plan*

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

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

### *Employees, training and development*

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

The Group provides salary and bonus payment to its employees based on their performance, qualification, experience and market conditions. The share option scheme aims to recognise the previous contribution of Directors and core employees to the Group and reward them for their long-term services. Other benefits include contribution to the governmental pension schemes and insurance plans for employees in mainland China. The Group regularly reviews its remuneration policies, including Directors' remuneration payable, and strives to formulate an improved incentive and assessment mechanism based on the operating results of the Group and market conditions.

### *Share capital*

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

| | Par value per share | Number of shares issued | Percentage (%) |
|---|---|---|---|
| A shares | RMB1.00 | 1,256,604,507 | 46.76% |
| H shares | RMB1.00 | 1,430,480,509 | 53.24% |
| Total | | 2,687,085,016 | 100.00% |

*Events after the balance sheet date*

For details about the events after the balance sheet date of the Reporting Period, please refer to note 16 of "10 Interim Financial Report" of the Announcement.

*Disclosure under the Hong Kong Listing Rules*

In accordance with paragraph 46 of Appendix 16 of the Hong Kong Listing Rules, the Company confirms that, save as disclosed herein, there has been no material change in the current information regarding the Company from the information disclosed in the 2014 annual report of the Company.

## 5.5 Prospects and Initiatives

### 5.5.1 Industry Development Trends and Market Outlook in the Second Half of This Year

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

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

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

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

**In respect of the offshore engineering business,** in the second half of 2015, the international oil prices are expected to continue to remain low. The businesses of oil service companies will be affected, leading to an industry reshuffle. The global offshore equipment industry will continue the downturn in the first half of this year. In addition, after the peak of new orders for jack-up drilling platforms several years ago, it is expected that more than 100 jack-up drilling platforms would be delivered in the course of this year and next, further exacerbating the oversupply of the platforms, and imposing pressure on semi-submersible drilling platforms. It is expected that there would be a further decline in new orders and the whole market will be under huge pressure. However, in a medium and long term, driven by the energy demands in the emerging economies, the supply gap of global oil and gas remain large, and retiring platforms increase continuingly, thus the global offshore engineering market is expected to see gradual recovery in respect of supply and demand balance.

**In respect of the logistics services business,** in the second half of this year, under the guidance of "One Belt and One Road", "Integration of Beijing, Tianjin and Hebei," "Yangtze River Economic Belt" and other national strategies, as the economy of China holds stable, the logistics industry will maintain its development momentum of "slowing growth and structural adjustment". Under the pattern of low price volatility, a strategy of quality and effectiveness improvement will be put in place for the transportation, storage and management links of logistics services to respond to the overall situation of continuously slow growth of the total social logistics costs.

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

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

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

**In respect of the financial business,** in the second half of this year, it is expected that the domestic finance lease industry would keep forging ahead. Due to the intensifying competition of the industry, its level of profitability will decrease. In the meantime, the real economy of the PRC may remain sluggish and CIMCVL will be exposed to the increasing credit risk of its customers. For the international market, it is expected that the U.S. Federal Reserve would raise interest rates, which will bring relatively significant effects to the large financing projects denominated in US dollars. Also, the exchange rate reform of RMB will keep moving towards market oriented approach, and thus the risk of exchange rate fluctuation of RMB will increase.

### *5.5.2 Major Risk Factors of the Group*

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

(1) The global economy will still suffer slow recovery with slow growth and low trade flow. China's economy has entered into a stage of "new normal" which requires restructuring. The demand growth has slowed down while exports are also in a stage of slowing growth and structural transformation with relatively short demands. Meanwhile, certain industries will suffer over-capacities with low utilisation rates, imposing large pressure on competitions and facing risks in respect of declines of profit margins.

(2) Costs will continue to rise sharply due to mid-to-long term challenges including a decreasing demographic dividend and the requirements on low carbon, environmental protection, energy conservation and emission reduction. Costs of various resources such as land and warehouse and distribution facilities will also rise constantly. The costs together will further squeeze profit margins of the real economy. In the future, the automation with robots as the representative is becoming a key aspect of upgrade of the manufacturing industry in the future, therefore, the Chinese manufacturing industry is generally confronted with adjustments and changes in the employment structure.

(3) RMB exchange rate will be exposed to great fluctuation risks due to various changing factors and great volatility in the global financial market.

(4) The offshore engineering equipment industry has investment risks as it calls for large investments and long development cycles. New orders placed by major customers may decrease dramatically as international oil prices may remain low for a long period of time.

### *5.5.3 Overall Operation Targets for Business Development and Initiatives of the Group in the Second Half of 2015*

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

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

**In respect of the road transportation vehicle business,** in the second half of this year, the Group will continue to strive for comprehensively improving the core competencies of global operations: improving the modular core product platform to fully enhance the cross-border design capacity; bringing Made-in-China advantages into full play to increase the transatlantic manufacturing capacity;

re-creating the new business development plan of “One Belt and One Road”; building the globally financial service support system. The Group will also develop new businesses: expanding weak markets in China to support the rapid growth of incremental products; deploying new factories in the North American market to expand markets for dry cargo van trucks and maritime skeleton trucks; emphasising the regional market layout in emerging markets following China’s “One Road and One Belt” strategy.

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

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

**In respect of the logistics services business,** the overall business objective is to achieve high-quality growth. Main measures in the second half of this year include: to implement the division management mechanism with unified marketing and management, so as to form an efficient and compliant business platform, and to achieve the management linkage between the logistics service business and member enterprises, in order to promote profound collaboration within segments; to continue to improve the network distribution at home and abroad and construct a logistics ecosystem with CIMC characteristics under the guidance of the state’s strategies; to put efforts on innovation based on the “Internet plus” pattern and extend toward the upper section of the industrial chain for development of the cross-border logistics business, while exploring new operational types such as the cross-border e-commerce model and multimodal transport to promote the transformation of traditional logistics under the new business models; to continue to promote the informationisation construction, and impel the disposal of inefficient assets to improve the operation efficiency.

**In respect of the heavy truck business,** in the second half of this year, the Group will effectively implement the action plan of the annual internal control construction objective, and link our Group to improve the ONE model of lean management. It will continue to promote new U and V series products, strive to get more customer orders by launching the “smooth • fast experience” service, accelerate efforts to promote intra-group synergies, and actively carry out the strategic cooperation with vehicles businesses within the Group.

**In respect of the airport facilities equipment business,** in the second half of this year, the Group will implement operating measures according to its strategic planning established: in terms of the airport facilities equipment boarding bridges business, the Group will continue to promote internationalisation and accelerate technological certification and the bridge equipment business; in terms of the airport GSE business, the Group will proactively boost integration, improve its internal control structure, and step up to utilise the new base in North China to enhance the production efficiency; in terms of the automation business, the Group will penetrate into its key industries and increase professionalism to boost outward cooperation in technologies or business acquisitions; in terms of the fire rescue vehicle business, the Group will accelerate the integration of Ziegler and CFSE to quicken distribution of its domestic businesses and marketing; in terms of the stereo garage business, the Group will further optimise its internal environment to reduce costs and increase its efforts on product promotion in key industries to improve sales channels.

**In respect of the real estate development business,** in the second half of this year, the Group will operate the capital in a multi-level, multi-channel and all-dimensional way to address the bottleneck of the development funds; to insist the strategy of "industry and city integration, collaborative breakthrough, regional focus, continuous and intensive development" to guarantee the land reserve for the next three years' development; to strengthen team building and corporate culture development in order to create a strong performance-oriented corporate culture and build an efficient, professional and passionate team; to focus on improving the planning, investment invitation and operational service capabilities of industrial estate to establish an industrial estate business model; to promote the internal management, enhance the implementation of processes and improve the operational management standard and the decision-making efficiency of plans so as to build an operating strategy with high turnover and strict cost controls.

**In respect of the financial business,** in the second half of this year, CIMC Financial Leasing Company will step up efforts on promotion and marketing, continue to enhance its risk management policies comprehensively, promote sustained growth of the fundamental businesses such as vehicles and energy and chemical, strengthen effective tracking and implementation of strategic industries and projects of the Group such as offshore engineering and modular construction, optimise the assets portfolio strategies with various financial means and focus on implementation of the strategy of coordination of industry and finance of "CIMC manufacture + CIMC finance" and innovation of the business model to enhance the overall competitiveness of the Group. CIMC Finance Company will continuingly promote centralised capital management, further enhance its capability in financial services on the basis of centralised management of global capital of the Group, conduct proactive coordination in respect of the Group's management of assets and liabilities, and increase the Group's assets turnover efficiency to deepen integration of industry and finance and integration of different finance.

## 6 REPURCHASE, SALE OR REDEMPTION OF SHARES

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

## 7 COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

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

## 8 COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to raising the standard of corporate governance within the Group at all times and believes that good corporate governance helps the Group to safeguard the interests of the Shareholders and improve its business performance.

The Company has complied with the code provisions under the Corporate Governance Code set out in Appendix 14 of the Hong Kong Listing Rules during the Reporting Period, except for slightly deviation from Article A.2.7 of code provisions. Deviations from relevant code provisions as set out in 2014 annual report of the Company have been partly improved. Deviations and its improvements have been disclosed in relevant paragraphs below.

### 8.1 The Board and its Operation

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

### 8.2 The Operation of the Supervisory Committee

During the Reporting Period, 3 meetings of the Seventh Session of the Supervisory Committee of the Company were held with 7 resolutions reviewed and 1 event considered. The Supervisors were in attendance at 10 meetings of the Board and attended 2 shareholders' general meetings.

### 8.3 The Shareholders' General Meeting

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

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

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

**8.4 Updates regarding to Deviations from Code Provisions as set out in 2014 Annual Report of the Group**

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

## 9 AUDIT COMMITTEE

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

## 10 INTERIM FINANCIAL REPORT

**10.1 Auditing Opinion**

√ Unaudited ☐ Audited

**10.2 Explanation for Changes in Accounting Policy, Accounting Estimates and Calculation Method as Compared with those for the Financial Report of the Previous Year**

☐ Applicable √ Not applicable

**10.3 Contents, Amount Corrected, Reason and Impact of Material Accounting Errors during the Report Period**

☐ Applicable √ Not applicable

**10.4 Explanation for Change in Consolidated Scope Compared with the Financial Report of the Previous Year**

Entities newly included in and excluded from the scope of consolidation for the current period:

(1) There were 8 subsidiaries newly included in the scope of consolidation for the current period, including Sino-Worlink (Beijing) International Logistics Co., Ltd.

(2) There was no significant subsidiary, special purpose entity or operating entity that having control through entrusted management or leasing that excluded from the scope of consolidation for the current period.

**10.5 Statements of the Board and the Supervisory Committee on the "Non-Standard Auditing Report" issued by the Accountant**

☐ Applicable √ Not applicable

## 10.6 Financial Statements Prepared in Accordance with CASBE

### *10.6.1 Consolidated Balance Sheet (unaudited)*

*Unit: RMB thousand*

| Item | *Note* | **30 June 2015** | 31 December 2014 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets:** | | | |
| Cash at bank and on hand | | **3,989,482** | 3,667,387 |
| Financial assets at fair value through profit or loss | | **242,877** | 427,669 |
| Notes receivable | | **1,136,808** | 1,591,694 |
| Accounts receivable | *3* | **12,778,123** | 11,480,465 |
| Advances to suppliers | | **3,389,329** | 5,223,351 |
| Interest receivable | | **1,983** | 3,968 |
| Dividends receivable | | **12,605** | 10,427 |
| Other receivables | | **2,827,226** | 2,574,975 |
| Inventories | | **19,498,338** | 16,773,431 |
| Current portion of non-current assets | | **2,475,516** | 2,388,975 |
| Other current assets | | **1,187,839** | 1,029,835 |
| **Total current assets** | | **47,540,126** | 45,172,177 |
| **Non-current assets:** | | | |
| Financial assets at fair value through profit or loss | | **15,452** | – |
| Available-for-sale financial assets | | **393,824** | 396,025 |
| Long-term receivables | | **5,563,364** | 3,449,542 |
| Long-term equity investments | | **1,468,367** | 1,165,674 |
| Investment properties | | **385,026** | 365,555 |
| Fixed assets | | **19,009,283** | 19,051,137 |
| Construction in progress | | **13,232,558** | 10,460,940 |
| Intangible assets | | **4,439,199** | 4,355,832 |
| Development expenditure | | **90,249** | 41,705 |
| Goodwill | | **1,676,574** | 1,663,747 |
| Long-term prepaid expenses | | **178,327** | 194,163 |
| Deferred tax assets | | **1,193,898** | 1,117,744 |
| Other non-current assets | | **407,244** | 341,940 |
| **Total non-current assets** | | **48,053,365** | 42,604,004 |
| **Total assets** | | **95,593,491** | 87,776,181 |

*10.6.1 Consolidated Balance Sheet (unaudited) (Continued)*

*Unit: RMB thousand*

| Item | *Note* | **30 June 2015** | 31 December 2014 |
|---|---|---|---|
| **Liabilities and shareholders' equity** | | | |
| **Current liabilities:** | | | |
| Short-term borrowings | | **16,658,876** | 11,239,527 |
| Financial liabilities at fair value through profit or loss | | **16,402** | 103,657 |
| Notes payable | | **1,509,044** | 1,684,016 |
| Accounts payable | *4* | **10,604,888** | 11,364,903 |
| Advances from customers | | **2,970,511** | 3,054,783 |
| Employee benefits payable | | **2,354,838** | 2,306,294 |
| Taxes payable | | **542,813** | 799,775 |
| Interest payable | | **68,255** | 185,780 |
| Dividends payable | | **878,901** | 47,973 |
| Other payables | | **5,852,011** | 5,286,952 |
| Provisions | | **758,743** | 761,052 |
| Current portion of non-current liabilities | | **5,199,804** | 4,052,854 |
| Other current liabilities | | **3,670,297** | 2,452,511 |
| **Total current liabilities** | | **51,085,383** | 43,340,077 |
| **Non-current liabilities:** | | | |
| Financial liabilities at fair value through profit or loss | | **70,112** | 73,884 |
| Long-term borrowings | | **12,142,109** | 11,110,296 |
| Debentures payable | | **458,520** | 4,455,080 |
| Long-term payable | | **690,717** | 672,562 |
| Payables for specific projects | | **3,905** | 4,945 |
| Deferred tax liabilities | | **469,156** | 467,623 |
| Other non-current liabilities | | **442,719** | 369,599 |
| **Total non-current liabilities** | | **14,277,238** | 17,153,989 |
| **Total liabilities** | | **65,362,621** | 60,494,066 |
| **Shareholders' equity:** | | | |
| Share capital | | **2,687,085** | 2,672,629 |
| Capital reserve | | **863,616** | 686,506 |
| Other equity instruments | | **1,981,143** | – |
| Other comprehensive income | | **(898,703)** | (847,187) |
| Surplus reserve | | **3,126,406** | 3,126,406 |
| Undistributed profits | *5* | **17,337,125** | 16,651,960 |
| **Total equity attributable to shareholders of the parent company** | | **25,096,672** | 22,290,314 |
| **Minority interests** | | **5,134,198** | 4,991,801 |
| **Total shareholders' equity** | | **30,230,870** | 27,282,115 |
| **Total liabilities and shareholders' equity** | | **95,593,491** | 87,776,181 |

### *10.6.2 Balance Sheet (unaudited)*

*Unit: RMB thousand*

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

*10.6.2 Balance Sheet (unaudited) (Continued)*

*Unit: RMB thousand*

| Item | **30 June 2015** | 31 December 2014 |
|---|---|---|
| **Liabilities and shareholders' equity** | | |
| **Current liabilities:** | | |
| Advances from customers | **62,282** | 62,282 |
| Employee benefits payable | **981,249** | 861,648 |
| Taxes payable | **8,467** | 7,311 |
| Interest payable | **24,509** | 182,624 |
| Dividends payable | **832,662** | – |
| Other payables | **8,025,049** | 6,537,219 |
| Current portion of non-current liabilities | **4,242,452** | 2,576,000 |
| **Total current liabilities** | **14,176,670** | 10,227,084 |
| **Non-current liabilities:** | | |
| Financial liabilities at fair value through profit or loss | **17,830** | 21,307 |
| Long-term borrowings | **1,595,000** | 861,000 |
| Debentures payable | **–** | 3,996,080 |
| Deferred income | **12,500** | 13,000 |
| **Total non-current liabilities** | **1,625,330** | 4,891,387 |
| **Total liabilities** | **15,802,000** | 15,118,471 |
| **Shareholders' equity:** | | |
| Share capital | **2,687,085** | 2,672,629 |
| Capital reserve | **282,569** | 129,788 |
| Other equity instruments | **1,981,143** | – |
| Other comprehensive income | **43,754** | 43,754 |
| Surplus reserve | **3,126,406** | 3,126,406 |
| Undistributed profits | **586,700** | 1,594,245 |
| **Total shareholders' equity** | **8,707,657** | 7,566,822 |
| **Total liabilities and shareholders' equity** | **24,509,657** | 22,685,293 |

*10.6.3 Consolidated Income Statement (unaudited)*

*Unit: RMB thousand*

| Item | | Note | From January to June 2015 | From January to June 2014 |
|---|---|---|---|---|
| I. | **Revenue** | *6* | **32,637,289** | 32,046,128 |
| Less: | **Cost of sales** | *6* | **27,519,280** | 26,868,640 |
| | Taxes and surcharges | | **148,211** | 168,556 |
| | Selling and distribution expenses | | **1,265,718** | 1,105,160 |
| | General and administrative expenses | | **2,219,357** | 2,080,694 |
| | Financial expenses – net | | **217,131** | 260,805 |
| | Asset impairment losses | | **135,530** | 3,282 |
| | Add: Profit/(losses) from changes in fair value | | **149,699** | (342,309) |
| | Add: Investment income/(losses) | | **744,983** | 38,128 |
| | Including: Share of investment income/(losses) in associates and joint ventures | | **159,794** | 25,163 |
| II. | **Operating profit** | | **2,026,744** | 1,254,810 |
| | Add: Non-operating income | | **82,542** | 57,473 |
| | Including: Gains on disposal of non-current assets | | **5,514** | 9,017 |
| | Less: Non-operating expenses | | **31,808** | 44,056 |
| | Including: Losses on disposal of non-current assets | | **23,891** | 35,382 |
| III. | **Total profit** | | **2,077,478** | 1,268,227 |
| | Less: Income tax expenses | *7* | **425,068** | (17,892) |
| IV. | **Net profit** | | **1,652,410** | 1,286,119 |
| | Net profit attributable to shareholders of the parent company | | **1,518,195** | 1,035,029 |
| | Minority profit/(losses) | | **134,215** | 251,090 |
| V. | **Net amount of other comprehensive income, net of income tax** | | **(63,823)** | (88,875) |
| | Net amount of other comprehensive income attributable to shareholders of the parent company, net of tax other comprehensive income to be reclassified as profit and loss | | **(51,516)** | (91,207) |
| | Changes in fair value of available-for-sale financial assets | | **(2,183)** | (80) |
| | Other comprehensive income generated by cashflow hedging tools | | **5,256** | (11,998) |
| | Differences in translation in foreign currency statements | | **(54,589)** | (79,129) |
| | Net amount of other comprehensive income attributable to minority shareholders, net of tax | | **(12,307)** | 2,332 |
| VI. | **Total comprehensive income** | | **1,588,587** | 1,197,244 |
| | Total comprehensive income attributable to shareholders of the parent company | | **1,466,679** | 943,822 |
| | Total comprehensive income attributable to minority shareholders | | **121,908** | 253,422 |
| VII. | **Earnings per share** | | | |
| | (I) Basic earnings per share (RMB) | *8* | **0.5681** | 0.3885 |
| | (II) Diluted earnings per share (RMB) | *8* | **0.5627** | 0.3845 |

*10.6.4 Income Statement (unaudited)*

*Unit: RMB thousand*

| Item | | **From January to June 2015** | From January to June 2014 |
|---|---|---|---|
| **I.** | **Revenue** | **149,885** | 159,046 |
| | Taxes and surcharges | **12,340** | 16,919 |
| | General and administrative expenses | **247,610** | 78,866 |
| | Financial expenses – net | **164,841** | 75,810 |
| | Add: Profit/(losses) from changes in fair value | **(77,854)** | (45,339) |
| | Investment income | **121,809** | 750,046 |
| **II.** | **Operating (losses)/profit** | **(230,951)** | 692,158 |
| | Add: Non-operating income | **7,334** | 173 |
| | Less: Non-operating expenses | **262** | 849 |
| | Including: Losses on disposal of non-current assets | **62** | – |
| **III.** | **Total (losses)/profit** | **(223,879)** | 691,482 |
| | Less: Income tax expenses | **(49,364)** | 6,210 |
| **IV.** | **Net (losses)/profit** | **(174,515)** | 685,272 |
| **V.** | **Effect of other comprehensive (losses)/income, net of tax** | **–** | – |
| **VI.** | **Total comprehensive income** | **(174,515)** | 685,272 |

*10.6.5 Consolidated Cash Flow Statement (unaudited)*

*Unit: RMB thousand*

| Item | | From January to June 2015 | From January to June 2014 |
|---|---|---|---|
| **I.** | **Cash flows from operating activities:** | | |
| | Cash received from sale of goods and rendering of services | **32,060,665** | 28,805,835 |
| | Refund of taxes and surcharges | **1,401,119** | 1,116,236 |
| | Other cash received relating to operating activities | **322,290** | 331,975 |
| | **Sub-total of cash inflows from operating activities** | **33,784,074** | 30,254,046 |
| | Cash paid for goods and services | **29,061,859** | 28,068,945 |
| | Cash paid to and on behalf of employees | **2,873,430** | 2,558,133 |
| | Payments of taxes and surcharges | **1,018,218** | 1,169,929 |
| | Other cash paid relating to operating activities | **1,456,020** | 1,626,112 |
| | **Sub-total of cash outflows from operating activities** | **34,409,527** | 33,423,119 |
| | **Net cash flows from operating activities** | **(625,453)** | (3,169,073) |
| **II.** | **Cash flows from investing activities:** | | |
| | Cash received from disposal of investments | **235,610** | 10,400 |
| | Cash received from return on investments | **249,658** | 111,281 |
| | Net cash received from disposal of fixed assets, intangible assets and other long-term assets | **585,899** | 49,569 |
| | Cash received from disposal of subsidiaries | **500** | 4,836 |
| | Other cash received relating to investing activities | **101,412** | 383,684 |
| | **Sub-total of cash inflows from investing activities** | **1,173,079** | 559,770 |
| | Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | **5,935,609** | 3,963,056 |
| | Cash paid to acquire investments | **152,897** | 257,314 |
| | Net cash paid for acquisition of subsidiaries | **–** | 118,532 |
| | Other cash paid relating to investing activities | **–** | 381,076 |
| | **Sub-total of cash outflows from investing activities** | **6,088,506** | 4,719,978 |
| | **Net cash flows from investing activities** | **(4,915,427)** | (4,160,208) |

*10.6.5 Consolidated Cash Flow Statement (unaudited) (Continued)*

*Unit: RMB thousand*

| Item | | From January to June 2015 | From January to June 2014 |
|---|---|---|---|
| **III.** | **Cash flows from financing activities:** | | |
| | Cash received from capital contributions | **48,785** | 67,256 |
| | Including: Cash received from capital contributions by minority shareholders of subsidiaries | **48,785** | 44,359 |
| | Cash received from borrowings | **59,806,957** | 53,566,465 |
| | Other cash received relating to financing activities | **2,150,000** | – |
| | **Sub-total of cash inflows from financing activities** | **62,005,742** | 53,633,721 |
| | Cash repayments of borrowings | **54,798,438** | 46,941,565 |
| | Cash payments for distribution of dividends or profits or interest expenses | **902,078** | 805,003 |
| | Including: Cash payments for dividends and profits to minority shareholders by subsidiaries | **148,919** | 101,124 |
| | Other cash paid relating to financing activities | **125,113** | – |
| | **Sub-total of cash outflows from financing activities** | **55,825,629** | 47,746,568 |
| | **Net cash flows from financing activities** | **6,180,113** | 5,887,153 |
| **IV.** | **Effect of foreign exchange rate changes on cash and cash equivalents** | **(17,509)** | 18,942 |
| **V.** | **Net (decrease)/increase in cash and cash equivalents** | **621,724** | (1,423,186) |
| | Add: Cash and cash equivalents at the beginning of the period | **2,758,310** | 4,181,496 |
| **VI.** | **Cash and cash equivalents at the end of the period** | **3,380,034** | 2,758,310 |

*10.6.6 Cash Flow Statement (unaudited)*

*Unit: RMB thousand*

| Item | | **From January to June 2015** | From January to June 2014 |
|---|---|---|---|
| **I.** | **Cash flows from operating activities:** | | |
| | Cash received from sales of goods and rendering of services | **136,694** | 118,329 |
| | Other cash received relating to operating activities | **9,800,681** | 5,258,265 |
| | **Sub-total of cash inflows from operating activities** | **9,937,375** | 5,376,594 |
| | Cash paid to and on behalf of employees | **52,924** | 56,732 |
| | Payments of taxes and surcharges | **23,689** | 26,312 |
| | Other cash paid relating to operating activities | **10,471,405** | 3,347,421 |
| | **Sub-total of cash outflows from operating activities** | **10,548,018** | 3,430,465 |
| | **Net cash flows from operating activities** | **(610,643)** | 1,946,129 |
| **II.** | **Cash flows from investing activities:** | | |
| | Cash received from disposal of investments | **155,458** | – |
| | Cash received from returns on investments | **118,681** | – |
| | Net cash received from disposal of fixed assets | **800** | 29 |
| | Net cash received from disposal of subsidiaries | **315,000** | – |
| | **Sub-total of cash inflows from investing activities** | **589,939** | 29 |
| | Cash paid to acquire fixed assets, intangible assets and other long-term assets | **1,453** | 3,120 |
| | Cash paid to acquire investments | **82,315** | 500,000 |
| | **Sub-total of cash outflows from operating activities** | **83,768** | 503,120 |
| | **Net cash flows from operating activities** | **506,171** | (503,091) |

*10.6.6 Cash Flow Statement (unaudited) (Continued)*

*Unit: RMB thousand*

| Item | | From January to June 2015 | From January to June 2014 |
|---|---|---|---|
| **III.** | **Cash flows from financing activities:** | | |
| | Cash received from capital contributions | **–** | 22,896 |
| | Cash received from borrowings | **795,000** | 600,000 |
| | Other cash received relating to financing activities | **2,000,000** | – |
| | **Sub-total of cash inflows from financing activities** | **2,795,000** | 622,896 |
| | Cash repayments of borrowings | **2,392,000** | 1,235,000 |
| | Cash payments for distribution of dividends or profits or interest expenses | **329,985** | 336,734 |
| | Other cash paid relating to financing activities | **30,530** | 12,187 |
| | **Sub-total of cash outflows from financing activities** | **2,752,515** | 1,583,921 |
| | **Net cash flows from financing activities** | **42,485** | (961,025) |
| **IV.** | **Effect of foreign exchange rate changes on cash and cash equivalents** | **849** | 1,609 |
| **V.** | **Net (decrease)/increase in cash and cash equivalents** | **(61,138)** | 483,622 |
| | Add: Cash and cash equivalents at the beginning of the period | **831,212** | 386,732 |
| **VI.** | **Cash and cash equivalents at the end of the period** | **770,074** | 870,354 |

## 10.6.7 *Consolidated Statement of Changes in Shareholders' Equity (unaudited)*

*Unit: RMB thousand*

**From January to June 2015 — Equity attributable to shareholders of the parent company**

| Item | Share capital | Other equity instruments | Capital surplus | Other comprehensive income | Surplus reserve | Undistributed profits | Minority interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| **I. Balance at 30 June 2014** | **2,672,629** | **–** | **686,506** | **(847,187)** | **3,126,406** | **16,651,960** | **4,991,801** | **27,282,115** |
| Add: Changes in accounting policies | – | – | – | – | – | – | – | – |
| **II. Balance at 1 January 2015** | **2,672,629** | **–** | **686,506** | **(847,187)** | **3,126,406** | **16,651,960** | **4,991,801** | **27,282,115** |
| **III. Movements for the year** | | | | | | | | |
| (I) Total comprehensive income | | | | | | | | |
| 1. Net profit | – | – | – | – | – | 1,518,195 | 134,215 | 1,652,410 |
| 2. Other comprehensive income | – | – | – | (51,516) | – | – | (12,307) | (63,823) |
| Sub-total of 1&2 | – | – | – | (51,516) | – | 1,518,195 | 121,908 | 1,588,587 |
| (II) Capital contributions and withdrawal by owners | | | | | | | | |
| 1. Increase in capital resulting from the exercise of share options by the Company | 14,456 | – | 246,695 | – | – | – | – | 261,151 |
| 2. Contributions by minority shareholders | – | – | – | – | – | – | 11,326 | 11,326 |
| 3. Increase in minority interests resulting from acquisition or establishment of subsidiary | – | – | – | – | – | – | 96,382 | 96,382 |
| 4. Decrease in capital surplus resulting from acquisition of minority interests of subsidiaries | – | – | – | – | – | – | – | – |
| 5. Disposal of subsidiaries (without loss of control) | – | – | – | – | – | – | – | – |
| 6. Disposal of subsidiaries (loss of control) | – | – | – | – | – | – | – | – |
| 7. Increase in capital resulting from the exercise of share options by subsidiaries | – | – | (3,837) | – | – | – | 12,961 | 9,124 |
| 8. Increase in shareholders' equity resulting from share-based payments | – | – | (65,748) | – | – | – | – | (65,748) |
| (III) Profit distribution | | | | | | | | |
| 1. Appropriation to surplus reserve | – | – | – | – | – | – | – | – |
| 2. Profit distribution to shareholders | – | – | – | – | – | (833,030) | (100,180) | (933,210) |
| (IV) Issue of other equity instruments | – | 1,981,143 | – | – | – | – | – | 1,981,143 |
| **IV. Balance at 31 December 2015** | **2,687,085** | **1,981,143** | **863,616** | **(898,703)** | **3,126,406** | **17,337,125** | **5,134,198** | **30,230,870** |

**2014 — Equity attributable to shareholders of the parent company**

| Item | Share capital | Capital surplus | Other comprehensive income | Surplus reserve | Undistributed profits | Differences in translation in foreign currency statements | Minority interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| **I. Balance at 30 June 2014** | 2,662,396 | 707,700 | – | 3,121,288 | 14,899,313 | (716,660) | 3,822,091 | 24,496,128 |
| Add: Changes in accounting policies | – | (55,872) | (660,788) | – | – | 716,660 | – | – |
| **II. Balance at 1 January 2015** | 2,662,396 | 651,828 | (660,788) | 3,121,288 | 14,899,313 | – | 3,822,091 | 24,496,128 |
| **III. Movements for the year** | | | | | | | | |
| (I) Total comprehensive income | | | | | | | | |
| 1. Net profit | – | – | – | – | 2,477,802 | – | 556,126 | 3,033,928 |
| 2. Other comprehensive income | – | – | (186,399) | – | – | – | 4,749 | (181,650) |
| Sub-total of 1&2 | – | – | (186,399) | – | 2,477,802 | – | 560,875 | 2,852,278 |
| (II) Capital contributions and withdrawal by owners | | | | | | | | |
| 1. Increase in capital resulting from the exercise of share options by the Company | 10,233 | 104,512 | – | – | – | – | – | 114,745 |
| 2. Contributions by minority shareholders | – | – | – | – | – | – | 89,900 | 89,900 |
| 3. Increase in minority interests resulting from acquisition or establishment of subsidiary | – | (51,925) | – | – | – | – | 730,593 | 678,668 |
| 4. Decrease in capital surplus resulting from acquisition of minority interests of subsidiaries | – | (114,093) | – | – | – | – | (65,428) | (179,521) |
| 5. Disposal of subsidiaries (without loss of control) | – | – | – | – | – | – | – | – |
| 6. Disposal of subsidiaries (loss of control) | – | – | – | – | – | – | (1,634) | (1,634) |
| 7. Increase in capital resulting from the exercise of share options by subsidiaries | – | 10,972 | – | – | – | – | 3,259 | 14,231 |
| 8. Increase in shareholders' equity resulting from share-based payments | – | 85,212 | – | – | – | – | 10,379 | 95,591 |
| (III) Profit distribution | | | | | | | | |
| 1. Appropriation to surplus reserve | – | – | – | 5,118 | (5,118) | – | – | – |
| 2. Profit distribution to shareholders | – | – | – | – | (720,037) | – | (158,234) | (878,271) |
| (IV) Issue of other equity instruments | – | – | – | – | – | – | – | – |
| **IV. Balance at 31 December 2015** | 2,672,629 | 686,506 | (847,187) | 3,126,406 | 16,651,960 | – | 4,991,801 | 27,282,115 |

### 10.6.8 *Statement of Changes in Shareholders' Equity (unaudited)*

*Unit: RMB thousand*

| Item | From January to June 2015 Share capital | Other equity instruments | Capital surplus | Other comprehensive income | Surplus reserve | Undistributed profits | Total shareholders' equity | 2014 Share capital | Capital surplus | Other comprehensive income | Surplus reserve | Undistributed profits | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **I. Balance at 30 June 2014** | **2,672,629** | **–** | **129,788** | **43,754** | **3,126,406** | **1,594,245** | **7,566,822** | 2,662,396 | 8,480 | – | 3,121,288 | 1,308,078 | 7,100,242 |
| Add: Changes in accounting policies | – | – | – | – | – | – | – | – | (43,754) | 43,754 | – | – | – |
| **II. Balance at 1 January 2015** | **2,672,629** | **–** | **129,788** | **43,754** | **3,126,406** | **1,594,245** | **7,566,822** | 2,662,396 | (35,274) | 43,754 | 3,121,288 | 1,308,078 | 7,100,242 |
| **III. Movements for the period** | – | – | – | – | – | – | – | – | – | – | – | – | – |
| (I) Total comprehensive income | – | – | – | – | – | – | – | – | – | – | – | – | – |
| (1) Net (loss)/profit | – | – | – | – | – | **(174,515)** | **(174,515)** | – | – | – | – | 1,011,322 | 1,011,322 |
| (2) Other comprehensive income | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Sub-total of (1)&(2) | – | – | – | – | – | **(174,515)** | **(174,515)** | – | – | – | – | 1,011,322 | 1,011,322 |
| (II) Capital contributions and withdrawal by owners | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 1. Increase in shareholders' equity resulting from share-based payment | – | – | **3,499** | – | – | – | **3,499** | – | 60,550 | – | – | – | 60,550 |
| 2. Increase in capital resulting from the exercise of share options | **14,456** | – | **149,282** | – | – | – | **163,738** | 10,233 | 104,512 | – | – | – | 114,745 |
| (III) Profit distribution | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 1. Appropriation to surplus reserve | – | – | – | – | – | – | – | – | – | – | 5,118 | (5,118) | – |
| 2. Profit distribution to shareholders | – | – | – | – | – | **(833,030)** | **(833,030)** | – | – | – | – | (720,037) | (720,037) |
| (IV) Issue of other equity instruments | – | **1,981,143** | – | – | – | – | **1,981,143** | – | – | – | – | – | – |
| **IV. Balance at 30 June 2015** | **2,687,085** | **1,981,143** | **282,569** | **43,754** | **3,126,406** | **586,700** | **8,707,657** | 2,672,629 | 129,788 | 43,754 | 3,126,406 | 1,594,245 | 7,566,822 |

**NOTES:**

## 1. PREPARATION BASIS

The financial statements have been prepared in accordance with the Basic Standard of the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC on 15 February 2006 and thereafter, and the specific accounting standards and the relevant regulations, and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Rules on Financial Reporting issued by the China Securities Regulatory Commission.

The financial statements have been prepared on a going concern basis.

## 2. STATEMENT REGARDING COMPLIANCE WITH CASBE

The Company's financial statements for the period from 1 January 2015 to 30 June 2015 are prepared in accordance with the requirements of CASBE, and truly and completely present the consolidated and corporate financial position of the Company as at 30 June 2015 and other related information including the consolidated and corporate operating results and cashflows during January to June 2015.

## 3. ACCOUNTS RECEIVABLE

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

*Unit: RMB thousand*

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

**(2) The ageing of accounts receivable is analysed as follows:**

*Unit: RMB thousand*

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

**(3) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to cash at bank and on hand, receivables and derivative financial instruments entered into for hedging purposes and etc. Exposure to these credit risks are monitored by the management on an ongoing basis.

In respect of receivables, the management of the Group has established, according to the actual situation, a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the financial conditions of the customers, the external ratings of the customers, their bank credit records where available and previous payment records. Receivables are due within from 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers, but earnest or prepayment is requested sometimes depending on the customer's situation as the Group has strict restrictions on title transfer.

Most of the Group's customers have been transacting with the Group for a long time, and losses have occurred infrequently. In monitoring credit risk of the Group, customers are analysed and categorised according to key factors, such as ageing, maturity dates and days overdue. The Group has made impairment provision for the significant overdue receivables at 30 June 2015.

In accordance with the indicators from the Group based on the assets of associates and joint ventures, and the profit forecast of development projects, the Group provides fund to associates and joint ventures and continues to monitor the projects' progress and their operation to ensure the recoverability of the fund.

The receivables of the Group which are neither past due nor impaired are mainly due to a number of customers for whom there was no recent history of default.

The Group's exposure to credit risk is influenced mainly by the individual characteristics and industries of each customer rather than country or area in which the customers operate. Due to the significant concentrations of the global shipping industry and its related industries, the significant concentrations of credit risk arise primarily when the Group has exposure to significant receivables from individual customers. At the balance sheet date, the Group had a certain concentration of credit risk, as 5.15% (2014: 10.55%) of the total accounts receivable and other receivables which were due from the five largest customers of the Group.

## 4. ACCOUNTS PAYABLE

Accounts payable is as follows:

*Unit: RMB thousand*

| Item | **30 June 2015** | 31 December 2014 |
|---|---|---|
| Accounts payable for raw material procurement | **10,604,888** | 11,364,903 |

The ageing of accounts payable is analysed as follows:

*Unit: RMB thousand*

| Item | **30 June 2015** | 31 December 2014 |
|---|---|---|
| Within 1 year (inclusive) | **10,311,332** | 11,212,248 |
| 1 to 2 years (inclusive) | **154,956** | 48,846 |
| 2 to 3 years (inclusive) | **77,675** | 44,834 |
| Over 3 years | **60,925** | 58,975 |
| Subtotal | **10,604,888** | 11,364,903 |

As at 30 June 2015, accounts payable over 1 year with a carrying amount of RMB293,556,000 (31 December 2014: RMB152,655,000) were mainly payables relating to offshore engineering business. The payables have not been settled because the construction period of the offshore engineering project usually lasts more than 1 year.

## 5. UNDISTRIBUTED PROFITS

*Unit: RMB thousand*

| Item | *Note* | **30 June 2015** | 31 December 2014 |
|---|---|---|---|
| Undistributed profits at the beginning of the year | | **16,651,960** | 14,899,313 |
| Add: Net profit attributable to shareholders of the parent company for the current period | | **1,518,195** | 2,477,802 |
| Less: Appropriation to surplus reserve | | **–** | (5,118) |
| Less: Ordinary share dividend payable | *(1)* | **(833,030)** | (720,037) |
| Undistributed profits at the end of the period | *(2)* | **17,337,125** | 16,651,960 |

### (1) Dividends of ordinary shares declared during the period

*Unit: RMB thousand*

| | **30 June 2015** | 31 December 2014 |
|---|---|---|
| Dividends approved but not declared at the end of the period | **–** | – |
| Total proposed dividends during the period | **833,030** | 720,037 |

In accordance with the approval at the shareholders' general meeting held on 8 June 2015, the Company paid cash dividends in the amount of RMB0.31 per share to the ordinary shareholders on 22 July 2015 (2014: RMB0.27 per share), totalling RMB833,030,000 (2014: RMB720,037,000).

### (2) Undistributed profits at the end of the period

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

## 6. REVENUE AND COST OF SALES

*Unit: RMB thousand*

| Item | From January to June 2015 | From January to June 2014 |
|---|---|---|
| Revenue from principal operations | **32,109,684** | 31,505,113 |
| Revenue from other operations | **527,605** | 541,015 |
| Total | **32,637,289** | 32,046,128 |
| Cost of sales from principal operations | **27,274,530** | 26,596,154 |
| Cost of sales from other operations | **244,750** | 272,486 |
| Total | **27,519,280** | 26,868,640 |

There was no individual construction contract whose revenue amounted to more than 10% of the total operating income.

## 7. INCOME TAX EXPENSES

*Unit: RMB thousand*

| Item | From January to June 2015 | From January to June 2014 |
|---|---|---|
| Current income tax calculated based on tax law and related regulations | **428,103** | 383,707 |
| Movements in deferred income tax | **(3,035)** | (401,599) |
| Total | **425,068** | (17,892) |

Reconciliation between income tax expenses and accounting profits is as follows:

*Unit: RMB thousand*

| Item | From January to June 2015 | From January to June 2014 |
|---|---|---|
| Profit before income tax | **2,077,478** | 1,268,227 |
| Income tax calculated at applicable tax rates | **645,585** | 553,682 |
| Effect of tax incentive | **(132,602)** | (174,596) |
| Expenses not deductible for tax purposes | **63,762** | 55,679 |
| Income not subject to tax | **(183,584)** | (232,242) |
| Tax effect of utilisation of previously unrecognised tax losses on deferred tax assets | **(10,950)** | (9,917) |
| Unrecognised tax losses | **39,193** | 48,044 |
| Tax effect of deductible temporary differences from unrecognised deferred tax assets | **11,395** | 78,881 |
| Effect of tax rate change on deferred tax | **(584)** | 2,313 |
| Tax refund for income tax annual filing | **(7,147)** | – |
| Withholding tax for profit of foreign holding companies in current period | **–** | 3,149 |
| Income tax of previous years reversed for foreign holding companies recognised as domestic resident enterprises | **–** | (342,885) |
| Income tax expenses | **425,068** | (17,892) |

## 8. 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 of the Company:

| | **January to June 2015** | January to June 2014 |
|---|---|---|
| Consolidated net profit attributable to ordinary shareholders of the Company (RMB thousand) | **1,518,195** | 1,035,029 |
| Weighted average number of ordinary shares outstanding of the Company ('000) | **2,672,629** | 2,663,861 |
| Basic earnings per share (RMB per share) | **0.5681** | 0.3885 |

### (2) Diluted earnings per share

Diluted earnings per share is calculated by dividing adjusted consolidated net profit attributable to ordinary shareholders of the Company by the adjusted weighted average number of ordinary shares outstanding of the Company:

| | **January to June 2015** | January to June 2014 |
|---|---|---|
| Consolidated net profit attributable to ordinary shareholders of the Company (diluted) (RMB thousand) | **1,515,550** | 1,028,417 |
| Weighted average number of ordinary shares outstanding of the Company (diluted) ('000) | **2,693,383** | 2,674,756 |
| Diluted earnings per share (RMB per share) | **0.5627** | 0.3845 |

*Note:* The subsidiaries' share-based payment programme is not material to the Company's diluted earnings per share.

***Calculation of weighted average number of ordinary shares (diluted):***

| | **January to June 2015** | January to June 2014 |
|---|---|---|
| Weighted average number of ordinary shares out-standing ('000) | **2,672,629** | 2,663,861 |
| Effect of share options ('000) | **20,754** | 10,895 |
| Weighted average number of ordinary shares out-standing (diluted) ('000) | **2,693,383** | 2,674,756 |

The Board of the Company was authorised to grant 60,000,000 share options (2.24% of the total of 2,672,628,551 shares issued by the Company) to the senior management and other staff.

## 9. DIVIDENDS

The Board does not propose to declare the interim dividend for the six months ended 30 June 2015 (the same period of 2014: Nil).

## 10. SEGMENT REPORTING

In order to assess the segment performance and resources allocation, the Group's management reviews assets, liabilities, revenue, expenses and operating results of each segment regularly. The preparation basis of such information is detailed as follows:

Segment assets include current assets such as tangible assets, intangible assets, other long-term assets and receivables, but exclude deferred income tax assets and other unallocated headquarters assets. Segment liabilities include payables, bank borrowings, provisions, special payables and other liabilities of each segment, while deferred income tax liabilities are excluded.

Segment operating results represents segment revenue (including external operating income and inter-segment operating income), offsetting segment expenses, depreciation and amortisation and impairment losses attributable to assets of individual segment, net interest expenditure generated from bank deposits and bank loans attributable to individual segment. Transactions conducted among segments are under similar non-related party transaction commercial terms.

Segment information as at and for the six months ended 30 June 2015 is as follows:

| Item | Containers January to June 2015 | Road transportation vehicles January to June 2015 | Energy, chemistry and food equipment January to June 2015 | Offshore engineering January to June 2015 | Airport facilities January to June 2015 | Logistics services and equipment January to June 2015 | Finance January to June 2015 | Property development January to June 2015 | Heavy trucks January to June 2015 | Others January to June 2015 | Elimination between segments January to June 2015 | Unallocated items January to June 2015 | Total January to June 2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| External revenue | 12,175,096 | 6,615,446 | 4,498,517 | 2,587,488 | 883,084 | 4,148,284 | 825,057 | 238,713 | 293,853 | 371,751 | – | – | 32,637,289 |
| Inter-segment revenue | 303,536 | 66,669 | 275,915 | 2,455,787 | – | 119,526 | – | – | 102,237 | 320,941 | (3,644,611) | – | – |
| Cost of sales from main operations | 10,454,994 | 5,416,408 | 3,936,848 | 4,959,077 | 580,479 | 3,912,129 | 263,627 | 140,211 | 357,033 | 461,202 | (3,207,478) | – | 27,274,530 |
| Investment income/(losses) in associates and joint ventures | 38 | 176 | (1,006) | – | – | 7,961 | 6,494 | 148,650 | (5,838) | 3,469 | – | (150) | 159,794 |
| Assets impairment losses | 5,527 | 24,038 | (6,943) | (54) | 386 | 3,786 | 108,790 | – | – | – | – | – | 135,530 |
| Depreciation and amortisation expenses | 193,223 | 156,965 | 152,581 | 116,710 | 22,876 | 100,092 | 114,941 | 3,762 | 100,768 | 16,356 | – | 35,260 | 1,013,534 |
| Interest income | 130,687 | 30,179 | 17,747 | 104,377 | 983 | 5,326 | 83,019 | 8,082 | 2,896 | 391,070 | (579,182) | 372 | 195,556 |
| Interest expenses | 31,352 | 48,882 | 27,721 | 218,638 | 9,815 | 18,343 | 166,596 | 14,198 | 43,512 | 13,212 | (442,111) | 468,531 | 618,689 |
| Total profit/(losses) | 959,864 | 391,336 | 348,313 | 19,768 | (44,643) | 86,490 | 610,912 | 148,113 | (142,248) | (22,849) | 199,110 | (476,688) | 2,077,478 |
| Income tax expenses | 249,855 | 72,610 | 88,859 | 1,110 | 2,602 | 29,016 | 20,608 | 8,997 | (3,455) | 747 | – | (45,881) | 425,068 |
| Net profit/(losses) | 710,009 | 318,726 | 259,454 | 18,658 | (47,245) | 57,474 | 590,304 | 139,116 | (138,793) | (23,596) | 199,110 | (430,806) | 1,652,411 |
| Total assets | 19,789,115 | 11,284,269 | 11,489,721 | 26,842,408 | 2,798,186 | 4,413,656 | 15,637,555 | 4,169,390 | 4,027,447 | 4,703,838 | (14,032,690) | 4,470,594 | 95,593,489 |
| Total liabilities | 12,264,598 | 6,244,818 | 6,350,415 | 26,243,460 | 2,051,089 | 3,013,666 | 11,914,351 | 3,326,028 | 3,650,603 | 2,151,726 | (42,665,054) | 30,816,921 | 65,362,621 |
| Other material non-cash items: | | | | | | | | | | | | | |
| – Other non-cash expenses/(income) other than depreciation and amortisation | (176,825) | 11,370 | (18,690) | (102,921) | (2,479) | 5,400 | 107,511 | – | (782) | (41,743) | – | 208,096 | (11,063) |
| – Long-term equity investments of associates and joint ventures | 52,939 | 50,331 | 4,000 | 2 | – | 483,639 | 159,888 | 260,326 | 197,969 | 47,047 | – | 212,226 | 1,468,367 |
| – The amount of additions to non-current assets other than long-term equity investments | 600,101 | 255,948 | 179,549 | 222,533 | 433,695 | 368,983 | 11,028,575 | 71 | 16,659 | 5,324 | – | 80,912 | 13,192,350 |

Segment information as at and for the six months ended 30 June 2014 is as follows:

*Unit: RMB thousand*

| Item | Containers January to June 2014 | Road transportation vehicles January to June 2014 | Energy, chemistry and liquid food equipment January to June 2014 | Offshore engineering January to June 2014 | Airport facilities January to June 2014 | Logistics services January to June 2014 | Others January to June 2014 | Elimination between segments January to June 2014 | Unallocated items January to June 2014 | Total January to June 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| External revenue | 11,397,544 | 7,018,972 | 5,461,093 | 3,095,649 | 750,752 | 3,318,339 | 1,003,779 | – | – | 32,046,128 |
| Inter-segment revenue | 107,704 | 125,976 | 366,167 | 2,570,140 | – | 106,581 | 205,121 | (3,481,689) | – | – |
| Investment income/(losses) in associates and joint ventures | – | 920 | – | – | – | 5,985 | 63,819 | – | (45,561) | 25,163 |
| Assets impairment losses for the period | 9,818 | 17,468 | 1,149 | (36,225) | (2,343) | 5,915 | 7,500 | – | – | 3,282 |
| Depreciation and amortisation expenses | 176,001 | 121,106 | 123,174 | 80,368 | 2,328 | 67,339 | 42,543 | – | 19,560 | 632,419 |
| Interest income from bank deposits | 86,679 | 26,467 | 219 | 2,759 | 1,459 | 4,930 | 329,092 | (386,096) | 612 | 66,121 |
| Interest expenses | 41,743 | 42,720 | 24,143 | 237,113 | 8,574 | 15,438 | 103,052 | (386,096) | 410,817 | 497,504 |
| Total profit/(losses) | 411,753 | 308,131 | 510,949 | 49,620 | (45,111) | 62,651 | 134,678 | 159,046 | (323,490) | 1,268,227 |
| Income tax expenses | 89,033 | 82,404 | 22,009 | 152 | 980 | 21,245 | (239,925) | – | 6,210 | (17,892) |
| Net profit/(losses) | 322,720 | 225,726 | 488,940 | 49,467 | (46,091) | 41,406 | 374,604 | 159,046 | (329,699) | 1,286,119 |
| Total assets | 18,760,172 | 11,879,226 | 11,520,569 | 18,490,096 | 2,056,364 | 4,415,124 | 18,369,004 | (5,554,667) | 2,558,308 | 82,494,196 |
| Total liabilities | 12,492,313 | 7,126,888 | 6,943,115 | 18,024,275 | 1,449,925 | 3,125,197 | 5,174,106 | (23,094,020) | 26,231,281 | 57,473,080 |
| Other material non-cash items: | | | | | | | | | | |
| – Other non-cash expenses/(income) other than depreciation and amortisation | 261,787 | 18,025 | 9,466 | (419) | (3,048) | 10,272 | 7,315 | – | 14,256 | 317,654 |
| – Long-term equity investments of associates and joint ventures | 5,786 | 44,760 | 6,057 | – | – | 359,792 | 244,959 | – | 513,376 | 1,174,730 |
| – The amount of additions to non-current assets other than long-term equity investments | 616,372 | 220,795 | 249,046 | 1,039,833 | 41,602 | 205,523 | 7,576,983 | – | 31,702 | 9,981,856 |

## 11. NET CURRENT ASSETS

*Unit: RMB thousand*

| | The Group | |
|---|---|---|
| | **30 June 2015** | 31 December 2014 |
| Current assets | **47,540,126** | 45,172,177 |
| Less: Current liabilities | **51,085,383** | 43,340,077 |
| Net current assets | **(3,545,257)** | 1,832,100 |

| | The Company | |
|---|---|---|
| | **30 June 2015** | 31 December 2014 |
| Current assets | **15,526,717** | 13,510,335 |
| Less: Current liabilities | **14,176,670** | 10,227,084 |
| Net current assets | **1,350,047** | 3,283,251 |

## 12. TOTAL ASSETS LESS CURRENT LIABILITIES

*Unit: RMB thousand*

| | The Group | |
|---|---|---|
| | **30 June 2015** | 31 December 2014 |
| Total assets | **95,593,491** | 87,776,181 |
| Less: Current liabilities | **51,085,383** | 43,340,077 |
| Total assets less current liabilities | **44,508,108** | 44,436,104 |

| | The Company | |
|---|---|---|
| | **30 June 2015** | 31 December 2014 |
| Total assets | **24,509,657** | 22,685,293 |
| Less: Current liabilities | **14,176,670** | 10,227,084 |
| Total assets less current liabilities | **10,332,987** | 12,458,209 |

## 13. CONTINGENCIES

### (1) Contingent liabilities

CIMC Raffles (a subsidiary of the Company) entered into vessel construction contracts and vessel leasing contracts with relevant purchasers, which involve terms of compensation for delivery postponement and termination terms. According to the relevant term of joint venture memorandum signed on 12 March 2014, the owner's compensation liability for CIMC Raffles of delivery delay will be discharged after the joint venture agreement between them is signed and takes effect. While the results depend on signing of a final joint venture agreement, the amount of the compensation for delivery postponement from contracted delivery date to future estimated actual delivery date that CIMC Raffles may need to assume totally amounts to approximately RMB54,655,584.

### (2) Guarantees provided for external parties

CIMC Vehicle (Group) Co., Ltd., a subsidiary of the Group, signed contracts with Bank of Communications, China Merchants Bank and China Everbright Bank, pursuant to which relevant banks provided guarantees in respect of banking facilities granted to the distributors and customers of CIMC Vehicle and its controlling subsidiaries arising from purchase of vehicle products. As at 30 June 2015, as approved by the Board of the Company, the aggregate amount of credit facilities in respect of which CIMC Vehicle and its controlling subsidiaries provided guarantees to the distributors and customers was RMB692,886,000 (31 December 2014: RMB847,892,000).

C&C Trucks and C&C Trucks Marketing Service Co., Ltd., subsidiaries of the Group, signed contracts with Bank of Communications, China Everbright Bank and CIMC Financial Leasing Co., Ltd., pursuant to which relevant banks and financial institutions provided guarantees in respect of banking facilities granted to the distributors and customers of C&C Trucks and its controlling subsidiaries arising from purchase of vehicle products. As at 30 June 2015, as approved by the Board of the Company, the aggregate amount of credit facilities in respect of which CIMC Vehicle and its controlling subsidiaries provided guarantees to the distributors and customers was RMB203,086,500.

Yangzhou CIMC Grand Space Real Estate Development Co., Ltd, Yangjiang Shangdong Furi Real Estate Co., Ltd and Yangzhou CIMC Dayu Real Estate Development Co., Ltd, subsidiaries of the Group, provided guarantees to purchasers of commodity houses by way of secured loans. The amount of guarantees provided by the Group was approximately RMB52,000,000 as at 30 June 2015 (31 December 2014: RMB138,673,000).

**(3) Notes payable issued but not accounted for, outstanding letters of credit issued but undue and outstanding performance guarantees**

The Group does not recognise bills payable or letters of credit issued as deposits. Corresponding inventories, advances to suppliers and notes payable are recognised at the earlier of the date of delivery of goods and the maturity date of the bills issued.

As at 30 June 2015, the Group had bills issued but not accounted for and outstanding letters of credit totalling RMB688,557,000 (31 December 2014: RMB1,412,328,000).

As at 30 June 2015, CIMC Tianda had outstanding balance of guarantees issued by relevant banks totalling RMB298,568,000, of which balance of performance guarantees, bid guarantees, and guarantees provided to suppliers were RMB230,545,000, RMB30,099,000 and RMB37,924,000 (total balance as at 31 December 2014: RMB213,478,000).

As at 30 June 2015, the Company had outstanding balance of guarantees issued by relevant banks totalling USD1,344,000 (equivalent to RMB8,227,000), which were all payment guarantees.

As at 30 June 2015, Nantong CIMC Large-sized Tank Co., Ltd. had outstanding balance of guarantees issued by relevant banks totalling RMB3,430,000, of which balance of performance guarantees and quality guarantees was RMB2,992,000, and balance of prepayment guarantees was RMB438,000.

**(4) Significant pending litigations**

As at 30 June 2015, the Group has no significant pending litigation.

## 14. COMMITMENTS

**Significant commitments**

***(1) Capital commitments***

| | **30 June 2015** | 31 December 2014 |
|---|---|---|
| Fixed assets purchase contracts entered but not performed or performed partially | **52,604** | 2,657 |
| External investment contracts entered but not performed or performed partially | **324,513** | 150,355 |
| Vessels manufactured for sales or lease | **221,092** | 519,242 |
| External investments approved by the Board | **72,801** | 24,062 |
| Total | **671,010** | 696,316 |

*Capital commitments authorised by the management but not yet contracted for*

| | **30 June 2015** | 31 December 2014 |
|---|---|---|
| Buildings, machinery and equipment | **72,801** | 24,062 |

*(2) Operating lease commitments*

The minimum lease payments due after 31 December by the Group under the irrevocable operating leases contracts regarding buildings, fixed assets etc. are detailed as follows:

| | **30 June 2015** | 31 December 2014 |
|---|---|---|
| Within 1 year (inclusive) | **84,690** | 30,888 |
| Over 1 year but within 2 years (inclusive) | **38,692** | 28,315 |
| Over 2 years but within 3 years (inclusive) | **30,639** | 13,974 |
| Over 3 years | **58,287** | 65,873 |
| Total | **212,308** | 139,050 |

Operating lease recognised as profit or loss in January to June 2015 was RMB65,711,000 (January to June 2014: RMB35,949,000).

## 15. SUPPLEMENTARY INFORMATION

### (1) Return on Net Assets and Earnings Per Share

In accordance with Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (Revised 2010) issued by the CSRC and relevant requirements of accounting standards, the calculation of return on net assets and earnings per share of the Company is listed as follows:

*Unit: RMB*

| **Profit during the Reporting Period** | **Weighted average return on net assets(%)** | **Earnings per share** | |
|---|---|---|---|
| | | **Basic earnings per share** | **Diluted earnings per share** |
| Net profit attributable to ordinary shareholders of the Company | 6.59% | 0.5681 | 0.5627 |
| Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss | 4.92% | 0.4245 | 0.4202 |

### (2) Explanations of Irregular Fluctuations and Related Reasons on Major Items of the Financial Statements

*Unit: RMB thousand*

| **Assets:** | *Note* | **30 June 2015** | 30 June 2014 | Fluctuation amount and percentage *Amount* | % |
|---|---|---|---|---|---|
| **Current assets:** | | | | | |
| Financial assets at fair value through profit or loss | *(1)* | **242,877** | 427,669 | (184,792) | (43)% |
| Advances to suppliers | *(2)* | **3,389,329** | 5,223,351 | (1,834,022) | (35)% |
| **Non-current assets:** | | | | | |
| Long-term receivables | *(3)* | **5,563,364** | 3,449,542 | 2,113,822 | 61% |
| Development costs | *(4)* | **90,249** | 41,705 | 48,544 | 116% |

(1) Financial assets at fair value through profit or loss: mainly due to the disposal of equity instruments for trading during the current period.

(2) Advances to suppliers: mainly due to carry-forward of advances to suppliers for equipment purchases in the previous period upon receipt of relevant equipment purchased in the current period.

(3) Long-term receivables: mainly due to increase in the scale of finance leases in the current period.

(4) Development costs: mainly due to increase in development costs in the current period.

*Unit: RMB thousand*

| **Liabilities:** | *Note* | **30 June 2015** | 30 June 2014 | Fluctuation amount and percentage *Amount* | % |
|---|---|---|---|---|---|
| **Current liabilities:** | | | | | |
| Short-term borrowings | *(1)* | **16,658,876** | 11,239,527 | 5,419,349 | 48% |
| Interest payable | *(2)* | **68,255** | 185,780 | (117,525) | (63)% |
| Dividends payable | *(3)* | **878,901** | 47,973 | 830,928 | 1,732% |
| Other current liabilities | *(4)* | **3,670,297** | 2,452,511 | 1,217,786 | 50% |
| **Non-current liabilities:** | | | | | |
| Debentures payable | *(5)* | **458,520** | 4,455,080 | (3,996,560) | (90)% |
| Other equity instruments | *(6)* | **1,981,143** | – | 1,981,143 | – |

(1) Short-term borrowings: mainly due to the financing arrangement to meet the requirement of working capital.

(2) Interest payable: mainly due to interest of debentures payable settled in the current period.

(3) Dividends payable: mainly due to dividends of ordinary shares declared but not paid in the current period.

(4) Other current liabilities: mainly due to the commercial papers newly issued by the Group in the current period.

(5) Debentures payable: mainly due to reclassification to non current liabilities due within one year.

(6) Other equity instruments: mainly due to the issuance of perpetual RMB medium term notes in the current period.

*Unit: RMB thousand*

| **Profit and loss:** | *Note* | **2015** | 2014 | Fluctuation amount and percentage *Amount* | % |
|---|---|---|---|---|---|
| Assets impairment losses | *(1)* | **135,530** | 3,282 | 132,248 | 4,029% |
| Investment income/(losses) | *(2)* | **744,983** | 38,128 | 706,855 | 1,854% |
| Income tax expenses | *(3)* | **425,068** | (17,892) | 442,960 | 2,476% |

(1) Assets impairment losses: mainly due to provisions for bad debts made for receivables in the current period.

(2) Investment income/(losses): mainly due to disposal of leasing business and increase in investment income recognised of joint ventures and associates via equity method in the current period.

(3) Income tax expenses: mainly attributable to the reversal of withholding income tax of the overseas enterprises which have been identified as Chinese resident enterprises for the previous period.

## 16. EVENTS AFTER THE BALANCE SHEET DATE

### (1) Progress of the Non-public Additional Issue

The Company received the Approval of the Issue of Additional Overseas Listed Foreign Shares by China International Marine Containers (Group) Co., Ltd. (Zheng Jian Xu Ke [2015] No. 1749) from the CSRC on 22 July 2015, pursuant to which, the CSRC approved the Company to issue up to 286,096,100 additional overseas listed foreign shares, all of which are ordinary shares having a par value of RMB1 each.

### (2) Completion of the Transaction with CFSE

The announcements, namely the Announcement of China International Marine Containers (Group) Co., Ltd. in relation to Entering into a Memorandum of Understanding with CFSE, the Supplementary Announcement of China International Marine Containers (Group) Co., Ltd. in relation to Entering into a Memorandum of Understanding with CFSE and the Announcement of China International Marine Containers (Group) Co., Ltd. in relation to Entering into an Acquisition Agreement with CFSE, were respectively disclosed on 19 November 2014, 21 November 2014 and 28 February 2015. The Company proposed to sell its 40% equity interests in Albert Ziegler GmbH to CFSE, and as consideration, CFSE would issue new shares to the Company. The new shares to be issued would be not less than 30% of the enlarged issued share capital of CFSE.

Certain conditions precedent of the acquisition mentioned above have been satisfied and the acquisition was completed on 10 July 2015.

Immediately following completion of the acquisition, Albert Ziegler GmbH became an associated company of CFSE and also an indirect non-wholly-owned subsidiary of the Company. Through CIMC Top Gear B.V. (an indirect wholly-owned subsidiary of the Company), the Company became the single largest shareholder of CFSE and owned 1,223,571,430 shares of CFSE, accounting for 30% of the issued share capital of CFSE as at the date of the Announcement. CFSE became an associated company of the Company. Any increase in the voting rights of CFSE by the Company and/or CIMC Top Gear B.V. upon completion of the acquisition is subject to 2% creeper of Rule 26.1 of The Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong. The 2% creeper is calculated based on the lowest percentage holding by the Company and/or CIMC Top Gear B.V. in CFSE within 12 months prior to the date of completion of increase in relevant voting rights.

By Order of the Board
**China International Marine Containers (Group) Co., Ltd.**
**Li Jianhong**
*Chairman*

Hong Kong, 27 August 2015

*As at the date of this announcement, the Board comprises; Mr. Li Jianhong (Chairman), Mr. Zhang Liang (Vice Chairman), Mr. Wang Hong and Mr. Wu Shuxiong as the non-executive Directors; Mr. Mai Boliang as the executive Director; Mr. Li Kejun, Mr. Pan Chengwei and Mr. Wong Kwai Huen, Albert as the independent non-executive Directors.*

*This announcement contains certain forward-looking statements with respect to the financial position, financial results and business of the Group. These forward-looking statements are, by their names, subject to significant risk and uncertainties because they relate to events and depend on circumstances that are beyond our control. The forward-looking statements reflect the Group's current views with respect of future events and are not a guarantee of future performance. Actual results may differ from information contained in the forward-looking statements.*